Exor

2021 Annual Report

Exor N.V.
Corporate Seat: Amsterdam, the Netherlands
Principal Office: Gustav Mahlerplein 25 - 1082 MS Amsterdam, The Netherlands
Share Capital: €7,398,685 (as of 31 December 2021)
Amsterdam Dutch Commercial Register under number 64236277

Dear Shareholders,

I write to you this year with great sadness given the war currently underway in Ukraine where lives are being lost and permanently changed. Our companies have been working to ensure the safety of our employees and their families at this very difficult time and have taken steps to protect our local operations. They have also supported both directly and indirectly some of the refugees from Ukraine, which currently number almost 4 million people.

Credits: Fondazione Specchio d'Italia, Iveco Group, Juventus, Polish Humanitarian Action, Regione Emilia-Romagna, UNICEF Italia

The multiple possible outcomes of this terrible conflict are very daunting and I truly hope that peace will prevail over war. As Pope Francis said recently, "*may humanity understand that the moment has come to abolish war, to erase it from human history before it erases human history.*"

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EXOR IN 2021

I want to start this letter with an overview of our performance. In 2021, Exor's Net Asset Value per share, or NAV per Share, increased by 29.7% and we outperformed by 0.4 p.p. our benchmark, the MSCI World Index in Euro. (This year we changed the denomination from US dollars to Euros to increase our alignment with our balance sheet and listing currency.)

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

Annual percentage change

Year	1 - Exor NAV per share in EUR	2 - MSCI World Index in EUR	Relative results (1-2)
2009	87.1	37.8	49.3
2010	44.2	17.2	27.0
2011	(23.8)	(4.5)	(19.3)
2012	19.3	11.4	7.9
2013	15.8	18.7	(2.9)
2014	14.5	17.2	(2.7)
2015	20.8	8.3	12.5
2016	13.2	8.5	4.7
2017	37.9	5.5	32.4
2018	(9.5)	(5.9)	(3.6)
2019	37.1	27.5	9.6
2020	3.5	4.6	(1.1)
2021	29.7	29.3	0.4
Compound annual rate	**19.8**	**13.0**	**6.8**

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

Our performance was mainly driven by the underlying growth in value of our listed companies. In 2021, CNH Industrial grew by 66.3%, Stellantis by 41.1% and Ferrari by 20.6%. In addition, we benefited from an adjustment in the valuation of PartnerRe (+13.1% in USD, +20.6% in Euro) to bring it in line with the agreed sale price.

NET ASSET VALUE AT 31 DECEMBER 2021

€ million	31-Dec-2021	31/12/2020	Change vs. 31 December 2020	
			Amount	%
Companies	**34,314**	**26,941**	7,373	+27.4 %
Investments and other assets	**1,833**	**1,210**	623	+51.5 %
Gross Asset Value (GAV)	**36,147**	**28,151**	7,996	+28.4 %
Gross Debt	**(4,307)**	**(4,110)**	(197)	+4.8 %
Other Liabilities	**(771)**	**—**	(771)	n.a.
Net Asset Value (NAV)	**31,069**	**24,041**	7,028	+29.2 %
NAV per Share (EUR)	**132.4**	**102.1**	30.3	+29.7 %

Companies (95% of GAV)

Our companies are the ones in which we have significant ownership. In each of these, we play a role within their governance and work with them to support not only their financial performance but also how they renew themselves, how they create distinctiveness and how they act in a responsible way. Exor's purpose is "*to build great companies*" and we believe this means constantly raising the bar in all four of these areas.

This year I am going to begin this overview with our largest privately held company, PartnerRe.

In December 2021, we signed a definitive agreement for the sale of PartnerRe to Covéa for a total cash consideration of $9 billion. As I wrote in our Letter to Shareholders in 2019, we believe that Covéa will provide a "*good home for PartnerRe and its employees*" and that having access to Covéa's balance sheet will be "*competitively advantageous*" for the business. However, as I then noted in my letter of 2020, we also felt that the revised price offered by Covéa during our initial negotiations *"did not properly reflect the company's true value and its bright prospects*". In 2021, a new round of discussions with Covéa took place and this enabled us to reach a revised agreement with a high degree of trust. We are pleased that this transaction is now going ahead as we continue to believe that it is in the best interests of PartnerRe, Covéa and Exor.

Given that PartnerRe represented the biggest ever acquisition in Exor's history, I would like to share with you how we worked with the Board and its leadership team during our ownership on its path to becoming a great company.

We acquired PartnerRe in March 2016 after its Board decided not to pursue a merger with a competitor and accepted a superior cash offer from Exor. At the time, PartnerRe was facing several challenges.

These included absorbing an outlier Non-Life underwriting loss following the Tohuku earthquake in 2011 (which resulted in a downgrade from the rating agencies), owning a sub-scale and unprofitable Non-Life primary insurance business, and managing a Life & Health reinsurance business that lacked product diversity and a presence in key markets.

From this starting point, we supported the company to improve its strategy and its operations. The company downsized its primary insurance business given its lack of scale, infrastructure and access to distribution. It meanwhile grew its Life & Health reinsurance business organically as well as through the acquisition of Aurigen, a leading Canadian insurer, which was purchased at book value in 2017. After being strengthened by these actions, the Life & Health business provided growing and diversifying profit streams with limited capital consumption. During our ownership, the value in force of this business more than tripled, growing from $204 million in December 2015 to $757 million in December 2021. This segment also showed healthy profitability, reporting $70 million in allocated underwriting profit in 2020 and $97 million in 2021, despite the increased mortality losses sadly generated in these years by the COVID-19 pandemic.

During our ownership PartnerRe also developed a third-party capital Insurance Linked Solutions (ILS) business. ILS used capital provided by PartnerRe's partners – primarily pension funds, asset managers and other institutional investors – to underwrite a portion of its catastrophe and specialty business. This ILS business allowed PartnerRe to de-risk its balance sheet, transforming a highly volatile stream of profits with high capital consumption into a less capital-intensive asset management income stream. By December 2021, the ILS business had $1.1 billion of assets under management making it an important player in this attractive market for reinsurers.

We also worked with PartnerRe on its operations to improve its investment returns, operating costs, capital structure and Non-Life underwriting profits.

We addressed investment returns by simplifying PartnerRe's investment activity to focus on core fixed income products and to use Exor and PartnerRe's investment capabilities to manage directly the bulk of its financial assets (the assets not intended to back reinsurance liabilities). As a result of these actions, PartnerRe was able to earn superior returns and decrease its sensitivity to interest rates. Total invested assets grew from $16.5 billion in 2016 to $20.5 billion in 2021 and the company's investment performance ranked in the top quartile of the industry.

PartnerRe's operating costs were addressed by streamlining its organisational structure, IT infrastructure and location footprint. These actions reduced annual operating costs by over $100 million during our ownership (a greater than 25% reduction). We reinvested a portion of these savings to build the Life & Health business, growing the number of associates in that area from 98 to 286. These decisions delivered a significantly improved cost ratio, from 7.2% to 5.7%, which is among the best in the industry.

PartnerRe's capital structure was optimised by changing its mix of Tier 1 and 2 capital, alongside diversifying its funding market to include European issued debt since this is significantly cheaper than its USD denominated counterpart. Through these changes, the company was able to reduce its annual financial run rate costs (interest expenses and preferred dividends) by $41 million in 2021 compared to 2015. By increasing its European debt, it was also able to better match its assets to its liabilities.

Despite these successes, we found it initially more difficult to improve the performance of PartnerRe's Non-Life business partly because four out of the six years of Exor's ownership were characterised by market catastrophe losses in excess of $60 billion per year. However, the result of our efforts to improve performance in this area became evident in 2021, when PartnerRe delivered a Non-Life underwriting profit of $507 million (a combined ratio of 90.5%), despite the fact that the industry absorbed over $100 billion of market catastrophe losses last year.

Overall, the improvements at PartnerRe that were achieved during our ownership are expected to deliver $3.5 billion of capital gains to Exor (including dividends). These gains come after paying out over $2 billion in catastrophe and COVID-19 losses to policyholders since 2016, money that has supported thousands of people around the world impacted by tragic disasters and pandemic events.

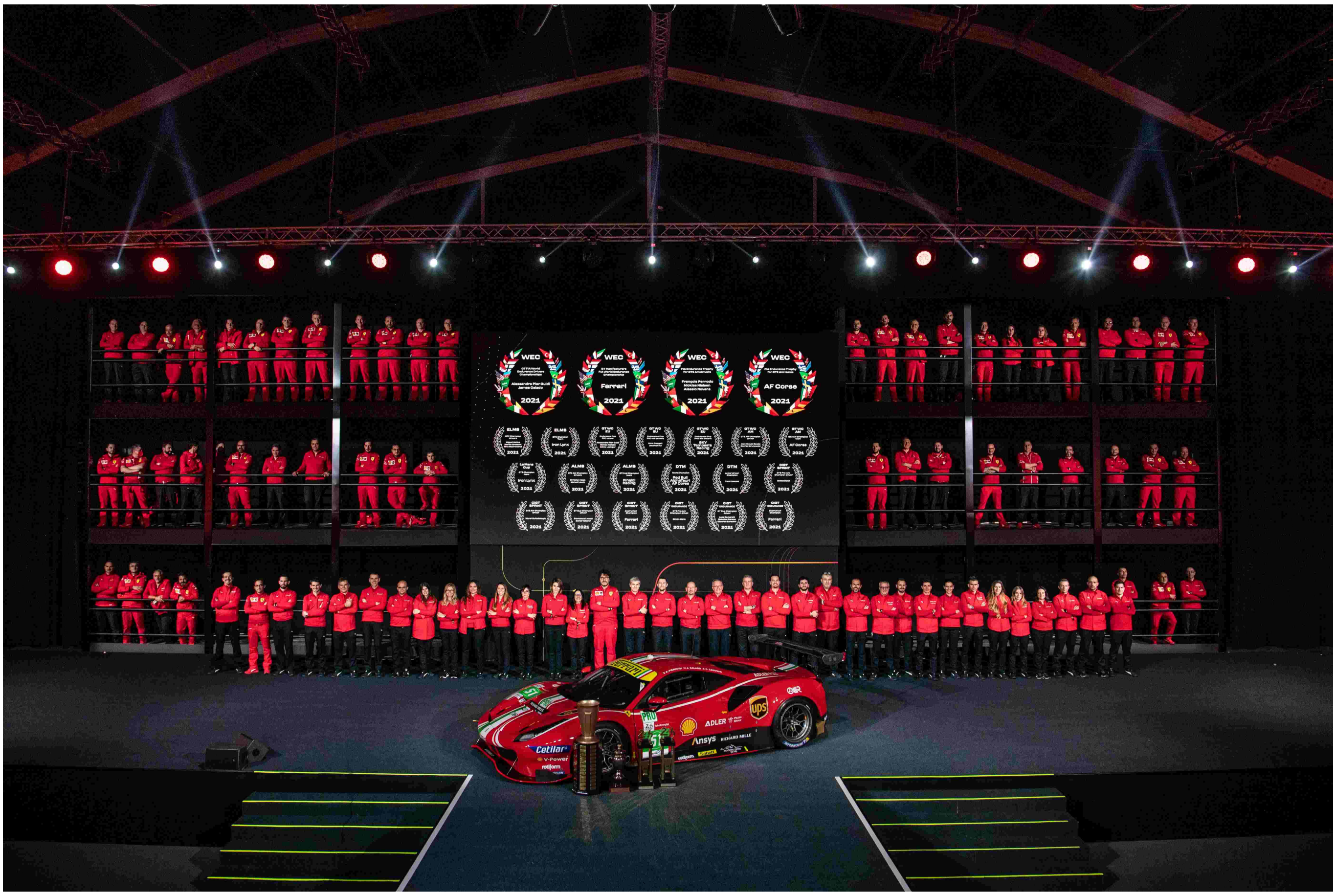
As PartnerRe moves under the ownership of Covéa, the combined company will benefit from the increased scale and financial strength of its shared business lines. Although we are saying goodbye to PartnerRe, we will maintain strong ties as we will with Covéa by continuing to invest together, having established a relationship that is based on mutual trust and a shared long-term horizon. I would like to thank PartnerRe's Board, its Chairman Brian Dowd, its CEO Jacques Bonneau (who will continue to lead the company), its management team and its associates for all they have done and I wish them well as they take the next steps on their journey to building a great company.

In 2021, Ferrari, our most valuable company, achieved a record year that highlighted the strength of its product lines with double-digit growth in net revenues of €4.3 billion (+23.4%) and record EBITDA of €1.5 billion. The order book for last year was the strongest ever and covers well into 2023 with all regions showing significant growth. The company has carefully managed this impressive order intake in line with its strategy of controlling growth and preserving exclusivity. Ferrari sold 11,155 units in 2021 and continues to offer extraordinary vehicles positioned at the top end of the luxury industry.

During this year, Ferrari has added to its range including the launch of the 812 Competizione with its revolutionary aerodynamics, the exhilarating 296 GTB, which features the latest hybrid powertrain, combining a V6 turbo with an electric motor, and the evocative Ferrari Daytona SP3, the latest limited edition Icona. Ferrari has also introduced its brand into exciting new territories including launching its first fashion collection – a range that truly reflects its excellence in quality and design – and starting to give its stores a new look to complement its offering.

In addition, the company also reopened and revitalised its Cavallino restaurant in Maranello, while retaining its heritage.

On the track this was Ferrari's best ever GT season, winning the Drivers' and Manufacturers' World titles in the FIA World Endurance Championship and claiming victory at the 24 Hours of Le Mans. It also announced its eagerly awaited return to the top class of the FIA World Endurance Championship in 2023 with its Le Mans Hypercar (LMH) programme and attracted a passionate new audience with the Ferrari Esports Series, gaining 35,000 participants across Europe. With five podium places and third place in the constructor standings, the Formula One season produced some encouraging signs and the company is now focussed on the 2022 challenge, confident that the *Scuderia* has the best pair of drivers on the grid in Charles Leclerc and Carlos Sainz, who are off to a good start.



Enzo Ferrari, who founded the company, once said that "*Ferrari above all is made of people*". After stepping in last year as CEO, I can only echo this, thanking the Ferrari team for everything that we achieved together and warmly welcoming Benedetto Vigna who succeeded me. Benedetto joins Ferrari from STMicroelectronics ("ST"), where he was President of its Analog, MEMS (Micro-electromechanical Systems) and Sensors Group, ST's largest and most profitable operating business. His knowledge, gained from over 25 years working at the heart of the semiconductor industry that is rapidly transforming the automotive sector, will accelerate Ferrari's ability to pioneer the application of next generation technologies.

As it continues on its journey, Ferrari will be working with LoveFrom, the creative collective led by Jony Ive (who has also joined the Exor Partners Council) and Marc Newson. Exor has announced a multi-year collaboration with LoveFrom and the first expression of this new partnership will bring together Ferrari's legendary performance and excellence with LoveFrom's unrivalled experience and creativity that has defined extraordinary world-changing products.

During my last Ferrari leadership meeting as CEO, I shared with my colleagues the existential moment that Hermès went through a century ago. The two grandsons of the founder, Thierry Hermès, did not see eye to eye on the way forward for the family business, which was then a global leader in luxury saddlery and accessories for carriages and horses. Émile-Maurice had returned from America where he had seen the rapid rise of the automobile, which was disrupting their market. He told his brother, Adolphe, that Hermès had to seek renewal and change. But, while Émile-Maurice wanted to embrace this challenge, Adolphe decided to sell his stake in the business to his brother. Émile-Maurice then began using the company's leather goods skills to produce suitcases for automobiles and, in 1922, introduced handbags after his wife complained of not being able to find one to her liking. The company has since gone from strength to strength, while continuing to be owned and operated by its founding family – an inspiration to everyone who leads companies in transitioning markets.

Ferrari is not alone in operating in a rapidly changing world. Like Ferrari, Stellantis is committed to seeking renewal and change within a revolutionising industry. In 2021 alone, there were 11 sizable public listings of pure EV (electric vehicle) players. The top 10 most valuable pure EV companies, which together sold close to 1% of total vehicle units and a third of the electrified units, were worth over $1.5 trillion at year end, while the most valuable 10 traditional car companies, which sold most of the remaining 99% of units, were worth $1 trillion. Markets are clearly telling us where the future is going and Émile-Maurice is a great example for us to keep in mind.

Stellantis used its Electrification Day in July 2021 and its Software Day in December to outline its future direction. These two themes underpin Stellantis' shift to become a sustainable mobility tech company. For example, its EV battery sourcing strategy plans to secure more than 130 gigawatt hours (GWh) of capacity by 2025 and more than 260 GWh by 2030. The EV battery and component needs will be met using five "gigafactories" in Europe and North America, together with additional supply contracts and partnerships. Software needs to work in harmony with electrification, so Stellantis has also mapped out how it will deploy next-generation tech platforms. These build on existing infrastructure to change how customers interact with its brands and cars, moving from 12 million monetizable connected cars globally to 34 million cars.

In its inaugural year, Stellantis responded to the changes in its industry by launching more than 10 new models across its portfolio of 14 storied brands. Alongside this, it showed strong growth in EV sales, with the star being the Fiat 500 Electric. Under the leadership of its CEO, Carlos Tavares, and with the support of his leadership team and associates representing 170 different nationalities, it delivered an incredibly strong year, along with integrating the new company and managing a global semiconductor shortage.

The company delivered €152 billion in pro forma net revenues in 2021, an 11.8% pro forma adjusted operating income margin and a pro forma net profit of €13.4 billion.

In April 2021, we announced that we had entered into a consultation understanding with Peugeot 1810 aimed at strengthening the relations between the Agnelli and Peugeot families and to provide support for Stellantis and its long-term success. As founding families, we are proud of what has been achieved but even more excited about the future.

While 2021 represented an exciting year for several of our companies, others faced significant challenges. For Juventus the 2020/2021 season was turbulent both on and off the pitch. Like the rest of the sports and entertainment industry, the pandemic prevented fans from seeing their teams in action. In 2021, Juventus saw 50% of its games at the Allianz Stadium played behind closed doors with the remainder restricted by limited attendance mandates ranging between 1,000 attendees to 50% of capacity. This robbed the players of the energy that the crowd brings – something the former *bianconeri* player and Chairman Giampiero Boniperti, who sadly left us in 2021, knew well, observing that “*there is no greater gift than the love of the supporters*”.

Unfortunately, the pandemic hit Juventus just as it was beginning to realise its new plan to grow the business using the €300 million capital increase decided at the end of 2019. The combination of the loss of revenues and the global transfer market falling from $7.4 billion in 2019 to $4.9 billion in 2021, led to a difficult first half of the 2021/2022 season with Juventus closing with a loss of €119 million. In response to this, Juventus developed a new plan and launched a capital increase of €400 million that was approved in October 2021. These difficulties highlighted the structural weakness of the football industry in Italy and Europe. Andrea Agnelli, the Juventus Chairman, has, therefore, advocated for changes in the industry’s structure and governance to make it more equitable and sustainable for all those who love this sport.

On the pitch, the Serie A title eluded our men’s team, but the women’s team continued their domestic dominance with a 4th consecutive *Scudetto*. The men were able, however, to win the Italian *Supercoppa* in January before going on to take the *Coppa Italia* in May. As we have learned, when performance is lacking, change is required, which is why we have appointed a new Board, CEO, Sporting Director, Coach and players. We have also ensured the company has sufficient time and resources to get back to the top on and off the pitch, which is the greatest desire of its passionate supporters and shareholders.

Like Juventus, Welltec endured 12 months of market turmoil in 2021. In addition, in April of last year, the company also had to handle a management transition when its founder and CEO Jørgen Hallundbæk retired and passed the reins to the COO Peter Hansen. In June 2021, together with 7-Industries, we then raised our joint participation to 95% to support Welltec in the next stage of its growth. In September 2021, on the back of positive Q2 activity and improved market conditions, coupled with a $52 million capital injection (to which we and 7-Industries subscribed, bringing Exor’s total investment in Welltec to $231.5 million), Welltec refinanced its outstanding $340 million bond.

Helped by an improvement in energy prices and activity, Welltec was able to end the year stronger than it started, delivering its first substantial net profit since 2014.

Despite the improving outlook, the company began 2022 with great sadness since it was marked by the loss of Welltec's founder. Jørgen Hallundbæk transformed the way the oil and gas sector operates through his invention of the Well Tractor, a robot that displaced conventional solutions, enhancing recovery rates and lowering environmental risks. By introducing new ideas into a complex and conservative industry, he was able to build a global technology company that embodied his entrepreneurial spirit and innovative thinking.

After facing several difficult years, we believe Welltec is well positioned to benefit from the strong multi-year cyclical recovery that we expect in the oil and gas sector, with demand remaining broadly stable for the next couple of decades. To match this, and to counter the natural production decline rate of oil fields, the sector will need to increase spending substantially from current depressed levels. We therefore look forward to supporting Welltec as it continues to develop new, safer and more sustainable solutions for the energy industry.

ESG. At our 2019 Investor Day, we promised that we would define our approach to ESG both across our companies and within Exor itself. We continued to develop this thinking throughout the COVID-19 pandemic and were delighted to share it with you at our latest investor day in November 2021.

Exor's purpose, as I shared near the beginning of this letter, is "*to build great companies*" and we believe that acting in a responsible way is a fundamental part of being a great company. Being responsible means not only aligning with best practices but also identifying clear priorities, setting data-driven targets, and raising the bar over time with the goal of achieving industry ESG leadership. Our companies today are at different stages of this ESG journey. CNH Industrial, for example, is already regarded as an ESG leader while here at Exor we have just started our journey.

The approach to ESG that we described in November will apply both to Exor itself and to our companies. This framework was challenging to develop as we needed something that reflected the diversity of the companies within our portfolio, while still being meaningful and ambitious. It is framed in three parts – first foundational elements, then our passions and finally our communication approach.

The foundational elements are the essential starting conditions that we expect all our companies to put in place regardless of their industry or size. We have then identified one passion within each of the ESG pillars that we intend to pursue both at Exor and through our companies. Within the Environmental pillar our focus is emissions reduction; within the Social pillar our focus is using education to decrease inequalities and promote innovation; and within the Governance pillar we are focusing on increasing diversity & inclusion. These passions are all material and they derive from our history since they represent topics we have traditionally tackled either at Exor or within our companies.

When we presented this thinking to you in November, we described how we would communicate our progress on it against the UN's Sustainable Development Goals. We also set out the ESG commitments we were making at Exor and the ones we will encourage our companies to make. Our initial progress on these commitments is described in our Sustainability Report, which also contains the first greenhouse gas inventory of our company covering all our Scope 1, 2 and 3 emissions. We are now examining how we can reduce Exor's environmental impact before offsetting any remaining emissions to reach our goal of net zero emissions by 2025.

We have also made progress at Exor on our second passion – education – through our support to I4C (Innovation 4 Change), the innovation programme started in 2016 by *Collège des Ingénieurs* in collaboration with CERN Ideasquare. During this 5-month programme, the 60 young, talented and predominately STEM-based students develop innovative and scalable business ideas and solutions to help solve problems of social interest, with the ambition to generate a significant impact on the world in a medium-long term perspective. Each idea is launched by an industry partner who provides a challenge inspired by the United Nations Sustainable Development Goals (UN SDGs).

Alongside our work with I4C, we have also continued to partner with *Fondazione Agnelli* on efforts to decrease inequalities in educational outcomes. In the 2022/2023 academic year, we will be launching an initiative to reduce the gender gap in STEM subjects. This will focus on developing the spatial skills of primary school children through the use of building blocks as well as training teachers on how to remove gender bias from classrooms. On our third passion, diversity & inclusion, we have said we will maintain our 40/60 female/male gender balance and increase our inclusion. To do this we are considering diverse candidates for all new appointments and have been undertaking a number of activities to promote inclusion.

Our Board has strongly supported our thinking on ESG and we have a separate ESG Board Committee that will hold us accountable to our commitments and raise our aspirations.

We are also conscious that ESG also represents a potential investment theme. Our recent investments in H2 Green Steel (large-scale green steel production in northern Sweden) and Treedom (certified B-Corp that directly finances agroforestry projects) have provided us with some interesting initial reflections on this emerging and evolving space.

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Others (5.0% of GAV)

At 31 December 2021, our largest allocation of capital outside of our companies is to Exor Seeds, an activity that I described in my letter to you last year. Seeds had a strong year in 2021 supported by the ongoing digital transformation across nearly every industry, in particular within our focus areas of mobility, fintech and healthcare. Since inception we have invested €380 million in 60 companies globally, split evenly between the U.S. and Europe, with ~10% in APAC and Latin America.

In 2021, 15 of our Seeds companies had up-rounds, and nearly half of our capital was deployed to double down on those that we believe will be long-term winners. Despite the fact that pre-IPO and later stage growth round dynamics are changing with fewer crossover investors, smaller round sizes, and modestly lower valuations, competition for high quality early-stage deals remains fierce. In times like these, founders have appreciated the value of our permanent capital, our purpose and values, and long history as owner operators. We remain nimble and continue to win more competitive deals from the relationships built with founders and other VC investors since our Seeds effort began in 2017.

We are happy that Diego Piacentini, the only executive to have held senior roles at both Apple (1987 to 1999) and Amazon (2000 to 2016) during their formative years, has joined us to chair Exor Seeds. He will support the Seeds team, as they continue to pursue our ambition of achieving a financial return in line with top quartile VCs while adding value to Exor companies (without playing the role of corporate VC), and creating a vetted pipeline of 21st century Exor companies.

March 2022 marked the 5th anniversary of our public equities investment activity, which is steered by Matteo Scolari and his team. Since inception, the portfolio has delivered a cumulative gross return of 207.1% in USD or 24.7% annualized with no down years, thanks to hedging activity. In comparison, the performance of the MSCI World Total Return index over the same period was 81.5% or 12.5% annualized (with negative returns in 2018 and to date in 2022).

Through our investments in Canada-based Cameco and NexGen Energy, uranium was one of the main positive contributors to our performance in 2021. Cameco is the world’s largest independent listed uranium company, while NexGen is developing the largest low-cost uranium project globally. We believe nuclear power will be instrumental in tackling the triple challenge of reducing energy poverty, electrifying industrial applications and replacing fossil fuels.

As nuclear plants provide reliable and carbon-free baseload power, they are the ideal addition to intermittent renewable energy sources such as solar and wind. China has identified nuclear as a key technology to reduce its reliance on fossil fuels and is building dozens of new reactors.

In the West, nuclear has been included in the EU's green taxonomy while the US has reinstated its commitment to carbon-free nuclear power.

While the demand picture is as bright as ever, the uranium industry is in a structural supply deficit. A decade of low prices has forced producers drastically to reduce their investments in production and exploration with Cameco suspending production at its largest mine, McArthur River. Over the past year, utilities' increasing concerns around future supply security along with significant activity from financial investors have resulted in uranium prices almost doubling. However, in our opinion, prices will need to rise further to incentivize new projects, benefiting our investments since they enjoy sizable low-cost reserves.

The biggest detractor to performance in 2021 was our investment in Ocado, which was caught up in a protracted patent infringement challenge launched by a competitor. The increased uncertainty surrounding Ocado's intellectual property rights, combined with last year's poor performance of internet-related stocks, caused its shares to reverse most of the prior year's gains. However, Ocado recently scored two important victories in the US courts, reinforcing our view that the company's legal position is robust. We have taken this opportunity to add to our investment at what we believe are very attractive prices.

In 2021, we were excited to welcome Nikhil Srinivasan, who joined us from his role as CIO at PartnerRe, and his team into the Exor family. Nikhil's team will focus primarily on private markets, and although their investments are made on a global basis with a sector agnostic approach, there will be an Asia bias. They have, for example, already made an investment in TVS Supply Chain Solutions (TVS SCS), a business division of the diversified Indian conglomerate, TVS Group. TVC SCS has become a leading logistics player both at a national and global scale with a focus on three services verticals: integrated supply chain management, global forwarding solutions and last mile solutions. The business operates in over 50 countries with 18,000 employees and 300+ Fortune 1000 customers and is demonstrating strong growth with revenues of $917 million in 2021 and an EBITDA margin of 8%-9% that has experienced a CAGR of 37% from 2005 to 2021.

In addition to the investments described above, we also had cash, cash equivalents and listed securities of €738 million at the end of 2021.

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GROSS DEBT AT 31 DECEMBER 2021

In 2021, we returned to the public market after two years, successfully pricing a €500 million 10-year bond. We were able to benefit from a stable market window and found strong investor demand, achieving the lowest bond yield and coupon ever for Exor (0.971% and 0.875% respectively). In conjunction with the new issuance, we also announced an offer to repurchase our 2022 and 2024 bonds in cash, repurchasing €298 million in aggregate.

At 31 December 2021, the majority of our gross debt of €4.3 billion was made up of bonds of €4.1 billion (of which 59% public bonds and 41% private placements) with an average maturity of ~7 years and an average cost of ~2.4%. In addition, we had a €150 million term loan with maturity in 2024, available committed credit lines for €385 million, and uncommitted credit lines for €545 million, all of which were undrawn.

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2022

We started 2022 with the listing of Iveco Group on 3rd of January. Iveco Group was spun out of CNH Industrial and contains its truck, speciality vehicle and engine businesses. As CNH Industrial explained in its Investor Day in 2019, Iveco Group faces very different competitive markets, customers and challenges than the rest of its businesses and, as a stand-alone company, will benefit from separate leadership and focus.

Although Iveco Group is a new company, it can trace its origins back to 1903 when Fiat produced its first commercial vehicle, the 24HP. The name Iveco was born in 1975 as the acronym for Industrial Vehicles Corporation following the merger of five truck companies within Fiat – the Italian group of Fiat, OM and Lancia, the French Unic and the German Magirus Deutz. Further European consolidation occurred near the end of the 1980s when Iveco acquired Ford Truck (UK), Astra (Italy) and Pegaso (Spain).

Guided by a strong and talented management team led by Gerrit Marx, the 34,000 employees of Iveco Group are embracing their future as a more focused company that can move from its 2021 net industrial revenues of €12.7 billion to its target range of €16.5 billion – €17.5 billion by 2026.

Following the spin-off of Iveco Group, CNH Industrial is focussed on becoming the pre-eminent manufacturer of leading-edge equipment for the world’s agriculture and construction workers. The acquisition of Raven Industries, a leader in precision agriculture technology, for $2.1 billion was a bold decision that highlighted CNH Industrial intention to combine strong autonomous and precision agtech innovation capabilities with its existing strong equipment technologies. I look forward to spending more time on CNH Industrial’s ambitious future in next year's Letter to Shareholders.

1) FY2021 consolidated revenues.

On February the 18th, our Board agreed to settle with the Italian Tax Authorities on a complex tax issue, specifically in respect to the Exit Tax.

As a result of the subsequent principle of law published in 2021, a matter of interpretation on the application of the PEX regulation back in 2016 arose. We remain convinced that we acted in accordance with the rules but, with the objective of avoiding the time and costs of a major tax dispute, have decided to enter into a settlement agreement with the Italian Tax Authorities. The settlement entailed the immediate payment of €746 million, of which €104 million is interest. The settlement does not and should not be interpreted as a recognition, or even partial acceptance by Exor of the subsequent interpretations advanced by the Italian Tax Authorities and it is notable that the Italian Tax Authorities have levied no penalties in relation to this claim. There are no other outstanding fiscal issues pending for Exor in respect of any of the years in which the company was a tax resident in Italy.

While we are disappointed by these events, we recall the wise words of Luigi Einaudi, one of the most preeminent Presidents of Italy as well as a journalist for *La Stampa* and *The Economist* who once said that: "*thousands, millions of people work, produce and save in spite of everything we can invent to harass, hinder and discourage them. It is the natural calling that drives them…the pleasure, the pride in seeing one's own company thrive, generate revenue and customer trust…*".

With this in mind, we are more determined than ever to follow our calling and seek out new opportunities to create value not just for Exor but at the same time for our communities.

As we described at our Investor Day, we will continue to focus on building great companies with great people. While we remain open to all situations where this can apply, we are currently focused on a few sectors and themes where we want to both leverage on our experience, like luxury, and build knowledge such as healthcare and technology.

For the same reason, we are also are proud to have launched an Italy-focused seed program to support the country's most promising entrepreneurs building the next generation of great companies. Under this initiative, Exor Seeds will invest in pre-seed and seed stage startups, providing them with a €150,000 equity investment together with a rapid and efficient decision-making process and founder-friendly terms requiring no Board seat.

This kind of initiative, where we support ambitious founders developing new and positively disruptive businesses, is rooted in Exor's own, long history of entrepreneurialism and is consistent with our purpose of building great companies. So, in the spirit of optimism on which all great businesses are founded, I would like to end this year by inviting any founders or business leaders, who are working to realise a big vision and who are in search of support to bring it to life, to get in touch with us.

John Elkann

Exor

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Ginevra Elkann
Independent	
Senior non-executive Director	Marc Bolland
Non-executive Directors	Joseph Bae
	Ajay Banga
	Melissa Bethell
	Laurence Debroux

Compensation and Nominating Committee

Marc Bolland (*Chair*), Joseph Bae and Melissa Bethell

Audit Committee

Laurence Debroux (*Chair*), Ginevra Elkann and Melissa Bethell

ESG Committee

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

Independent Auditors

Ernst & Young Accountants LLP

Expiry of term of office

The Board of Directors was appointed on 20 May 2020 and Mr. Ajay Banga on 27 May 2021. The Board's appointment term will expire concurrently with the shareholders' meeting that will approve the 2022 annual financial statements, hence in 2023.

KEY DATA

Exor Group – Consolidated Data		
€ million	31/12/2021	31/12/2020[a]
Net Revenues	**33,617**	26,792
Profit (loss) before tax	**4,653**	(214)
Net profit (loss) from continuing operations	**3,350**	(230)
Net profit (loss)	**3,454**	1
of which attributable to owners of the parent	**1,717**	(30)

(a) Adjusted following the classification of FCA Group and PartnerRe Group as a discontinued operation. For further detail see Note 3 Scope of consolidation in the Consolidated Financial Statements.

APM[a] and other information		
€ million	31/12/2021	31/12/2020
Share of earnings of investments and dividends	**4,680**	173
	31/12/2021	31/12/2020
Consolidated net financial position of Exor's Holdings System	**(3,924)**	(3,251)
Net Asset Value[b]	**31,069**	24,041
Per share[b] – €	***132.41***	*102.08*
Market Capitalization	**19,029**	15,959
Per share[c] – €	***78.96***	66.22
Issued capital and reserves attributable to owners of the parent	**16,759**	13,090
Per share[d] – €	***72.33***	56.67

(a) The Alternative Performance Measures are defined on page 18. The basis of preparation is presented in the section "Review of the Consolidated Results of the Exor Group - Shortened".
(b) NAV per share at 31 December 2021 and 31 December 2020 are based on 234,645,891 shares and 235,516,639 shares respectively. Treasury stock includes shares held in treasury at the service of stock option plans. At 31 December 2020 it included also 870,748 shares not allocated to stock option plans. Shares bought back in the context of the 2018-2020 program are not included.
(c) Market capitalization per share based on 241,000,000 total issued shares.
(d) Issued capital and reserves attributable to owners of the parent based on 231,708,756 total outstanding shares (231,006,756 in 2020).

Earnings per share (€)[a]	2021	2020
Profit (loss) attributable to owners of the parent – basic	**7.80**	(0.13)
Profit (loss) attributable to owners of the parent – diluted	**7.79**	(0.13)
Earnings per share (€) from continuing operation		
Profit (loss) attributable to owners of the parent – basic	**7.41**	(0.94)
Profit (loss) attributable to owners of the parent – diluted	**7.40**	(0.95)

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 9 to the Consolidated Financial Statements.

Dividend per share (€)	Paid in 2021	Paid in 2020
Dividend paid – Total € million	**99.60**	99.60
Per share	***0.43***	*0.43*

Stock Market data	01/01/22 – 23/03/22	01/01/21 – 31/12/21
At the end of the period (€)	68.80	78.96
Maximum (€)	81.22	84.92
Minimum (€)	57.66	61.38
Average daily volume exchanged during the period (shares)	305,271	311,760
Average daily value of exchanges during the period (in Euro)[a]	21,787,283	22,275,938

(a) Official daily trading price by daily volume, managed by Borsa Italiana during the period.

EXOR PROFILE

EXOR N.V. ("Exor N.V." or "Exor" or the "Company") is listed on the *Euronext Milan* managed by Borsa Italiana S.p.A. (EXM) and headquartered in Amsterdam, the Netherlands.

Exor is registered in the Dutch companies' register of the Chamber of Commerce (*Kamer van Koophandel*) under registration number 64236277. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

PROFILE

Exor is one of Europe's largest diversified holding companies, with a Net Asset Value (NAV)[1] of around €31 billion at 31 December 2021.

For over a century, Exor has made successful investments and built great companies, combining an entrepreneurial spirit with financial discipline. Exor works closely with the companies that it owns, and in most cases is the main shareholder of those companies. Exor itself is majority owned and controlled in turn by Giovanni Agnelli B.V., which represents the interests of the descendants of Senator Giovanni Agnelli, the founder of FIAT.

PURPOSE

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

TO BUILD:		GREAT COMPANIES:
• Foster a culture with clarity of purpose and shared values • Appoint leaders who walk the talk • Create governance that ensures alignment of culture and actions	**BUILD GREAT COMPANIES**	• Perform to the highest standards • Seek renewal and change • Are distinctive in what they do • Act in a responsible way

VALUES

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

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

APPROACH TO NEW INVESTMENTS

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

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

FINANCIAL PRIORITIES

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

- NAV per share to outperform the MSCI World index
- Financial strength and discipline, keeping LTV[2] ratio below 20%
- Generate Free Cash Flow in excess of dividends paid
- Cash Holding Cost as a percentage of Gross Asset Value below 10bps

(1) An Alternative Performance Measure as defined on page 18.
(2) Reference is made to the Loan-to-Value (LTV) ratio as defined by Standard and Poor's, which uses the LTV ratio to assess the financial risk profile of an Investment Holding Company, namely Adjusted Debt (or Gross Debt minus Cash and Equivalents) divided by Portfolio Value (or Gross Asset Value minus Cash and Equivalents), expressed as a percentage.

EXOR PORTFOLIO: COMPANIES AND INVESTMENTS

Exor's portfolio is made up of companies and investments.

Companies: these constitute around 95% of the portfolio by value and consist of five larger companies and seven smaller companies. Exor is a significant shareholder in all of these companies and in many cases is the reference shareholder.

Company	Description	Economic rights and voting rights[1]	% on GAV[1]
Ferrari	Ferrari is among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognisable luxury performance sports cars. Ferrari is listed on the New York Stock Exchange and the Euronext Milan managed by Borsa Italiana and is included in the FTSE MIB Index.	22.9% 36.0%	25.6%
PartnerRe	PartnerRe is a leading global pure-play reinsurer, with a broadly diversified and balanced portfolio of traditional reinsurance risks and capital markets risks. PartnerRe commenced operations in 1993 and provides Non-life (Property & Casualty (P&C) and Specialty) and Life and Health reinsurance on a worldwide basis.	100.0% 99.8%	24.4%
STELLANTIS	Stellantis is one of the world's leading automakers and a mobility provider, guided by a clear vision: to offer freedom of movement with distinctive, affordable and reliable mobility solutions. Stellantis is listed on the New York Stock Exchange, the Euronext Paris and the Euronext Milan managed by Borsa Italiana and is included in the FTSE MIB Index.	14.4% 14.4%	22.0%
CNH INDUSTRIAL	CNH Industrial is a world-class equipment and services company that sustainably advances the noble work of agriculture and construction workers. CNH Industrial is listed on the New York Stock Exchange and the Euronext Milan managed by Borsa Italiana and is included in the FTSE MIB Index.	26.9% 42.5%	14.1%
Juventus	Juventus was founded in 1897 and it is one of the most prominent professional football teams in the world. Juventus is listed on the Euronext Milan managed by Borsa Italiana.	63.8% 77.9%	1.7%
IVECO • GROUP	Iveco Group is a global automotive leader active in the Commercial & Specialty Vehicles, Powertrain and related Financial Services arenas. Iveco Group is listed on Euronext Milan managed by Borsa Italiana and is included in the FTSE MIB Index.	27.1% 42.5%	1.6%

Company	Description	Economic rights[1]	% on GAV[1]
Christian Louboutin	Christian Louboutin was founded in 1991 and has grown to become one of the leading names in global luxury, world famous for its signature red sole women's shoes. The company is also recognised for having successfully diversified its business into men's footwear, leather goods & accessories and beauty. Christian Louboutin operates about 150 boutiques around the world.	24.0% 24.0%	1.6%
Via	First launched in New York City in 2013, Via is a technology company specialising in the dynamic, data-driven optimisation of public mobility systems in cities all around the world.	17.6% 17.6%	1.4%
The Economist	The Economist Group is a leading source of analysis on international business and world affairs. Based in London and serving a global readership and client base, it delivers its information through a range of formats, from newspapers and magazines to conferences and electronic services.	43.4% 20.0%[2]	1.1%
GEDI Gruppo Editoriale	GEDI Gruppo Editoriale is a leading Italian media group, operating through a set of first tier media brands including newspapers and magazines, radio, digital and advertising. It owns two of the leading Italian newspapers La Repubblica and La Stampa, Il Secolo XIX and other local newspapers, several magazines and three national radio stations including Radio Deejay.	89.6% 89.6%	0.6%
Welltec®	Welltec® services the energy industry with market leading technologies that are used to build and repair oil and gas wells. Its solutions help clients to optimise their production and minimise their environmental footprint. The company was established in 1994 and is based in Denmark.	47.6% 47.6%	0.3%
SHANG XIA	SHANG XIA is a luxury company whose brand has been established jointly by the designer Jiang Qiong Er and France's Hermès Group. The brand uses its distinctive combination of contemporary design, hand artisanship and Chinese culture to create an artistic portfolio of furniture, homeware, apparel, leather goods, jewellery and accessories.	77.3% 77.3%	0.3%

(1) At 28 February 2022.
(2) Voting rights are limited to 20%.

Investments: Exor's investments include both private and public situations as well as alliances.

- **Private:** sector agnostic investments focused on best ideas across the capital structure in unlisted companies with an Asia bias.
- **Public:** a portfolio of minority investments in a small number of publicly-listed companies.
- **Seeds:** a portfolio of minority investments in early stage and late-stage companies through which it backs talented founders who have the ambition to build great companies.
- **Alliances:** situations where Exor does not directly invest but works with a partner.

SIGNIFICANT EVENTS IN 2021

SIGNIFICANT EVENTS IN 2021

Significant events below refer to Exor N.V. and the Holdings System[1].

Creation of Stellantis

On 16 January 2021, PSA merged with and into FCA. By virtue of the merger, FCA issued 1.742 FCA common shares for each outstanding PSA ordinary share and each PSA ordinary share ceased to exist. Each issued and outstanding common share of FCA remained unchanged as one common share in FCA. The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination.

Following the merger, Exor continues to hold 449,410,092 common shares of Stellantis, corresponding to 14.4% of the outstanding capital.

On 29 January 2021, the extraordinary dividend of approximately €2.9 billion (Exor’s share €827 million) was paid to holders of FCA common shares of record as of the close of business on Friday, 15 January 2021.

As part of the merger, Stellantis distributed to its shareholders its 39.34% stake in Faurecia and the proceeds generated by the sales of ordinary shares of Faurecia carried out in 2020. On 22 March 2021 Exor received 7,653,004 Faurecia ordinary shares (measured at €363 million) and a €43 million cash dividend.

Issue of non-convertible bond due on 19 January 2031

On 19 January 2021 Exor issued bonds for a nominal amount of €500 million, maturing on 19 January 2031 with a fixed annual coupon of 0.875%. The purpose of the issue was to raise new funds for Exor's general corporate purposes, including the refinancing of existing debt. The bonds are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, with a BBB+ credit rating assigned by Standard & Poor’s.

Tender offers on 2022 and 2024 Exor Bonds

On 12 January 2021 Exor launched an invitation to eligible noteholders of the Exor outstanding €750,000,000 2.125% Notes due 2022 and the Exor outstanding €650,000,000 2.50% Notes due 2024, listed on the Luxembourg Stock Exchange, to tender their notes for purchase by Exor for cash.

On 20 January 2021 Exor announced that it accepted all validly tendered notes for an aggregate nominal amount of €297,713,000. Therefore the nominal amounts outstanding after the repurchase settlement date are €601,891,000 of Notes due 2022 and €500,396,000 of Notes due 2024.

Investment in Christian Louboutin

On 8 March 2021 Exor and Christian Louboutin signed an agreement whereby Exor would invest €541 million to become a 24% shareholder in Christian Louboutin, alongside the founders and to nominate 2 of the 7 members of its board of directors. The transaction closed on 13 April 2021.

Increase in the investment in Via Transportation

In the year 2021 Exor invested a total amount of $188 million (€158 million) to acquire a further 7,43% stake in Via Transportation. At 31 December 2021 Exor held 17.56% of the share capital of Via Transportation for a total amount of $509 million (€449 million).

Increase in the investment in Exor Seeds

In the year 2021 Exor increased its investment in Exor Seeds by $284 million (€241 million).

Increase in the investment in Welltec

In the year 2021 Exor acquired a further 25.5% of Welltec for a total consideration of $48 million (€39 million). In addition, Exor made an equity contribution of $25 million in the context of the company's refinancing in October 2021. At 31 December 2021 Exor held 47.6% of the share capital of Welltec.

[1] An Alternative Performance Measure as defined on page 18.

Creation of the new partnership between EXOR and The Word-Wide Investment Company Limited (WWICL) in NUO S.p.A.

On 16 June 2021 Exor and The World-Wide Investment Company Limited (“WWICL”), Hong Kong’s oldest family office, created a partnership between two multi-generational entrepreneurial families to invest in and support the global development of medium-sized Italian companies specialising in consumer goods excellence. The new company, called NUO S.p.A. will be endowed with initial permanent capital of €300 million contributed equally by its founders. In December 2021 Exor invested €22 million in NUO S.p.A.

Juventus Football Club capital increase

On 25 August 2021, Juventus board of directors proposed a capital increase for a total amount of €400 million, approved by the extraordinary shareholders’ meeting on 29 October 2021. The capital increase was completed at the end of 2021 with a full subscription. Exor subscribed its quota of the capital increase for a total of €255 million, of which €75 million paid on 27 August 2021 and the remaining €180 million paid on 9 December 2021.
After this operation Exor owns 1,611,669,116 Juventus shares (63.77% of the share capital).

Definitive Agreement for the sale of PartnerRe signed by Exor and Covéa

On 16 December 2021 Exor and Covéa signed a Definitive Agreement to sell PartnerRe, the global reinsurer wholly-owned by Exor.

The agreed cash consideration of $9.0 billion to be paid by Covéa at closing of the transaction is based on a consolidated common shareholders’ equity value of $7.0 billion. Preferred Shares issued by PartnerRe and listed on the NYSE are not part of the transaction.

Subject to obtaining approvals from the applicable regulatory and competition authorities, it is expected that the transaction will be completed in mid-2022.

Following a successful closing of the transaction, Exor and Covéa will continue their reinsurance cooperation, with Exor acquiring from Covéa interests in special purpose reinsurance vehicles managed by PartnerRe for approximately $725 million. These vehicles will invest in property catastrophe and other short-tail reinsurance contracts underwritten by PartnerRe. Covéa, Exor and PartnerRe will also continue to invest jointly in Exor-managed funds with reinforced alignment of interests.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Exor (and the subsidiaries constituting the Holdings System) together with its operating subsidiaries, constitute the “Exor Group” or the “Group”.

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

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

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Accounting of Stellantis and deconsolidation of FCA

On 16 January 2021 PSA merged with and into FCA, with FCA as the surviving company in the merger. On 17 January 2021 the combined company was renamed Stellantis N.V.

Exor's Consolidated Financial Statements at 31 December 2021 include the financial data of FCA for the period 1 January - 16 January 2021 before the merger with PSA, applying the line by line consolidation method.

Following the merger, Exor lost control over FCA and therefore derecognized the former FCA Group net assets at 16 January 2021 and accounted for the investment in Stellantis applying the equity method, having a significant influence over Stellantis in accordance with IAS 28.

The economic data of FCA have been excluded from continuing operations and are presented in a single line item within the consolidated income statement for the year 2021 and 2020, as a discontinued operation. The assets and liabilities of FCA Group at 31 December 2020 have not been reclassified for the comparative consolidated statement of financial position. For further detail see Note 3 Scope of consolidation in the Consolidated financial Statements.

Deconsolidation of PartnerRe

On 16 December 2021 Exor and Covéa signed a Definitive Agreement to sale PartnerRe, the global reinsurer wholly-owned by Exor. At 31 December 2021, the sale within the next twelve months became highly probable and the subsidiary met the criteria to be classified as a disposal group held for sale and a discontinued operation pursuant to IFRS 5, since it represents a separate major line of Exor Group Business.

The economic data of PartnerRe have been excluded from continuing operations and are presented in a single line item within the consolidated income statement for the year 2021 and 2020, as a discontinued operation. The assets and liabilities of PartnerRe at 31 December 2020 have not been reclassified for the comparative consolidated statement of financial position. For further detail see Note 3 Scope of consolidation in the Consolidated financial Statements.

Significant economic data[(a)]

€ million	STELLANTIS[(b)]	CNH INDUSTRIAL	FERRARI	PARTNERRE[(c)]	JUVENTUS	GEDI[(d)]	OTHER AND ADJUSTMENTS[(e)]	CONSOLIDATED
2021								
Revenues from continuing operations	—	28,309	4,271	—	446	520	71	**33,617**
Net profit (loss) from continuing operations	1,905	1,502	833		(215)	(35)	(640)	**3,350**
Profit (loss) attributable to owners of the parent[(f)]	1,905	398	201	580	(137)	(31)	(1,199)	**1,717**
2020								
Revenues from continuing operations	—	22,749	3,460	—	509	367	(293)	**26,792**
Net profit (loss) from continuing operations	—	(608)	609	—	(153)	(13)	(65)	**(230)**
Profit (loss) attributable to owners of the parent[(f)]	—	(178)	146	181	(98)	(11)	(70)	**(30)**

(a) Data prepared by each subsidiary for Exor consolidation purposes, which may differ from data published by each subsidiary in its own financial report.
(b) Consolidated with the equity method starting from 17 January 2021.
(c) Data reclassified as a discontinued operation.
(d) Data 2020 referred to the period 1 May - 31 December 2020.
(e) Includes the net result of Exor and subsidiaries of the Holdings System, excluding the share of the profit of the operating companies consolidated line by line, presented in their respective columns.
(f) Exor share of the results attributable to the owners of the parent of each segment entity. The share of the result of FCA (€8 million and €9 million for the period 1 January - 16 January 2021 and the year 2020 respectively) and the share of result of PartnerRe (€580 million for the year 2021 and €181 million are included in the column other and adjustments.

Net revenues

Net revenues of CNH Industrial for the year 2021 were €28,309 million, with an increase of €3,599 million compared to the year 2020 (€22,749 million), due to higher volumes driven by strong industry demand together with favourable price realization.

Net revenues of Ferrari for the year 2021 were €4,271 million, with an increase of €811 million or 23.4% (an increase of 26.0% on a constant currency basis), compared to €3,460 million in the year 2020, mainly attributable to the combination of €738 million increase in cars and spare parts, €38 million increase in engines, a €41 million increase in sponsorship, commercial and brand, partially offset by €6 million decrease in other net revenues.

Net Profit (loss) from continuing operations

Net profit from continuing operations of CNH Industrial was €1,502 million in the year 2021 as a result of the strong performance from all segments, while in the year 2020 the result was a net loss of €608 million and included the before and after-tax goodwill impairment loss of €523 million, other assets impairment charges of €288 million (€237 million after-tax), as well as asset optimization charges of €256 million (€206 million after-tax).

In the year 2021 the net profit from continuing operations of Ferrari was €833 million, significantly up versus the year 2020 (€609 million). The increase of €224 million was mainly attributable to the increase in net revenues. In the year 2020 costs as a percentage of net revenues were negatively impacted by the COVID-19 pandemic, which caused a seven-week production and delivery suspension in the year 2020 as well as changes to the calendar and format of the 2020 Formula 1 World Championship.

Significant financial data[(a)]

€ million	STELLANTIS[(b)]	FCA	CNH INDUSTRIAL	FERRARI	PARTNERRE[(c)]	JUVENTUS	GEDI	OTHER AND ADJUSTMENTS[(d)]	CONSOLIDATED
31 December 2021									
Cash and cash equivalents	—	—	6,058	1,344	—	160	14	329	**7,905**
Total assets	8,624	—	45,129	6,863	25,429	962	675	3,429	**91,111**
Gross debt[(e)]	—	—	21,569	2,667	—	239	161	4,314	**28,950**
Total equity	8,624	—	7,440	2,211	7,316	303	193	(1,717)	**24,370**
Issued capital and reserves attributable to owners of the parent[(e)]	8,624	—	1,962	533	7,139	194	171	(1,864)	**16,759**
31 December 2020									
Cash and cash equivalents	—	23,846	7,847	1,363	1,916	38	36	515	**35,561**
Total assets	—	100,053	41,199	6,262	22,537	967	660	1,267	**172,945**
Gross debt[(e)]	—	21,750	21,805	2,727	1,915	396	143	4,196	**52,932**
Total equity	—	25,861	5,489	1,789	6,583	125	231	(2,418)	**37,660**
Issued capital and reserves attributable to owners of the parent[(f)]	—	7,337	1,431	452	6,025	80	207	(2,442)	**13,090**

(a) Data prepared by each subsidiary for Exor consolidation purposes which may differ from data published by each subsidiary in its own financial report.
(b) Consolidated with the equity method starting from 17 January 2021.
(c) At 31 December 2021 cash and cash equivalents and gross debt are reclassified as assets and liabilities held for sale.
(d) Includes the data of Exor and subsidiaries of the Holdings System, excluding the data of the operating companies consolidated line by line, presented in their respective columns.
(e) Gross debt referred to CNH Industrial includes industrial activities and financial services debt.
(f) Exor share of the equity attributable to the owners of the parent of each segment entity.

Gross debt

€ million	31/12/2021	31/12/2020
Bonds	**13,283**	23,517
Borrowings from banks	**2,880**	13,108
Asset-backed financing	**10,661**	10,518
Payables represented by securities	**1,081**	1,696
Lease liabilities	**504**	2,253
Other financial debt and liabilities	**541**	1,840
Gross debt[(a)]	**28,950**	52,932

(a) Data at 31 December 2020 included gross debt related to FCA for €21,750 million and PartnerRe for €1,915 million.

Financial debt is constituted mainly of bond issues and bank borrowings. As is usual practice, the major part of such debt agreements contains covenants which *inter alia* limit the capacity of Group companies to contract further debt, make certain types of investment, put into effect certain types of transaction with Group companies, dispose of certain assets or merge with or into other companies and use assets as security for other transactions. Further, certain bond issues and bank borrowings require the issuer to remain in compliance with financial ratio covenants.

In the year 2020, Exor and its subsidiaries took several key actions to secure their financial position, including drawing credit lines and facilities and securing additional incremental instruments to strengthen the available liquidity.

Cash flow

€ million	31/12/2021	31/12/2020[(a)]
Cash flow from (used in) operating activities:	4,177	14,061
- continuing operations	*5,392*	*3,927*
- discontinued operations	*(1,215)*	*10,134*
Cash flow from (used in) investing activities	(7,058)	(10,102)
- continuing operations	*(5,525)*	*(1,567)*
- discontinued operations	*(1,533)*	*(8,535)*
Cash flow from (used in) financing activities	(2,188)	10,626
- continuing operations	*(1,937)*	*1,109*
- discontinued operations	*(251)*	*9,517*
Translation differences	502	(1,949)
Net change in cash and cash equivalents	(4,567)	12,636
Cash and cash equivalents at the beginning of the period	**35,561**	22,935
Cash and cash equivalents at the beginning of the period included in Assets held for sale	27	17
Deconsolidation of FCA at 16 January 2021	(22,532)	—
Cash and cash equivalents at the end of the period included in Assets held for sale	(584)	(27)
Cash and cash equivalents at the end of the period	**7,905**	35,561

(a) Adjusted following the presentation of FCA and PartnerRe as a discontinued operation.

In the year 2021 group companies generated positive cash flows from operating activities for €4,177 million, while the cash flow in investing activities is a negative €7,058 million mainly related to the investments in property, plant and equipment and intangible assets for €1,960 million and investment in subsidiaries and associates for €2,928 million.

In the year 2021 net cash used in financing activities was €2,188 million, primarily related to the repayment of notes and to the other long-term debt for a total of €2,091 million, partially offset by issues of new notes (€1,355 million).

In the year 2020 the group companies generated positive cash flows from the operating activities for €14,061 million (of which €10,134 million from discontinued operations) and negative cash flows from investing activities for €10,102 million (of which €8,535 million from discontinued operations).

Cash flows from investing activities from continuing operations (€1,567 million) mainly refer to the investments in property, plant and equipment and intangible assets for €1,653 million, investment in subsidiaries and associates for €582 million, partially offset by a net positive change in financial receivables for €490 million.

In the year 2020 cash flow from financing activities from continuing operation was €1,109 million primarily related to issue new note, net by repayment for €2,360 million, partially offset by net change in financial debt for €779 million).

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section presents the Alternative Performance Measures (APM) identified by Exor's management to facilitate the understanding of the economic and financial performance of Exor and the Group:

- Net Asset Value (NAV)
- Net Financial Position (NFP)
- Share of the profit (loss) of investments accounted for using the equity method

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate the understanding of the economic and financial performance of Exor and of the Group, the Management of Exor has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted, it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.

The APM should be read together with the consolidated financial information prepared using the shortened consolidation criterion. Since they are not based on the reference financial reporting standards, the APM used by Exor may not be consistent and comparable with those used by other companies or groups. The APM used by Exor have been consistently calculated and presented for all the reporting periods for which financial information is presented in this Report.

It should also be noted that the principal subsidiaries and associates make use of alternative performance measures to illustrate their performance to the market. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of how such indicators are calculated is provided by the individual subsidiary companies and these are included in the section Review of performance of the Operating Subsidiaries in the Board Report, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous. Set out below are the main APM's identified by Exor:

- Net Asset Value
- Net Financial Position
- Share of the (loss) profit of investments accounted for using the equity method.

Net Asset Value (NAV)

Definition and Methodology

Net Asset Value (NAV) corresponds to the total value of assets net of the Gross Debt and other liabilities of the Holdings System as defined below.

To determine the value of an asset:

- Listed equity investments and other listed securities are valued at official market prices.
- Unlisted equity investments are valued on the basis of the valuation method that better reflects their most recent fair value which can be either (i) a valuation determined annually by independent experts at the end of the year, (ii) a valuation of a recent round or arms-length transaction or (iii) a valuation at cost if the investment has been completed recently.
- Investments in funds or other investment vehicles are valued at NAV or Exor's share of the value reported by the fund.
- Bonds held to maturity are valued at amortized cost and bonds held for trading are valued at market value.
- Treasury stock includes the shares held in treasury designated to service stock option plans (measured at the option exercise price under the plan if this is less than the market price). Treasury stock does not include the shares bought back under the share buyback program launched in November 2018 and completed in November 2020. Starting from 31 December 2021, shares held in treasury and not allocated to stock option plans are excluded from the NAV calculation.

The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value or GAV). Gross Debt corresponds to the total amount of the financial debt of the Holdings System and Other liabilities include liabilities not included in the net financial position.

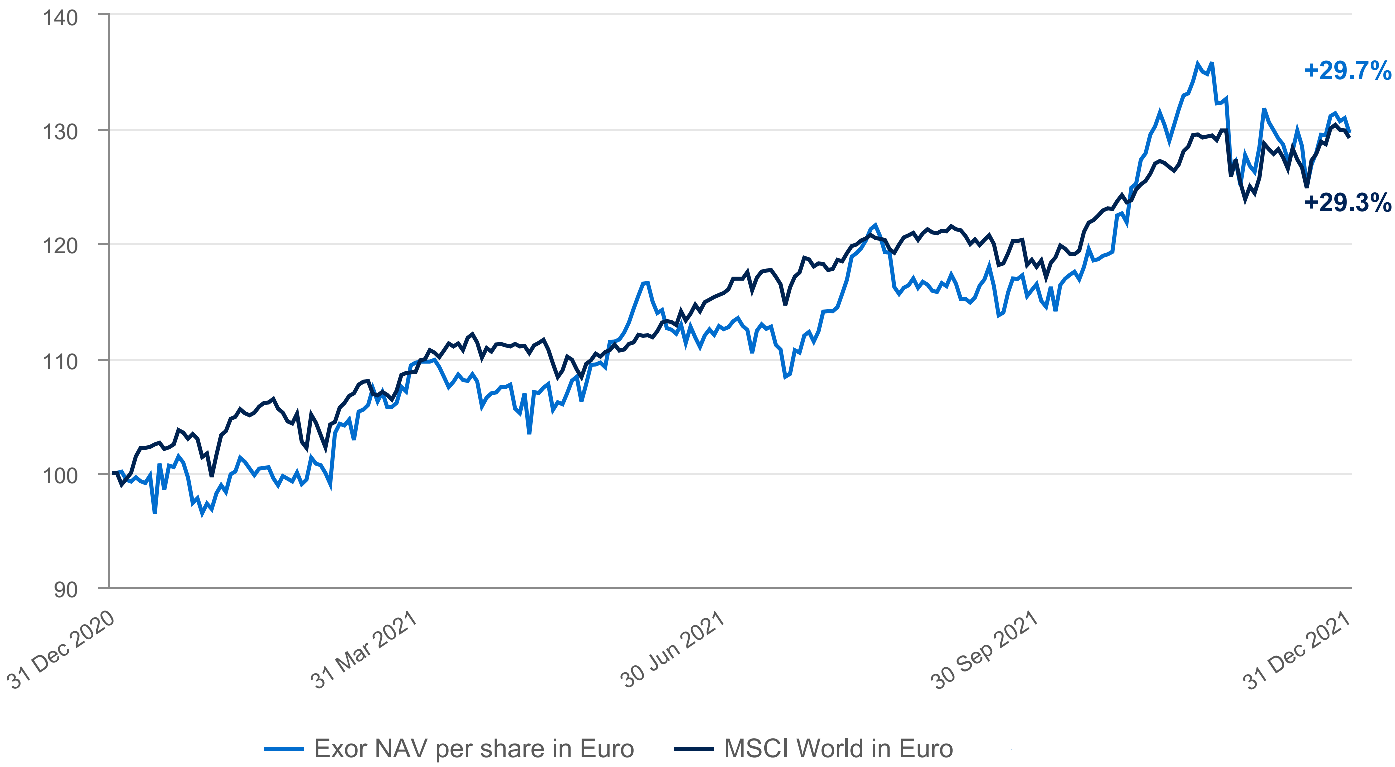
Items included in the calculation of Gross Asset Value and Gross Debt which are denominated in foreign currencies are converted at the official exchange rates at the corresponding reporting date.

Highlights

- At 31 December 2021 Exor's NAV is €31,069 million compared to €24,041 million at 31 December 2020.
- At 31 December 2021 Exor's NAV per share amounts to €132.41 compared to €102.08 at 31 December 2020, an increase of €30.33/share or 29.7%. This compares to an increase of 29.3% for the MSCI World Index in Euro.

NAV per share is based on 234,645,891 shares at 31 December 2021 and 235,516,639 shares at 31 December 2020. At 31 December 2021, this is calculated based on 241,000,000 issued shares excluding (i) the 5,483,361 shares bought back in the context of the share buyback program launched in November 2018 and completed in November 2020 and excluding (ii) the 870,748 shares held in treasury and not allocated to stock option plans.

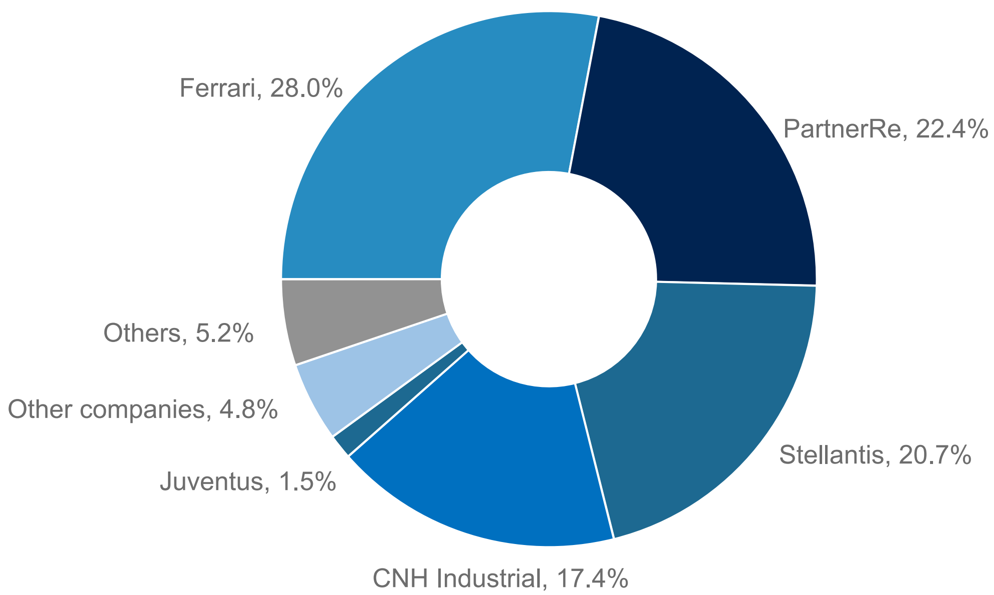
Change in NAV per share compared to the MSCI World Index in Euro



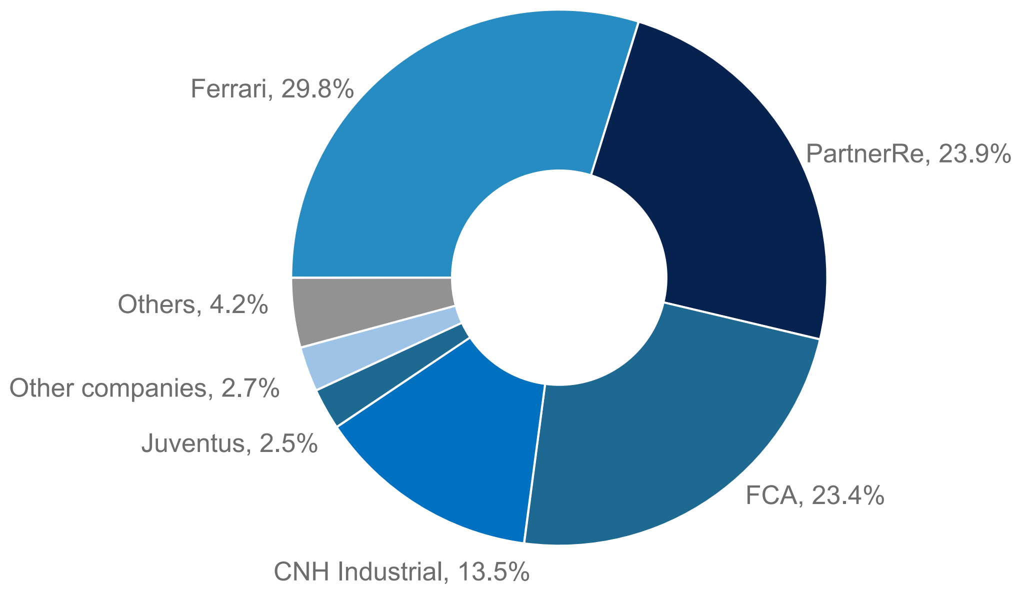
Gross Asset Value composition

The following chart illustrates the GAV composition at 31 December 2021 (€36,147 million), compared to 31 December 2020 (€28,151 million).

31 December 2021



31 December 2020



Breakdown of Net Asset Value in Euro

€ million	Ownership % at 31 December 2021	Valuation methodology[(a)]	31/12/2021	31/12/2020	Change vs. 31 December 2020	
					Amount	%
Companies			**34,314**	26,941	7,373	27.4%
Ferrari	22.9%	Official market price	10,109	8,383	1,726	20.6%
PartnerRe[(b)]	100.0%	Fair value	8,109	6,723	1,386	20.6%
Stellantis	14.4%	Official market price	7,499	—	7,499	n.a.
FCA	—	Official market price	—	6,588	(6,588)	n.a.
CNH Industrial	26.9%	Official market price	6,300	3,789	2,511	66.3%
Juventus	63.8%	Official market price	556	691	(135)	(19.5)%
Other companies[(c)]		Fair value	1,741	767	974	127.0%
Others			**1,833**	1,210	623	51.5%
Seeds		Fair value	489	114	375	328.9%
Listed Securities[(d)]		Official market price	355	10	345	n.m.
Public funds[(e)]		Fair value	337	283	54	19.1%
Other assets[(f)]		Fair value	152	74	78	105.4%
Financial assets[(g)]		Official market price	100	73	27	37.0%
Alliances[(h)]		Fair value	22	—	22	n.a.
Cash and cash equivalents			283	492	(209)	(42.5%)
Treasury stock[(i)]			95	164	(69)	(42.1%)
Gross Asset Value			**36,147**	28,151	7,996	28.4%
Gross Debt			**(4,307)**	(4,110)	(197)	4.8%
Other liabilities[(j)]			**(771)**	—	(771)	n.a.
Net Asset Value (NAV)			**31,069**	24,041	7,028	29.2%
NAV per Share in Euro[(k)]			**132.41**	102.08	30.33	29.7%

(a) Listed equity investments and other securities are valued at official market prices; unlisted equity investments are valued at fair value, which can be either (i) determined annually by an independent expert, (ii) based on a recent round or arms-length transaction or (iii) at cost if the investment has been completed recently.
(b) At 31 December 2021 the fair value was aligned with the price under the terms of the definitive agreement signed with Covéa on 16 December 2021, equal to $9 billion plus a price adjustment of around $328 million. At 31 December 2020 the fair value was determined by an independent expert.
(c) Other companies at 31 December 2021 include Christian Louboutin (€541 million), Via Transportation (€449 million), The Economist (€364 million), GEDI (€202 million), Welltec (€101 million) and SHANG XIA (€84 million). Other companies at 31 December 2020 included The Economist (€280 million), GEDI (€207 million), Via Transportation (€163 million), Shang Xia (€78 million) and Welltec (€39 million).
(d) Listed securities at 31 December 2021 include Faurecia (€320 million) among others.
(e) Until 31 December 2021, public funds were classified in the net financial position under the item cash, cash equivalents and financial assets. At 31 December 2021, following a management reassessment of these investments, they have been reclassified outside the net financial position. The previous year has been restated accordingly. Public funds are managed by Exor Capital LLP mainly through a Luxembourg SICAV Fund.
(f) Other assets include minor investments and receivables among others. Not included in the net financial position.
(g) Assets included in the net financial position. These are investment-grade and high-yield bonds purchased by Exor.
(h) Alliances include the investment in NUO.
(i) At 31 December 2021 treasury stock includes shares held in treasury at the service of stock option plans, valued at the option strike price if less than market price. At 31 December 2020 it included also 870,748 shares not allocated to stock option plans. Shares bought back in the context of the 2018-2020 program are not included.
(j) Mainly related to the Tax claim settled on 18 February 2022.
(k) Based on 234,645,891 shares at 31 December 2021 and 235,516,639 shares at 31 December 2020.

Reconciliation with the IFRS financial statements

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

€ million	31/12/2021	31/12/2020
Issued capital and reserves attributable to owners of the parent	**16,759**	13,090
Difference between the market value and the book value of the investments	**14,215**	10,785
Treasury stock and other	**95**	166
Net Asset Value (NAV)	**31,069**	24,041

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

	31/12/2021		31/12/2020	
€ million	Book value	Market value	Book value	Market value
Ferrari	**533**	**10,109**	452	8,383
PartnerRe	**7,139**	**8,109**	6,025	6,723
Stellantis[(a)]	**8,624**	**7,499**	—	—
FCA[(a)]	—	—	7,337	6,588
CNH Industrial	**1,962**	**6,300**	1,431	3,789
Juventus Football Club	**194**	**556**	80	691
Christian Louboutin[(b)]	**562**	**541**	—	—
Exor Seeds	**489**	**489**	156	114
The Economist Group	**317**	**365**	299	280
GEDI Gruppo Editoriale	**171**	**202**	207	207
Others[(c)]	**1,432**	**1,468**	356	353
Total	**21,423**	**35,638**	16,343	27,128
Difference		*14,215*		*10,785*

(a) On 16 January 2021, PSA merged with and into FCA. The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination.
(b) The accounting acquisition date is 30 April 2021.
(c) Mainly includes investments in Welltec, NUO and Exor Capital LLP.

Net financial position of the Holdings System

The net financial position of the Holdings System, determined by applying the shortened consolidation criterion, is a representative measure of the financial resources and commitments directly attributable to and managed by Exor.

Using the shortened consolidation criterion adopted by Exor, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by Exor and by the subsidiaries constituting the Holdings System - Exor Nederland N.V. (the Netherlands), Exor S.A. (Luxembourg), Exor Investments Limited (United Kingdom), Ancom USA Inc. (USA), Exor SN LLC (USA) - are consolidated in the financial statements of the parent company Exor using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries and associates (Ferrari, Stellantis, PartnerRe, CNH Industrial, Juventus Football Club, The Economist Group, GEDI Gruppo Editoriale, Exor Seeds, Shang Xia, Christian Louboutin, Welltec, NUO and Exor Capital LLP (previously Exor Investment (UK) LLP), are included in the consolidated financial statements of the parent company Exor using the equity method.

The presentation of financial data under the shortened consolidation method facilitates the analysis of the financial position and results of Exor and it is generally recognized by the financial community, including financial counterparties and rating agencies.

Nevertheless, such data do not fully represent, nor should be treated as the consolidated financial position of the Exor Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact, the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups.

The consolidated data prepared in shortened form are not audited by the independent auditors.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	31/12/2021	31/12/2020
Financial assets and financial receivables	**100**	367
Cash and cash equivalents	**283**	492
Cash, cash equivalents and financial assets	**383**	859
Exor bonds	**(4,069)**	(3,855)
Bank debt	**(150)**	—
Commercial paper	**—**	(160)
Other financial liabilities	**(88)**	(95)
Gross debt	**(4,307)**	(4,110)

The reconciliation of the consolidated cash and cash equivalents of Exor Group with the consolidated cash and cash equivalents of the Holdings System is as follows:

€ million	31/12/2021	31/12/2020
Cash and cash equivalents[(a)]	**7,905**	35,561
(Less) Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**(7,622)**	(35,069)
Financial assets and financial receivables	**100**	367
Cash, and cash equivalents and financial assets of the Holdings System	**383**	859

(a) GAAP measure. Data at 31 December 2020 included cash and cash equivalents of FCA (€23,846 million), deconsolidated at 16 January 2021 following the merger with PSA occurred in 2021.

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

€ million	31/12/2021	31/12/2020
Gross debt[(a)]	**(28,950)**	(52,932)
(Less) Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**24,643**	48,822
Gross debt of the Holdings System	**(4,307)**	(4,110)

(a) GAAP measure. Data at 31 December 2020 included gross debt of FCA (€21,750 million), deconsolidated at 16 January 2021 following the merger with PSA occurred in 2021.

Share of the profit (loss) of investments accounted for using the equity method

The composition of the share of the profit (loss) of investments accounted for using the equity method is as follows:

€ million	2021	2020	Change
Ferrari	**201**	146	55
PartnerRe	**580**	181	399
Stellantis[a]	**1,905**	—	1,905
FCA[b]	**8**	8	—
CNH Industrial	**398**	(176)	574
Juventus Football Club	**(137)**	(98)	(39)
Christian Louboutin	**22**	—	
Exor Seeds	**111**	19	92
The Economist Group	**11**	13	(2)
GEDI Gruppo Editoriale	**(31)**	(11)	(20)
Other	**20**	(3)	23
Share of the profit (loss) of investments accounted for using the equity method	**3,088**	79	2,987

(a) The result refers to the period 17 January to 31 December 2021.
(b) The result refers to the period 1 January to 16 January 2021.

The reconciliation of the share of the profit of investments accounted for using the equity method with the profit (loss) attributable to owners of the parent is as follows:

€ million	2021	2020	Change
Profit (loss) attributable to owners the parent[a]	**1,717**	(30)	1,747
Less:			
- Other losses (gains)	**—**	31	(31)
- Profit from investments at FVTOCI	**(8)**	—	(8)
- Net financial income/expenses	**57**	105	(48)
- Net recurring general expenses	**19**	19	—
- Net non-recurring other income/expenses[b]	**514**	(50)	564
- Income taxes and other taxes and duties	**789**	4	785
Share of the profit (loss) of investments accounted for using the equity method	**3,088**	79	3,009

(a) GAAP measure.
(b) In the year 2021 includes €504 million arising from the deconsolidation of FCA, following the merger of PSA with and into FCA, in particular, €490 million relate to the reversal to the income statement of Exor's share in the FCA items previously recognized in other comprehensive income reserve.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

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

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

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

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

As described above in the APM section, Exor applies a shortened consolidation criterion to facilitate the analysis of the financial position and results of Exor.

Using the shortened consolidation criterion, rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by Exor and by the companies constituting the Holdings System are consolidated in the financial statements of the parent company Exor using the line-by-line method, while the data derived from the financial statements or accounting data prepared in accordance with IFRS of the operating subsidiaries (Ferrari, PartnerRe, CNH Industrial, Juventus Football Club, GEDI Gruppo Editoriale, Exor Seeds, Exor Capital - previously Exor Investment (UK) - and Shang Xia) and associates (Stellantis, The Economist Group, Christian Louboutin, Welltec and NUO) are included in the consolidated financial statements of the parent company Exor using the equity method.

The consolidated data prepared in shortened form are not audited by the independent auditors.

Accounting for Stellantis and the deconsolidation of FCA

On 16 January 2021, PSA merged with and into FCA. By virtue of the merger, FCA issued 1,742 FCA common shares for each outstanding PSA ordinary share and each PSA ordinary share ceased to exist. Each issued and outstanding common share of FCA remained unchanged as one common share in FCA. The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination. Following the merger, Exor continues to hold 449,410,092 common shares of Stellantis, corresponding to 14.4% of the outstanding capital.

In accordance with the above transaction Exor lost control over FCA and therefore derecognized the former FCA Group net assets at 16 January 2021 and reclassified to the income statement, in the Net non-recurring other income/(expenses) item, the amounts previously recognized in other comprehensive income related to the subsidiary. Additional details are provided in Note 4.

At the date of completion of the merger Exor assessed to have significant influence on Stellantis and started applying the equity method according to IAS 28. On initial recognition the investment was accounted for at cost, equal to €6,660 million, attributed to Exor's share of Stellantis's net fair value as part of the purchase price allocation process completed at 31 December 2021.

Accounting for Christian Louboutin

On 13 April 2021 Exor closed the transaction for the acquisition of the 24% interest in Christian Louboutin, for a total consideration of €541 million.

At 31 December 2021, Christian Louboutin was accounted for using the equity method, in accordance with IAS 28, on the basis of the consolidated financial information prepared in accordance with IFRS at that date, while the income statement includes the share of the result for the period 1 May to 31 December 2021.

At 31 December 2021 the purchase price allocation process is completed.

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

	Reporting currency	% of consolidation	
		31/12/2021	31/12/2020
Holding Company			
– EXOR N.V. (the Netherlands)	€	**100**	100
Companies in the Holdings System consolidated line-by-line			
– Exor Nederland N.V. (the Netherlands)	$	**100**	100
– Exor S.A. (Luxembourg)	€	**100**	100
– Ancom USA Inc. (USA)	$	**100**	100
– Exor SN LLC (USA)	$	**100**	100
– Exor Investments Limited (United Kingdom)	£	**100**	100
Investments in operating subsidiaries and associates, accounted for using the equity method			
– Ferrari	€	**24.17**	24.05
– PartnerRe	$	**100**	100
– Stellantis[a]	€	**14.35**	—
– FCA[a]	€	**—**	28.54
– CNH Industrial	$	**27.06**	27.10
– Juventus Football Club	€	**63.77**	63.77
– Christian Louboutin[b]	€	**24.03**	—
– Exor Seeds	$	**79.96**	76.34
– The Economist Group	£	**43.40**	43.40
– GEDI Gruppo Editoriale	€	**89.62**	89.62
– Shang Xia	CNY	**77.30**	77.30
– Welltec	$	**47.62**	22.12
– NUO	€	**50.00**	—
– Exor Capital LLP[c]	£	**100**	99.67

(a) On 16 January 2021, PSA merged with and into FCA. The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination.
(b) The accounting acquisition date is 30 April 2021.
(c) Previously Exor Investments (UK) LLP, in 2021 has become an independent operating company outside of the Holdings System.

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

	2021		2020	
	Average	31/12	Average	31/12
U.S. dollar	**1.183**	**1.133**	1.142	1.227
British pound	**0.860**	**0.840**	0.890	0.899
Chinese Renminbi	**7.628**	**7.195**	7.875	8.023

Exor closed the year 2021 with a consolidated profit of €1,717 million; the year 2020 ended with a consolidated loss of €30 million (mainly due to the negative impact of the COVID-19 pandemic on the overall performances of the subsidiaries). The net change of €1,747 million is mainly attributable to the improvement of the performances of the operating companies (€3,009 million), partially offset by the effect of the settlement reached by Exor with the Italian Tax Authorities ("Agenzia delle Entrate") for €744 million recognized in tax expenses (of which €101 million as interest expense) and a non-recurring loss (€504 million) arising from the deconsolidation of FCA, following the merger with PSA. Additional details are provided in Notes 1, 4 and 5.

At 31 December 2021 the consolidated equity attributable to owners of the parent amounts to €16,759 million with a net increase of €3,669 million, compared to €13,090 million at 31 December 2020. Additional details are provided in Note 8.

The consolidated net financial position of the Holdings System at 31 December 2021 is a negative €3,924 million and reflects a negative change of €673 million compared to the negative financial position of €3,251 million at 31 December 2020, mainly due to dividends received from investments (€1,208 million), more than offset by investments (€1,335 million) and dividend distributed (€100 million). Additional details are provided in Note 9.

The shortened consolidated income statement and statement of financial position and notes on the most relevant line items are presented below.

EXOR GROUP – Consolidated Income Statement – Shortened

€ million	Note	2021	2020	Change
Profit (loss) from investments in subsidiaries and associates:				
Share of the profit (loss)	1	**3,088**	79	3,009
Other (losses) gains[(a)]		**—**	(31)	31
Dividends received	1	**1,592**	94	1,498
Dividends eliminated[(b)]		**(1,592)**	(94)	(1,498)
Profit (loss) from investments in subsidiaries and associates		**3,088**	48	3,040
Profit (loss) from investments at FVTOCI		**8**	—	8
Net financial (expenses) income:				
Profit (loss) from cash, cash equivalents and financial assets	2	**60**	6	54
Cost of debt[(c)]	2	**(124)**	(104)	(20)
Exchange (losses) gains, net	2	**7**	(7)	14
Net financial (expenses) income	2	**(57)**	(105)	48
Net recurring general expenses	3	**(19)**	(19)	—
Net non - recurring other income (expenses)	4	**(514)**	50	(564)
Income taxes and other taxes and duties	5	**(789)**	(4)	(785)
Profit (loss) attributable to owners of the parent		**1,717**	(30)	1,747

(a) Year 2020 included the impairment recognized on the goodwill of Welltec (-€49 million) and the badwill recognized on the acquisition of GEDI (+€18 million).
(b) Dividends from investments in subsidiaries and associates which are included in the share of the profit (loss) from investments in subsidiaries and associates are eliminated in the consolidation process.
(c) Includes the one-off losses on partial bond cancellation (€21 million).

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	31/12/2021	31/12/2020	Change
Investments in subsidiaries and associates	6	**20,159**	16,099	4,060
Investments at FVTOCI	7	**853**	191	662
Investments at FVTPL[(a)]		**350**	—	350
Other asset (liabilities), net	5	**(679)**	51	(730)
Invested capital		**20,683**	16,341	4,342
Issued capital and reserves attributable to owners of the parent	8	**16,759**	13,090	3,669
Cash, cash equivalents and financial assets	9	**(383)**	(859)	476
Gross debt	9	**4,307**	4,110	197
Equity and net financial position		**20,683**	16,341	4,342

(a) At 31 December 2021, the item includes the fair value of financial assets managed by Exor Capital LLP mainly through a Luxembourg SICAV Fund. At 31 December 2020, the item was included in cash, cash equivalents and financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

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

Share of the profit (loss) of investments accounted for using the equity method

The share of the results of investments accounted for using the equity method in the year 2021 is a profit of €3,088 million, with an increase of €3,009 million compared to the loss of the year 2020 (79 million). The positive change reflects in particular the strong performance of Stellantis (€1,905 million) and the improvements of CNH Industrial (€574 million) and PartnerRe (€399 million).

	Result(a)		Exor's share(b)		
€ million	2021	2020	2021	2020	Change
Ferrari	831	608	**201**	146	55
PartnerRe	587	177	**580**	181	399
Stellantis(c)	14,200	—	**1,905**	—	1,905
FCA(d)	29	29	**8**	8	—
CNH Industrial(e)	1,471	(656)	**398**	(176)	574
Juventus Football Club(f)	(215)	(153)	**(137)**	(98)	(39)
Christian Louboutin(g)	90	—	**22**	—	22
Exor Seeds(h)	184	27	**111**	19	92
The Economist Group(i)	26	30	**11**	13	(2)
GEDI Gruppo Editoriale(j)	(35)	(13)	**(31)**	(11)	(20)
Other(k)	—	—	**20**	(3)	23
Share of the profit (loss) of investments in subsidiaries and associates			**3,088**	79	3,009

(a) Results attributable to owners of the parent. Results reported in foreign currencies have been converted into Euro at the average exchange rate of the year.
(b) Including consolidation adjustments.
(c) The result refers to the period 17 January – 31 December 2021.
(d) The result of the year 2021 refers to the period 1 January 2021 - 16 January 2021, before the merger with PSA occurred in 2021. The result of the year 2020 included impairment losses following the assessment of certain assets as a consequence of the COVID-19 pandemic for €1,447 million (total Exor's share €413 million): in particular €549 million for deferred tax assets, €898 million for impairment charges of tangible and intangible assets.
(e) The result of the year 2020 includes impairment losses following the assessment of certain assets as a consequence of the COVID-19 pandemic for €1,029 million (total Exor's share €279 million): in particular €504 million for goodwill impairment loss, €272 million for impairment charges of other assets and €253 million for asset optimization charges.
(f) The result refers to the accounting data prepared for consolidation in Exor for the period 1 January – 31 December.
(g) The result refers to the period 1 May 2021 to 31 December 2021.
(h) The result is due to the evaluation at FVTPL of the underlying investment.
(i) The result refers to the period 1 October – 30 September.
(j) In the year 2020 the result referred to the period 1 May – 31 December, as Exor acquired control on 30 April 2020.
(k) Mainly include the share of the results of Welltec, Exor Capital LLP and Shang Xia.

For comments on the performance of the principal operating subsidiaries, please refer to the section "Review of performance of the main companies".

Dividends

€ million	2021	2020	Change
Dividends from investments accounted for using the equity method:			
– Ferrari	**39**	50	(11)
– PartnerRe	**90**	44	46
– Stellantis[a]	**550**	—	550
– FCA	**827**	—	827
– CNH Industrial	**40**	—	40
– Christian Louboutin	**3**	—	3
– The Economist Group	**14**	—	14
– Exor Capital	**29**	—	29
Dividends included in the net financial position	**1,592**	94	1,498
Less: Dividends included in the share of the (loss) profit of investments accounted for using the equity method	**(1,592)**	(94)	(1,498)
Dividends included in the income statement	**—**	**—**	—

(a) Of which €363 million corresponding to 7,653,004 ordinary shares of Faurecia, distributed as a part of the merger of PSA with and into FCA.

2. Net financial (expenses) income

In the year 2021 net financial expenses amount to €57 million (net financial expenses of €105 million in the year 2020).

€ million	2021	2020	Change
Profit (loss) from cash, cash equivalents, financial assets and investments at FVTPL:			
Unrealized gains (losses)[a]	**56**	1	55
Interest income on:			
– bank current accounts and deposits	**—**	1	(1)
– debt securities	**3**	3	—
– financial receivables	**1**	1	—
Total	**60**	6	54
Cost of debt:			
Bonds[b]	**(121)**	(101)	(20)
Bank debt	**(3)**	(3)	—
Total	**(124)**	(104)	(20)
Exchange gains (losses)	**7**	(7)	14
Net financial (expenses) income recorded in the income statement	**(57)**	(105)	48

(a) Mainly includes the change in fair value related to cash invested in financial assets managed by Exor Capital LLP through a Luxembourg SICAV Fund.
(b) Includes the one-off losses on partial bond cancellation (€21 million).

3. Net recurring general expenses

Net recurring general expenses in the year 2021 amount to €19 million, in line with the year 2020.

The main items are detailed below:

€ million	2021	2020	Change
Personnel costs	**(6)**	(7)	1
Compensation and other costs relating to directors	**(2)**	(1)	(1)
Service costs, net	**(9)**	(5)	(4)
Net recurring general expenses included in net financial position	**(17)**	(13)	(4)
Share based compensation plan costs	**(2)**	(6)	4
Net recurring general expenses recorded in the income statement	**(19)**	(19)	—

4. **Net non-recurring other (expenses) income**

In the year 2021 net non-recurring expenses amount to €514 million of which €504 million arising from the deconsolidation of FCA, following the merger of PSA with and into FCA. In particular €490 million relate to the reversal to the income statement of Exor's share in the FCA items, previously recognized in other comprehensive income reserve.

In the year 2020 net non-recurring other income (expenses) amounted to €50 million and mainly referred to a one-off income (€63 million), partially offset by consulting fees related to investment and disinvestment projects (€12 million) and contributions to cultural and charitable associations (€1 million).

5. **Income taxes and other taxes and duties**

In the year 2021 income taxes amount to €789 million and mainly includes the effect of a settlement reached on 18 February 2022 by Exor with the Italian Tax Authorities ("Agenzia delle Entrate") on a complex tax issue, specifically in respect of the Exit Tax and has paid €746 million, of which €104 million is represented by interest.

The issue is related to the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands. At the time of this cross-border merger, the exiting company Exor S.p.A. applied the Participation Exemption (PEX) regulations as set out in Article 87 of the Italian Corporate Income Tax Act. Under this regime, 95% of any capital gains relating to the value of its holdings was exempt and therefore excluded from the holding company's taxable income for the determination of the Exit Tax.

With a subsequent principle of law "Legal Principle 10/2021", published on 11 May 2021, the Agenzia delle Entrate contended that the PEX should not apply to cases in which a holding company transfers its fiscal domicile abroad without maintaining a permanent establishment in Italy.

As a result of the subsequent principle of law published in 2021, a complex matter of interpretation on the application of the PEX regulation back in 2016 has arisen. Exor remains convinced that it acted in accordance with the rules. However, with the objective of avoiding the time and costs of a major tax dispute, it has decided to enter into a settlement agreement with the Agenzia delle Entrate.

At 31 December 2021, the effect of this settlement is a recognition of a liability of €744 million, of which €643 million of income taxes and €101 million of interest.

At the same time, Exor settled with the Agenzia delle Entrate a previous tax claim related to the treatment of financial income in the fiscal year 2015, against which Exor had appealed and other minor formal matters. The closing of the litigation generates income taxes of €32 million, interest of €3 million and an increase of tax liability of €20 million.

There are no outstanding fiscal issues pending for Exor in respect of all the years in which it was tax resident in Italy, the ordinary statutory terms for any assessment having also expired.

6. Investments in subsidiaries and associates

€ million	31/12/2021	31/12/2020	Change
Ferrari	**533**	452	81
PartnerRe	**7,139**	6,025	1,114
Stellantis[a]	**8,624**	—	8,624
FCA[a]	**—**	7,337	(7,337)
CNH Industrial	**1,962**	1,431	531
Juventus Football Club	**194**	80	114
Christian Louboutin[b]	**562**	—	562
Exor Seeds	**489**	156	333
The Economist Group	**317**	299	18
GEDI Gruppo Editoriale	**171**	207	(36)
Shang Xia	**68**	78	(10)
Other[c]	**100**	34	66
Investments in subsidiaries and associates	**20,159**	16,099	4,060

(a) On 16 January 2021, PSA merged with and into FCA. The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination.
(b) The acquisition date is 30 April 2021.
(c) Mainly includes investments in Welltec, NUO and Exor Capital LLP.

The positive change in Exor's investment in Ferrari (€81 million) is primarily due to Exor's share of the profit (€201 million), partially offset by the payment of dividends (€39 million) and the buy-back of treasury stock (€56 million).

The positive change in Exor's investment in PartnerRe (€1,114 million) is mainly attributable to the positive translation differences (€567 million) and Exor's share of the profit (€580 million), partially offset by dividend distributions (€90 million).

The positive change in Exor's investment in Stellantis (€1,964 million, from €6,660 million at 16 January 2021 to €8,624 million at 31 December 2021) is mainly attributable to Exor's share of the profit (€1,905 million), to the positive change in the remeasurement of defined benefit plans reserve (€252 million) and to the positive translation differences (€304 million), partially offset by dividend distributions (€143 million) and distribution of Faurecia (€406 million, of which €363 million as investment and €43 million as cash).

The positive change in Exor's investment in CNH Industrial (€531 million) can be ascribed primarily to Exor's share of the positive result (€398 million), to the positive translation differences (€144 million), partially offset by the payment of dividends (€41 million) and the negative movement on the fair value reserve (€32 million).

7. Investments measured at fair value through other comprehensive income

The investments measured at fair value through other comprehensive income amount to €853 million (€191 million at 31 December 2020) and include principally investments in equity instruments.

€ million	31/12/2021	31/12/2020	Change
VIA Transportation[a]	**449**	163	286
Faurecia[b]	**320**	—	320
Other investments	**84**	28	56
Investments measured at fair value through other comprehensive income	**853**	191	662

(a) Of which €158 million as increase in investment and €128 million as positive change in fair value.
(b) Distributed by Stellantis as part of the merger. On 22 March 2021 Exor received 7,653,004 Faurecia ordinary shares accounted for €363 million. At 31 December 2021 the fair value adjustment is negative for €43 million.

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

€ million	31/12/2021	31/12/2020	Change
Share capital	**2**	2	—
Reserves	**17,055**	13,386	3,669
Treasury stock	**(298)**	(298)	—
Issued capital and reserves attributable to owners of the parent	**16,759**	13,090	3,669

Details of changes during the year are as follows:

€ million	31/12/2021	31/12/2020
Initial amount	**13,090**	15,025
Movements attributable to Exor and the Holdings System:		
– Buyback Exor treasury stock	**—**	(29)
– Dividend paid by Exor	**(100)**	(100)
– Fair value adjustment to investments and other financial assets	**95**	(13)
– Measurement derivative financial instruments	**7**	(5)
– Translation differences	**427**	(440)
– Other net	**(9)**	(44)
Movements attributable to operating companies accounted for using the equity method:		
– Reversal OCI reserve of FCA to profit and loss	**490**	—
– Translation differences	**737**	(1,233)
– Remeasurement of defined benefit plans	**363**	(39)
– Fair value	**(31)**	31
– Buyback treasury stock	**(56)**	(32)
– Cash flow hedge	**9**	2
– Other net	**20**	(3)
Consolidated profit (loss) attributable to owners of the parent[a]	**1,717**	(30)
Net change during the year	**3,669**	(1,935)
Final amount	**16,759**	13,090

(a) The result of the year 2021 includes the negative impact due to the reclassification to the income statement of the amount previously recognized in other comprehensive income (mainly translation differences) related to FCA (€490 million).

9. Net financial position of the Holdings System

The net financial position of the Holdings System at 31 December 2021 is a negative €3,924 million and shows a negative change of €673 million compared to the balance at 31 December 2020 (a negative €3,251 million).

€ million	31/12/2021	31/12/2020	Change
Financial assets	**100**	367	(267)
Cash and cash equivalents	**283**	492	(209)
Cash, cash equivalents and financial assets	**383**	859	(476)
Exor bonds	**(4,069)**	(3,855)	(214)
Bank debt	**(150)**	—	(150)
Commercial paper	**—**	(160)	160
Other financial liabilities	**(88)**	(95)	7
Gross debt	**(4,307)**	(4,110)	(197)
Net financial position of the Holdings System	**(3,924)**	(3,251)	(673)

Financial assets include principally financial instruments accounted for at FVTPL and debt securities listed on an active market measured at amortized cost. Cash and cash equivalents include short-term deposits spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments which can readily be converted into cash.

Bonds issued by Exor and outstanding at 31 December 2021 are as follows:

Issue date	Maturity date	Issue price		Fixed Rate (%)		Nominal amount (million)			Balance at 31/12/2021 (€ million)	Balance at 31/12/2020 (€ million)	Change
03-Dec-15	02-Dec-22	99.499		2.125		€	602	(a)	**(602)**	(749)	147
08-Oct-14	08-Oct-24	100.090		2.500		€	500	(b)	**(503)**	(653)	150
07-Dec-12	31-Jan-25	97.844		5.250		€	100		**(104)**	(104)	—
22-Dec-15	22-Dec-25	100.779	(c)	2.875		€	450	(c)	**(451)**	(451)	—
20-May-16	20-May-26	99.650		4.398		$	170		**(151)**	(139)	(12)
18-Jan-18	18-Jan-28	98.520		1.750		€	500		**(502)**	(502)	—
29-Apr-20	29-Apr-30	98.489		2.250		€	500		**(500)**	(499)	(1)
19-Jan-21	19-Jan-31	99.089		0.875		€	500		**(498)**	—	(498)
09-May-11	09-May-31	100.000		2.800	(d)	¥	10,000		**(77)**	(80)	3
14-Oct-19	14-Oct-34	99.725		1.750		€	500	(e)	**(479)**	(477)	(2)
15-Feb-18	15-Feb-38	98.183		3.125		€	200		**(202)**	(201)	(1)
									(4,069)	(3,855)	(214)
– Current portion									**(640)**	(35)	(605)
– Non-current portion									**(3,429)**	(3,820)	391

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

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

Other financial liabilities (€88 million) mainly includes the fair value of cash flow hedge derivative instruments (€28 million) and put options on certain minority stakes in GEDI and Shang Xia (€23 million and €23 million, respectively).

The net change in the year 2021, a negative €673 million, can be analysed as follows:

€ million		31/12/2021	31/12/2020
Net financial position of the Holdings System - Initial amount	Note	**(3,251)**	(2,631)
Dividends received from investments	1	1,208	94
Investments[(a)]		(1,335)	(500)
Asset disposals		12	39
Dividends paid by Exor		(100)	(100)
Buyback Exor treasury stock		—	(29)
Reclassification of financial assets outside of the financial position [(b)]		(294)	—
Other changes	2	(164)	(124)
Net change during the year		**(673)**	(620)
Net financial position of the Holdings System - Final amount		**(3,924)**	(3,251)

(a) 2021 includes the acquisition of the 24% of Christian Louboutin (€541 million), the increase of the investment in Via Transportation (€158 million), Exor Seeds (€241 million), Juventus (€255 million), Welltec (€61 million) and other investments (€79 million). The year 2020 mainly included the acquisition of the controlling stake in GEDI Gruppo Editoriale (€188 million), the acquisition of the stake in Via Transportation (€183 million) and the acquisition of the 77.3% of Shang Xia (€80 million).

(b) Until 31 December 2021, the financial assets managed by Exor Capital LLP mainly through a Luxembourg SICAV Funds were classified in the net financial position under the item cash, cash equivalents and financial assets. At 31 December 2021, following a management reassessment of these investments, they have been reclassified outside the net financial position.

€ million	2021	2020
1. Dividends received from investments	**1,208**	94
Ferrari	39	50
PartnerRe	90	44
Stellantis[(b)]	187	—
FCA[(a)]	827	—
CNH Industrial	40	—
The Economist Group	14	—
Other	11	—
2. Other changes	**(164)**	(124)
Net recurring general expenses	(17)	(13)
Net non - recurring other income (expenses)[(c)]	(10)	50
Net financial (expenses) income generated by the financial position[(d)]	(112)	(105)
Other net changes	(25)	(56)

(a) Extraordinary dividend resulting from the merger between PSA and FCA.

(b) Of which €144 million as cash dividend and €43 million as cash from the distribution of Faurecia. Excluding €363 million corresponding to 7,653,004 ordinary shares of Faurecia, distributed as a part of the merger of PSA with and into FCA.

(c) Excluding the items reclassified to income statement due to the deconsolidation of FCA.

(d) In 2021 related to: cost of debt (€124 million), net exchange gains (€7 million) and other financial income (€4 million). In 2020 related to: unrealized gains on financial assets (€1 million), cost of debt (€104 million), net exchange losses (€7 million) and other financial income (€5 million).

At 31 December 2021 Exor has €150 million term loan with maturity 2024, available committed credit lines in Euro of €385 million, of which €200 million expiring after 31 December 2022, as well as uncommitted credit lines of €545 million. In 2021 Exor did not draw uncommitted credit lines.

Exor’s long-term and short-term debt ratings from Standard & Poor's are “BBB+” and “A-2” respectively, with a "stable outlook".

REVIEW OF THE PERFORMANCE OF THE MAIN COMPANIES

(The share capital and voting rights percentages are based on data at 31 December 2021)

Set out below is a summary of the key highlights from the interim reports of the operating subsidiaries and associates, including their Management Reports.

In order to facilitate the readers' use and cross reference the data have been extracted from the financial statements of the respective subsidiary and associate and presented using the original reporting currency and accounting principles.

Therefore, data presented in this section may differ from those prepared for Exor consolidation purposes.

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

(24.17% stake and 34.54% of voting rights on issued capital)

Key consolidated data reported by Ferrari in the year 2021 are as follows:

	Year		Change	
€ million	**2021**	2020		
Shipments (in units)	**11,155**	9,119	2,036	22 %
Net revenues	**4,271**	3,460	811	23 %
EBIT	**1,075**	716	359	50 %
Net profit	**833**	609	224	37 %
Net industrial debt(1)	**297**	543	(246)	—

(1) Defined as net debt less net debt of financial services activities.

COVID-19

The global spread of the COVID-19 virus, which was declared a global pandemic by the World Health Organization in March 2020, has led to governments around the world mandating various restrictive measures to contain the pandemic, including social distancing, quarantine, “shelter in place” or similar orders, travel restrictions and suspension of non-essential business activities. To date, several of these measures are still in place or were reintroduced at various points in time as a result of further “waves” of the pandemic, although the scope and timing of restrictive measures have varied greatly across jurisdictions.

As the virus spread and the severity of the COVID-19 pandemic became apparent, Ferrari’s leadership took actions to protect and support its employees and communities, mitigate the impacts on the Group’s financial performance and strengthen the Group’s liquidity and financial position.

Ferrari’s leadership is continuously monitoring the evolution of the COVID-19 pandemic as new information becomes available as well as the related effects on the results of operations and financial position of the Group. Ferrari has been gradually recovering from the effects of the COVID-19-related suspension of production and other business activities that occurred primarily in 2020. The effects of the pandemic on Ferrari in 2021 were limited and, building on the otherwise strong performance in a year in which the Group exceeded its guidance on all metrics, management looks to seize the opportunities ahead and share its future plans on 16 June 2022 in Maranello at the Capital Markets Day.

The future impacts of COVID-19 on Ferrari’s results of operations and financial condition will depend on ongoing developments in relation to the pandemic, including the success of the gradual release of containment measures and vaccination programs worldwide, as well as the overall condition and outlook of the global economy.

Shipments

Shipments totalled 11,155 units in 2021, up 2,036 units or 22.3% versus the prior year.

Shipments increased by 2,036 cars, or 22.3 percent, driven by a 34.6 percent increase in shipments of our V8 models while shipments of our V12 models decreased by 16.1 percent, mainly due to the 812 Superfast, which was phased out during 2021. In particular, the increase in shipments was driven by the F8 family, together with the Ferrari Roma and the SF90 Stradale, which both reached global distribution in the second quarter of 2021, as well as the ramp up of the Ferrari Portofino M and the SF90 Spider, partially offset by the Ferrari Portofino, the 488 Pista family and the 812 Superfast. Additionally, deliveries of the Ferrari Monza SP1 and SP2 increased in 2021 compared 2020, in line with planning, and the models are reaching the end of production. The positive mix impact was driven by the SF90 family and the Ferrari Monza SP1 and SP2, as well as higher revenues from personalizations.

Units(1)	Year 2021	Year 2020	Change	Change %
EMEA	**5,492**	4,818	674	14 %
Americas	**2,831**	2,325	506	22 %
Mainland China, Hong Kong and Taiwan	**899**	456	443	97 %
Rest of APAC	**1,933**	1,520	413	27 %
Shipments	**11,155**	9,119	2,036	22 %

(1) Excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars.

Net revenues

Net revenues for 2021 were €4,271 million, an increase of €811 million or 23.41% (an increase of 26.0% on a constant currency basis), compared to €3,460 million in 2020. The increase was attributable to the combination of €738 million increase in cars and spare parts, €38 million increase in engines, €41 million increase in sponsorship, commercial and brand, partially offset by a €6 million decrease in other net revenues.

Net revenues generated from cars and spare parts were €3,573 million (up 26.0% or 28.8% at constant currency, due to higher car volumes, positive mix and personalizations, partially offset by negative foreign currency exchange impact. Shipments in 2020 were were impacted by the seven week production and delivery suspension in the first half of the year caused by the COVID-19 pandemic.

Net revenues generated from Engines were €189 million for 2021,an increase of €38 million, or 25.7%, from €151 million for 2020.The increase was mainly attributable to an increase in engines sold to Maserati and, to a lesser extend, higher revenues from the rental of engines to other Formula 1 racing teams.

Net revenues generated from sponsorship, Formula 1 commercial agreements and brand management activities were €431million for 2021, an increase of €41 million, or 10.4 percent, from €390 million for 2020. The increase was primarily attributable to Formula 1 racing activities, driven by the more favourable Formula 1 calendar compared to 2020, and brand-related activities, partially offset by a lower prior year Formula 1 ranking.

	Year		Change		
				at current	at constant
€ million	**2021**	2020	amount	currency	currency
Car and spare parts	**3,573**	2,835	738	26 %	29 %
Engines	**189**	151	38	26 %	26 %
Sponsorship, commercial and brand	**431**	390	41	10 %	13 %
Other	**78**	84	(6)	(7)%	(5)%
Net revenues	**4,271**	3,460	811	23 %	26 %

EBIT

EBIT for 2021 was €1,075 million, an increase of €359 million, or 50.2 percent, from €716 million for 2020. As a percentage of net revenues, EBIT increased from 20.7 percent in 2020 to 25.2 percent in 2021.

The increase in EBIT was primarily attributable to the combined effects of (i) positive volume impact of €220 million, (ii) positive product mix impact of €212 million, (iii) an increase in research and development costs of €61 million, (iv) an increase in selling, general and administrative costs of €12 million, (v) positive contribution of €77 million driven by Formula 1 racing activities reflecting the more favourable Formula 1 calendar compared to 2020 as well as higher contribution from brand-related activities, Maserati engines and other supporting activities, partially offset by a lower prior year Formula 1 ranking, and (vi) negative foreign currency exchange impact of €77 million (including foreign currency hedging instruments) primarily driven by the strengthening of the Euro compared to the U.S. Dollar and the Japanese Yen.

The positive mix impact was driven by the SF90 family, the Ferrari Monza SP1 and SP2, and personalizations, partially offset by the ramp up of the Ferrari Roma and the Portofino M and reduced contribution of the 812 Superfast, which was phased out during 2021.

Net industrial debt

Net industrial debt at 31 December 2021 was €297 million, compared to €543 million at 31 December 2020 with a decrease of €246 million. During the year a total value of €231 million shares were repurchased and €162 million were distributed in dividends, while lease liabilities per IFRS 16 were €56 million.

€ million	31/12/2021	31/12/2020	Change
Debt	**(2,630)**	(2,725)	95
of which: Lease liabilities as per IFRS 16 (simplified approach)	**(56)**	(62)	6
Cash and cash equivalents	**1,344**	1,362	(18)
Net debt	**(1,286)**	(1,363)	77
Net debt of financial services activities	**(989)**	(820)	(169)
Net industrial debt(1)	**(297)**	(543)	246

(1) Net industrial debt is defined as net debt excluding the net debt of financial services activities.

2022 Outlook

The year 2022 is subject to trading conditions unaffected by further COVID-19 pandemic restrictions and based on the following assumptions:

– carefully leveraging strong demand;
– richer model mix being more than offset by the negative impact from the Ferrari Monza SP1 and SP2 phase out;
– Ferrari Daytona SP3 and Ferrari Purosangue will commence production in 2022 with deliveries starting in 2023;
– Formula 1 revenues reflecting more diversified but lower sponsorship, partially offset by better prior year ranking;
– increasing depreciation and amortization in line with the start of production of new models;
– industrial free cash flow generation sustained by Daytona SP3 advances collection;
– disciplined capital expenditures to fuel long term development.

Net revenues: ~ € 4.8 billion
Adj. EBITDA: € 1.65-1.70 billion (34.5%-35.5%)
Adj. EBIT: € 1.10-1.15 billion (23%-24%)
Adj. Diluted EPS: € 4.55-4.75 per share(*)
Industrial Free Cash Flow: ≥ € 0.60 billion

(*) Calculated using the weighted average diluted number of common shares at 31 December 2021 (184,722 thousand).

PartnerRe

(100% interest in common shareholder’s equity and 99.8% of voting rights; through Exor Nederland N.V.)

Data presented and commented below are derived from PartnerRe’s consolidated financial information for the year ended 31 December 2021 and 2020 prepared in accordance with US GAAP.

	Year	
$ million	**2021**	2020
Net premiums written	7,134	6,301
Non-life combined ratio[(a)]	90.5 %	106.0 %
Life and Health allocated underwriting result[(b)]	97	70
Net investment return	2.7 %	4.6 %
Other expenses	399	356
Net income attributable to PartnerRe common shareholders[(c)]	679	206
Net Income ROE[(d)]	9.7 %	3.1 %

(a) PartnerRe uses a combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios.
(b) PartnerRe uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses.
(c) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends.
(d) Net income ROE is calculated as net income return on average common shareholders’ equity.

Net premiums written for 2021 increased to $7.1 billion compared to $6.3 billion in 2020. Non-life net premiums written increased 14% for the full year 2021 compared to the same period of 2020. The current year included favourable premium adjustments from prior underwriting years, compared to the prior year which included adverse premium adjustments related to the economic downturn.

The Non-life underwriting profit was $507 million (combined ratio of 90.5%) for the full year 2021. This compares to Non-life underwriting loss of $304 million (combined ratio of 106.0%) for the full year 2020. Large catastrophic losses were $483 million for the full year 2021 and included losses for Hurricane Ida, Winter Storm Uri, the European Floods, and related losses under aggregate covers, which adversely impacted the P&C and Specialty combined ratios by 12.1 points and 3.3 points, respectively. This compared to large catastrophic losses of 6.5 points and 11.6 points on the P&C and Specialty combined ratios, respectively, for the full year 2020 from COVID-19 and Hurricane Laura. There were no changes in PartnerRe's net non-life COVID-19 ultimate loss estimates that were established in 2020.

The P&C segment reported a combined ratio 94.3% for the full year 2021, compared to 102.2% for the full year 2020. While large catastrophic losses increased across comparative periods, this was offset by an aggregation of mid-size loss events during 2020. Excluding large catastrophic losses, the combined ratio improved in relation to the comparative period as the current accident year attritional loss ratio benefited as a result of portfolio reshaping in prior periods and rate increases.

The Specialty segment reported a combined ratio 83.1% for the full year 2021, compared to 112.2% for the full year 2020. In addition to the decrease in large catastrophic losses, the improvement in the combined ratio was driven by improvements in the current accident year attritional loss ratio resulting from strategic reductions in less profitable lines and favourable prior years' reserve development, which was 6.9 points favourable for the full year 2021, primarily driven by financial risks and aviation lines. This compared to adverse prior years' reserve development 7.2 points for the full year 2020.

The Life and Health allocated underwriting result was a profit of $97 million for the full year 2021, compared to a profit $70 million for 2020. Losses on protection products due to COVID-19 increased by $10 million, with $36 million for the full year 2021 compared to $26 million for the full year 2020. Excluding COVID-19, the increase in allocated underwriting result was driven by improvement in the short-term protection business, which was partially offset by a lower level of gains related to recaptures of business compared to the full year 2020.

Net investment income increased $15 million, or 4.4%, for the full year 2021, compared to the same period of 2020, primarily due to the impact of re-allocations to investment grade corporate bonds, and higher reinvestment rates driven by increases in worldwide risk-free rates in 2021.

Net realized and unrealized investment gains of $38 million for the full year 2021 included net realized and unrealized investment losses of $539 million on fixed maturities and short-term investments, $277 million of net realized and unrealized investment gains on equities and $300 million of net realized and unrealized gains on other invested assets and investments in real estate. Losses on fixed maturities and short-term investments were primarily unrealized and driven by increases in worldwide risk free rates and losses on real estate sector investments in PartnerRe's Asia high yield portfolio, partially offset by narrowing credit spreads. Gains on equities were also primarily unrealized, resulted from increases in worldwide equity markets and also included a large realized gain on the sale of a preferred share investment in the fourth quarter of 2021. Gains on other invested assets were primarily driven by unrealized gains on private equity investments.

For 2020, net realized and unrealized investment gains of $454 million included net realized and unrealized investment gains of $245 million on fixed maturities and short-term investments, primarily due to decreases in world-wide risk free rates and credit spreads, and $209 million of net realized and unrealized investment gains on equities, investments in real estate and other invested assets. Interest in earnings of equity method investments of $127 million for full year of 2021 primarily reflects the unrealized Almacantar gain recorded in the fourth quarter and realized and unrealized gains on private equity funds and New York real estate funds.

Other Income Statement items

Other expenses of $399 million (expense ratio of 5.7%) for the full year 2021 increased $43 million compared to $356 million (expense ratio of 5.4%) for 2020. The increase was driven primarily by increased personnel expenses, including higher annual incentive and long term incentives due to the higher growth in book value reported by PartnerRe in 2021.

Net foreign exchange losses were $31 million for the full year 2021 and driven by the appreciation of the U.S. dollar against certain major currencies (primary the Euro, British Pound and Swiss Franc), while net foreign exchange losses were $52 million for the full year 2020 were driven by the depreciation of the U.S. dollar against the same currencies.

Interest expense was $56 million for the full year 2021, compared to $39 million for the same period of 2020. The increase for the full year 2021 was driven by the issuance of $500 million 4.50% Fixed-Rate Reset Junior Subordinated Notes due 2050 during the third quarter of 2020.

A preferred dividend of $23 million for the full year 2021, compared to $46 million for the same period of 2020. In May 2021, PartnerRe fully redeemed its Series G, H and I preferred shares for a liquidation value of $637 million. PartnerRe also incurred a loss on redemption of $21 million, related to the preferred share issuance costs that were included in Additional paid-in-capital at issuance, and upon redemption were expensed, with no net impact to Common shareholder's equity. Following the redemption, only Series J preferred shares remain.

Income tax expense was $38 million on pre-tax income of $762 million for the full year 2021 compared to a benefit of $13 million on pre-tax income of $241 million in 2020. These amounts were primarily driven by the geographical distribution of pre-tax profits and losses.

Balance sheet and capitalization

Total investments and cash and cash equivalents were $20.4 billion at 31 December 2021, up 1.4% compared to 31 December 2020. The increase was primarily driven by cash provided by operating activities of $1,233 million, partially offset by cash used for the net redemptions of preferred shares with a liquidation value of $437 million, common and preferred dividends paid of $130 million and net decreases in payables for securities purchased.

Cash and cash equivalents, fixed maturities, and short-term investments, which are government issued or investment grade fixed income securities, were $14.5 billion at 31 December 2021, representing 71% of the total investments and cash and cash equivalents.

The average credit rating of the fixed income portfolio was AA- at 31 December 2021. The expected average duration of the public fixed income portfolio at 31 December 2021 was 4.0 years, while the average duration of PartnerRe’s liabilities was 4.3 years.

Dividends declared and paid to common shareholders were $107 million for the full year 2021, compared to $50 million for the full year 2020.

Common shareholder's equity (or book value) of $7.3 billion and tangible book value of $6.8 billion at 31 December 2021 increased by 9.8% and 10.8%, respectively, compared to 31 December 2020, primarily due to the comprehensive income for the full year 2021, partially offset by dividends on common and preferred shares. Book value, excluding dividends on common shares for 2021, was up 11.4% compared to 31 December 2020.

Total capital was $9.4 billion at 31 December 2021, up 1.6% compared to 31 December 2020, primarily due to the increase in book value described above and the issuance of the Series J Preferred Shares, partially offset by the redemption of Series G, H and I preferred shares and a decrease in the U.S dollar value of PartnerRe's Euro denominated debt, as the U.S dollar strengthened against the Euro during the year.

Dividend paid to Exor

In July 2021, PartnerRe declared and paid to EXOR Nederland N.V common share dividends of $107 million, compared to $50 million for 2020.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes

The differences between the US GAAP net income ($679 million) and the IFRS net income ($695 million) are immaterial and related only to the economic effects of the application of the acquisition method by Exor to account for the acquisition.

2022 Outlook

PartnerRe believes that overall, reinsurance will broadly remain a cyclical market, albeit of less amplitude, primarily as a result of capital inflows and outflows, and that the cycles will become more specific and local, with less global amplitude. The current macro condition with inflation, supply chain constraints and climate change concerns will continue to keep pressure, both on primary and reinsurance rates for the foreseeable future.

The outlooks for 2022 for each of PartnerRe's segments are summarized as follows:

2022 P&C Segment Outlook

During the 1 January 2022 renewals, PartnerRe observed improving pricing trends, especially within casualty and professional lines as well as in the property catastrophe business, particularly in the loss-affected accounts. In spite of a competitive reinsurance market with adequate overall capacity, PartnerRe was able to maintain, and in certain instances, grow its premium base at favourable rates.

2022 Specialty Segment Outlook

During the 1 January 2022 renewals, PartnerRe generally observed improved pricing, particularly in cyber and in property classes, where market participants held firm on both loss-affected and non loss-affected accounts. Incumbency and our ability to trade across multiple lines were key to achieving our signings.

2022 Life and Health Outlook

The 1 January 2022 renewal for life business is not significant, as only a limited portion of the premiums written associated with the life portfolio is short-term business. Management expects continued growth in the PartnerRe’s life portfolio in 2022 assuming constant foreign exchange rates, mainly due to growth in Asia, Canada, Europe and the United States. Pricing conditions are not expected to materially differ from 2021.

STELLANTIS

(14.4% stake, 14.4% of voting rights on issued capital)

The key consolidated data of Stellantis for the year 2021 are presented below:

€ million	Year		Change	
	2021	2020	amount	%
Net revenues	**149,419**	47,656	101,763	+214
Pro-forma[1] Net revenues	**152,119**	133,882	18,237	+14
Pro-forma[1] Adjusted operating income[2]	**18,011**	9,224	8,787	+95
Net profit (loss)	**13,218**	2,338	10,880	+465
Pro-forma[1] Net profit (loss)	**13,354**	4,790	8,564	+179

(1) Full year 2021 Pro-forma results are presented as if the merger had occurred on 1 January 2020 and include results of FCA for the period 1 January – 16 January 2021. Year 2020 represents results of the continuing operations of PSA only and are not directly comparable to previously reported results of PSA and reflect accounting policies and reporting classifications of Stellantis. Year 2020 Pro-forma results are presented as if the merger had occurred on 1 January 2020.

(2) Adjusted operating income is a non-GAAP financial measure used to measure performance. Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Stellantis's ongoing operating performance, and also excludes Net financial expenses/(income), Tax expense/(benefit) and Share of the profit of equity method investees. For the year ended 31 December 2021, Pro Forma Adjusted operating income includes the Adjusted operating income of FCA for the period 1°January – 16 January 2021. For the year ended 31 December 2020, Pro Forma Adjusted operating income includes the Adjusted operating income result of FCA for the period 1 January – 31 December 2020.

FCA - PSA merger

On 17 December 2019, FCA and PSA entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger.

On 14 September 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA extraordinary dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46% stake in Faurecia planned to be distributed to all Stellantis shareholders promptly after closing following approval of the Stellantis board and shareholders.

On 4 January 2021, PSA and FCA extraordinary general shareholder meetings approved the merger. Following the respective shareholder approvals and receipt of the final regulatory clearances, FCA and PSA completed the legal merger.

On 17 January 2021, the combined company was renamed Stellantis, the board of directors was appointed and the Stellantis articles of association became effective. On this date, the Stellantis management and board of directors collectively obtained the power and the ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3 - Business Combinations ("IFRS 3"), 17 January 2021 is the acquisition date for the business combination.

The merger was accounted for by Stellantis using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, management determined that PSA is the acquirer for accounting purposes and as such, the merger has been accounted for as a reverse acquisition. In identifying PSA as the acquiring entity, notwithstanding that the merger was effected through an issuance of FCA shares, the most significant indicators were (i) the composition of the combined group's board, composed of eleven directors, six of whom were to be nominated by PSA, PSA shareholders or PSA employees, or were current PSA executives, (ii) the combined group's first CEO, who is vested with the full authority to individually represent the combined group, and was the president of the PSA Managing Board prior to the merger, and (iii) the payment of a premium by pre-merger shareholders of PSA.

On 29 January 2021, the approximately €2.9 billion extraordinary distribution was paid to holders of FCA common shares of record as of the close of business on Friday, 15 January 2021.

Pro-forma Net revenues and Pro-forma Adjusted operating income

Net revenues			Adjusted operating income	
Year			Year	
2021	2020	€ million	**2021**	2020
69,736	60,633	North America	**11,356**	6,123
10,681	6,252	South America	**882**	156
59,060	56,480	Enlarged Europe	**5,370**	3,059
5,201	4,756	Middle East & Africa	**545**	300
3,980	3,200	China and India & Pacific	**442**	231
2,021	1,375	Maserati	**103**	(91)
1,440	1,186	Other activities, unallocated items and eliminations	**(687)**	(554)
152,119	133,882	**Total**	**18,011**	9,224

NORTH AMERICA

The increase in Pro-forma Net revenues in 2021 compared to 2020 was primarily due to favourable vehicle mix and strong net pricing, partially offset by unfavourable translation differences.

The increase in Pro-forma Adjusted operating income in 2021 compared to 2020 was driven by higher net revenues and purchasing and manufacturing efficiencies, partially offset by increased raw materials, logistics and research and development costs.

SOUTH AMERICA

The increase in Pro-forma Net revenues in 2021 compared to 2020 was mainly driven by higher volumes and strong net pricing, as well as favourable vehicle and market mix, partially offset by negative translation differences.

The increase in Pro-forma Adjusted operating income in 2021 compared to 2020 was driven by higher net revenues, more than offsetting higher raw materials costs and unfavourable translation differences and transaction effects.

ENLARGED EUROPE

The increase in Pro-forma Net revenues in 2021 compared to 2020 was mainly due to favourable vehicle mix, primarily higher BEV and PHEV volumes, net pricing, as well as parts and services, partially offset by reduced new and used vehicle volumes.

The increase in Pro-forma Adjusted operating income in 2021 compared to 2020 was driven by increased Net revenues, purchasing and manufacturing efficiencies, as well as reduced compliance costs, more than offsetting higher raw materials costs.

MIDDLE EAST & AFRICA

The increase in Pro Forma Net revenues in 2021 compared to 2020 was mainly driven by higher net pricing, including pricing actions for Turkish lira devaluation, and increased volumes, partially offset by negative translation differences, mainly from Turkish lira.

The increase in Pro Forma Adjusted operating income in 2021 compared to 2020 reflects higher Net revenues, partially offset by negative translation differences.

CHINA AND INDIA & PACIFIC

The increase in Pro Forma Net revenues in 2021 compared to 2020 was primarily due to overall higher volumes and favourable market mix and net pricing.

The increase in Pro-forma Adjusted operating income in 2021 compared to 2020 was mainly driven by favourable net pricing, volumes and vehicle mix, primarily related to Jeep Wrangler and Ram 1500, partially offset by increased product costs.

MASERATI

The increase in Pro-forma Net revenues in 2021 compared to 2020 was primarily due to higher volumes, favourable market mix, mainly in China, and improved net pricing.

The increase in Pro-forma Adjusted operating income in 2021 compared to 2020 was mainly due to higher volumes and net pricing, driven by launch of refreshed line-up, favourable market mix, particularly in China, and improved residual values, partially offset by negative foreign exchange transaction effects.

The following table is the reconciliation of Net profit to Pro-forma Adjusted operating income (non-GAAP measure).

	Year	
€ million	**2021**	2020
Net profit from continuing operations	**13,218**	2,338
Tax expense	**1,911**	504
Net financial expenses	**734**	94
Share of the profit of equity method investees	**(737)**	74
Operating income	**15,126**	3,010
FCA operating income 1 January -16 January 2021	**77**	
FCA operating income 1 January - 31 December 2020	**—**	2,165
Pro-forma adjustments	**96**	2,261
Pro-forma operating income	**15,299**	7,436
Adjustments:		
Restructuring and other costs, net of reversal[1]	**873**	490
Change in estimate of non-contractual warranties[2]	**732**	—
Reversal of inventory fair value adjustment in purchase accounting[3]	**522**	—
Impairment expense and supplier obligations[4]	**309**	1,129
Provision fro U.S. investigation matters[5]		222
Loss/(Gains) on disposal of investments	**—**	(178)
Brazilian indirect tax - reversal of liability/recognition of credits[6]	**(253)**	—
Other[7]	**529**	125
Total adjustments	**2,712**	**1,788**
Pro-forma Adjusted operating income	**18,011**	**9,224**

(1) Restructuring and other costs related to reorganization of operations and dealer network, primarily in Enlarged Europe.
(2) Change in estimate for warranty costs incurred after the contractual warranty period.
(3) Reversal of fair value adjustment recognized in purchase accounting on FCA inventories.
(4) Primarily related to certain vehicle platforms in Enlarged Europe.
(5) Provision recognized for estimated probable losses to settle matters under investigation by the U.S. Department of Justice, primarily related to criminal investigations associated with U.S. diesel emissions matters.
(6) Benefit related to final decision of Brazilian Supreme Court on calculation of state value added tax.
(7) Includes other costs primarily related to merger and integration activities.

Cash flows from operating activities to Pro-forma Industrial free cash flows

(€ million)	Year 2021
Cash flows from operating activities	**18,646**
Less: Cash flows from operating activities – discontinued operations	—
Cash flows operating activities – continuing operations	**18,646**
Less: operating activities not attributable to industrial activities	276
Less: capital expenditures and capitalized research and development expenditures and change in amounts payable on property, plant and equipment and intangible assets for industrial activities	10,081
Add: proceeds from disposal of assets and other changes in investing activities	327
Less: contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method investments	811
Add: net intercompany payments between continuing operations and discontinued operations	—
Add: defined benefit pension contribution, net of tax	80
Industrial free cash flows	**7,885**
Add: FCA Industrial free cash flows 1 January - 16 January 2021	**(1,813)**
Pro-forma Industrial free cash flows	**6,072**

Aggregated Industrial free cash flows Year 2020

(€ million)	Year 2020
PSA Automotive free cash flows	2,660
FCA Industrial free cash flows	624
Aggregated Industrial free cash flows[(1)]	**3,284**

(1) The aggregated Industrial free cash flows for 2020 is the simple aggregation of FCA and PSA (excluding Faurecia) and does not reflect purchase accounting adjustments required by IFRS.

2022 Outlook

2022 Industry Outlook: North America +3%; South America +3%; Enlarged Europe +3%; Middle East & Africa +Stable; India & Asia Pacific +5%; China Stable.

2022 Guidance: Adjusted operating income margin[(1)] of Double-Digit. Industrial Free Cash Flows[(2)] Positive. Assumes economic and COVID-19 conditions remain substantially unchanged.

(1) Guidance includes impacts from purchase accounting and changes in accounting policies as required by IFRS in connection with the Merger. Guidance refers to sections - non-GAAP Financial Measures and Pro-forma, which include results of FCA for the period 1 January – 16 January 2021.

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

(27.06% stake, 41.68% of voting rights on issued capital)

Iveco Group Business Spin-off and Discontinued Operations

Until 31 December 2021, CNH Industrial N.V. owned and controlled the Off-Highway business (the Agriculture business, the Construction business, and the related Financial Services business) and On-Highway business (the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business, together the “Iveco Group business” or "Iveco Group").

Effective 1 January 2022, the Iveco Group business was separated from CNH Industrial N.V. in accordance with Section 2:334a (3) of the Dutch Civil Code by way of a legal statutory demerger to Iveco Group N.V. (the "Demerger").

On 3 January 2022, Iveco Group N.V. common shares began trading on the regulated market Euronext Milan, under the ticker symbol "IVG". As a result of the Demerger, each holder of CNH Industrial N.V. common shares (and special voting shares as the case may be) received one Iveco Group N.V. share for every five CNH Industrial N.V. common shares (or special voting share as the case may be) held at close of business on the record date for allocation (4 January 2022). Since 3 January 2022, CNH Industrial N.V. and Iveco Group N.V. have been quoted separately on the regulated markets and operate as independent listed companies, each with its own management and Board of Directors.

As the transaction took effect on 1 January 2022, the consolidated financial statements for the year ended 31 December 2021 relate to CNH Industrial Pre-Demerger.

Additionally, as the Demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in the 2022 consolidated financial statements for CNH Industrial Post-Demerger and Iveco Group, the opening position for items in the statement of financial position will be equivalent to the carrying amounts reported in the consolidated financial statements of CNH Industrial Pre-Demerger.

Key consolidated figures for both groups, for the year 2021 are as follows:

	2021			2020			**Change**
$ million	**Off Highway**	**On Highway**	**CNH Industrial Pre-Demerger**	**Off Highway**	**On Highway**	**CNH Industrial Pre-Demerger**	**Total**
Revenues[1]	***19,474***	***14,963***	**34,437**	14,696	11,892	26,588	7,849
Revenues in €[2]	***n.a.***	***n.a.***	**28,309**	*n.a.*	*n.a.*	*22,749*	*5,560*
Adjusted EBIT of Industrial Activities[3]	**1,729**	**357**	**2,086**	517	(101)	416	1,670
Net (loss) income	**1,686**	**91**	**1,777**	(270)	(425)	(695)	2,472
of which attributable to owners of the parent	**1,677**	**63**	**1,740**	(284)	(466)	(750)	2,490

(1) Revenues of CNH Industrial Pre-Demerger before the eliminations ($956 million in 2021 and $604 million in 2020).
(2) Revenues of CNH Industrial Pre-Demerger net of eliminations .
(3) Adjusted EBIT of Industrial Activities is a non-GAAP financial measure used to measure performance. Adjusted EBIT of Industrial Activities is defined as profit/(loss) before taxes, financial services results, industrial activities financial expenses, restructuring costs and certain non- recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as profit/(loss) before taxes, financial services results, industrial activities financial expenses, restructuring costs and certain non- recurring items.

COVID 19 Effects and Actions

The COVID-19 pandemic and the related actions of governments and other authorities to contain COVID-19 spread continue to affect CNH Industrial’s business, results and cash flow. Governments in many countries where CNH Industrial operates, designated part of our businesses as essential critical infrastructure businesses. This designation allows CNH Industrial to operate in support of its dealers and customers to the extent possible. CNH Industrial also continues to prioritize the health, safety and well-being of its employees.

The Company remains cautious about future impacts on CNH Industrial's end-markets and business operations of restrictions on social interactions and business operations to limit the resurgence of the pandemic. CNH Industrial is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business, its employees and the Company's results of operations, financial condition and cash flows.

Global Supply Chain Disruptions

On 13 October 2021, CNH Industrial announced the temporary closure of several of its European agricultural, commercial vehicle and powertrain manufacturing facilities in response to ongoing disruptions to the procurement environment and shortages of core components, especially semiconductors. The global supply chain still shows increasing input costs and logistics pressures, with ongoing disruptions to the procurement environment forcing repeated reviews of production schedules. Global supply chain represented the main challenge for the operations in the year, with multiple bottlenecks resulting in increased raw material prices, intermittent subcomponent availability, notably for semiconductors, and increased transportation costs.

Revenues

Consolidated net revenues for 2021 were $33,481 million, an increase of 28.9% (up 27.3% on a constant currency basis) compared to 2020. This increase is primarily due to an increase of 30.6% (up 28.9% on a constant currency basis) compared to the prior year in net revenues of Industrial Activities due to continued strong industry demand and positive price realization.

The following discussion provides a breakdown for Off-Highway and On-Highway businesses.

Off Highway – CNH Industrial excluding Iveco Group

In 2021, net revenues of CNH Industrial excluding Iveco Group were $19,474 million, up 32.5% compared to 2020 (up 31.6% on a constant currency basis). The net sales of Industrial Activities of Continuing Operations were $17,835 million, up 36.4% (35.4% on a constant currency basis) compared to 2020. The increase was due to higher industry demand, favourable price realization and lower destocking compared to the previous year.

Net revenues for Agriculture were $14,754 million in 2021, up 35.2% (34.2% on a constant currency basis), mainly due to higher industry demand, better mix, favourable price realization and lower destocking compared to 2020.

For 2021, worldwide industry unit sales for tractors increased 14% compared to 2020, while worldwide industry sales for combines were up 19% compared to 2020. In North America, industry volumes in the over 140 hp tractor market sector were up 23% and combines were up 25%. Industry volumes for under 140 hp tractors were up 10%. European markets were up 16% and 17% for tractors and combines, respectively. In South America, tractor industry volumes increased 22% and combine industry volumes increased 19%. Rest of World markets increased 15% for tractors and 19% for combines.

Net revenues for Construction were $3,081 million in 2021, up 42% compared to 2020 (up 40.9% on a constant currency basis), driven by favourable price realization, higher demand, and lower destocking by dealers and distributors.

In 2021, global demand for construction equipment was up 14% compared to 2020, with Heavy sub-segment up 16% and Light sub-segment up 13%. Demand increased 23% in North America, 19% in Europe, 87% in South America, and 6% in Rest of World.

Financial Services reported net revenues of $1,664 million in 2021, up 1.2% compared to 2020 (up 0.9% on a constant currency basis), primarily due to higher used equipment sales and higher average portfolios in Europe, South America and Rest of Word, partially offset by lower average portfolio in North America due to a reduction in wholesale financing.

On Highway – Iveco Group

The consolidated net revenues of the Iveco Group were $14,963 million, an increase of 25.8% (up 22.8% on a constant currency basis) compared to 2020. The net sales of the Industrial Activities of Iveco Group were $14,808 million, an increase of 25.7% compared to the prior year (up 22.7% on a constant currency basis), due to higher volumes and positive price realization.

Commercial and Specialty Vehicles' net revenues were $12,204 million in 2021, up 29.6% compared to 2020 (up 27.3% on a constant currency basis), primarily driven by higher truck volumes and positive price realization.

In 2021, the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, increased by 11% compared to 2020. The LCV market increased 8%, and the M&H truck market increased by 19%. In South America, new truck registrations (GVW ≥3.5 tons) increased 39% compared to 2020, with an increase of 39% and 42% in Brazil and in Argentina, respectively. In Rest of World, new truck registrations increased 18% compared with 2020.

CNH Industrial’s estimated market share in the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, was 11.8%, up 1.2 percentage points ("p.p.") compared with 2020. The European market share increased 1.9 p.p. to 13.2% in LCV and increased 0.1 p.p. to 8.9% in M&H segment. In South America, in 2021, CNH Industrial’s market share increased 0.8 p.p. to 10.5%.

During 2021, Commercial and Specialty Vehicles delivered approximately 161,178 vehicles (including buses and specialty vehicles), representing a 36% increase from 2020. Volumes were 40% higher in LCV and 43% higher in M&H truck segments. Commercial and Specialty Vehicles’ deliveries increased 33%, 73% and 26% in Europe, South America and Rest of World, respectively.

In 2021, Commercial and Specialty Vehicles' ratio of truck orders received to units shipped and billed, or book-to-bill ratio, for the European truck market was 1.57, an increase of 32% compared to 2020. In 2021, truck order intake in Europe increased 81% compared to previous year.

Powertrain net revenues were $4,435 million in 2021, an increase of 22.1% (up 19.4% on a constant currency basis) compared to 2020, mainly due to higher volumes. Sales to external customers accounted for 41% of total net revenues (52% in 2020).

During 2021, Powertrain sold approximately 538,300 engines, an increase of 12% compared to 2020. In terms of customers, 32% of engines were supplied to Commercial and Specialty Vehicles, 17% to Agriculture, 6% to Construction and the remaining 45% to external customers (units sold to third parties were down 16% compared to 2020). Additionally, Powertrain delivered approximately 67,900 transmissions and 192,500 axles, an increase of 36% and 38%, respectively, compared to 2020.

Financial Services reported net revenues of $230 million in 2021, up 22.3% compared to 2020 (up 18.4% on a constant currency basis), due to higher volumes from financing activities.

	Year		
$ million	2021	2020	% change
Off Highway - CNH Industrial excluding Iveco Group			
Agriculture	**14,754**	10,916	35.2
Construction	**3,081**	2,170	42.0
Financial Services	**1,664**	1,644	1.2
Elimination and other	**(25)**	(34)	n.s.
Total CNH Industrial excluding Iveco Group	**19,474**	14,696	32.5
On Highway - Iveco Group			
Commercial and Specialty Vehicles	**12,204**	9,420	29.6
Powertrain	**4,435**	3,633	22.1
Financial Services	**230**	188	22.3
Eliminations and other	**(1,906)**	(1,349)	n.s.
Total Iveco Group	**14,963**	11,892	25.8
Elimination Off Highway - On Highway	**(956)**	**(604)**	**n.s.**
Total Revenues	**33,481**	**25,984**	**28.9**

Adjusted EBIT of Industrial Activities

Adjusted EBIT of Industrial Activities was $2,086 million ($416 million in 2020), with an adjusted EBIT margin of 6.6%. The increase in adjusted EBIT was primarily attributable to all segments being up year over year.

Off Highway – CNH Industrial excluding Iveco Group

Adjusted EBIT of Industrial Activities of CNH Industrial excluding Iveco Group was $1,729 million, a $1,212 million increase compared to 2020. The improvement was driven by higher volume, favourable mix and positive price realization, partially offset by higher raw material and freight costs, and higher variable compensation.

Adjusted EBIT of Agriculture was $1,794 million in 2021, compared to $856 million in 2020. The $938 million increase was driven by higher volumes, favourable mix and price realization in all regions, partially offset by higher raw material and freight costs, higher SG&A costs driven by higher variable compensation. R&D spend returning to more normal levels from the low levels experienced in the previous year. Adjusted EBIT margin increased 440 bps to 12.2%.

Adjusted EBIT of Construction $83 million in 2021 (up $276 million compared to 2020). The improvement was due to positive price realization and favourable volumes and mix, partially offset by higher production costs related to raw material and freight

On Highway – IVECO Group

Adjusted EBIT of Industrial Activities of Iveco Group was $357 million (€101 million loss in 2020). The improvement was driven by higher volume and positive price realization, partially offset by higher raw material costs, freight costs, and rework costs due to components shortages.

Adjusted EBIT of Commercial and Specialty Vehicles was $300 million in 2021 (an increase of $469 million compared to 2020). The improvement was driven by higher volumes and positive price realization, partially offset by increased raw material costs, freight costs, and rework costs due to components shortages. SG&A costs increase was driven by higher variable compensation. R&D spending returned to more normal levels from the lows of the prior year. Adjusted EBIT margin was 2.5%.

Adjusted EBIT of Powertrain was $246 million in 2021, a $23 million increase compared to 2020, mainly due to favourable volume and mix in the first half of the year, almost offset by unfavourable raw material costs, higher freight costs due to logistics constraints, higher SG&A costs and lower absorption of fixed cost in the second half of the year due to certain third-party sales discontinuation. R&D spending returned to a pre-pandemic level. Adjusted EBIT margin was 5.5%, in 2021.

	Year		
$ million	2021	2020	% change
Off Highway - CNH Industrial excluding Iveco Group			
Agriculture	**1,794**	856	109.6
Construction	**83**	(193)	-143.0
Elimination and other	**(148)**	(146)	n.s.
Total Adjusted EBIT of Industrial Activities excluding Iveco Group	**1,729**	517	234.4
On Highway - IVECO Group			
Commercial and Specialty Vehicles	**300**	(169)	-277.5
Powertrain	**246**	223	10.3
Eliminations and other	**(189)**	(155)	n.s.
Total Adjusted EBIT of Industrial Activities IVECO Group	**357**	(101)	(453.5)
Total Adjusted EBIT of Industrial Activities CNH Industrial Pre - Demerger	**2,086**	**416**	**401.4**

Off Highway – CNH Industrial excluding Iveco Group

2022 Outlook (US GAAP)
CNH Industrial manages its operations, assesses its performance and makes decision about allocation of resources based on financial results prepared only in accordance with U.S. GAAP, and, accordingly, also the full year guidance presented below is prepared under U.S. GAAP.

CNH Industrial is providing the following 2022 outlook for its Industrial Activities:

- Net sales(*) to grow 10% to 14% including currency translation effects;
- SG&A expenses lower or equal to 7.5% of net sales;
- Free Cash Flow in excess of $1 billion;
- R&D Expenses and Capital expenditures up at around $1.4 billion from around $1.0 billion in 2021.

On Highway – Iveco Group

2022 Outlook (IFRS)
Iveco Group's preliminary 2022 expectations are as follows:

- Net revenues of Industrial Activities to increase up to 5%;
- SG&A of Industrial Activities as a percentage of Net revenues to remain around 6.5%;
- Net cash of Industrial Activities equal or above 31 December 2021 amount.

This outlook doesn't reflect possible consequences and impacts deriving from the global geopolitical scenario determined by the Ukraine-Russia crisis.

(*) Net sales reflecting the exchange rate of 1.20 EUR/USD

(63.77% of share capital)

The following information refers to the first half of 2021/2022 of Juventus F.C.

	I Half		
€ million	**2021/2022**	2020/2021	Change
Revenues	**223**	258	(35)
Operating costs	**(242)**	(263)	21
Operating result	**(111)**	(105)	(6)
Loss for the period	**(119)**	(114)	(5)

€ million	**31/12/2021**	30/06/2021	Change
Shareholders' equity	**303**	28	275
Net financial debt	**79**	389	(310)

For a correct interpretation of the data, it should be noted that the financial year of Juventus does not coincide with the calendar year, but covers the period 1 July – 30 June, which corresponds to the football season. The accounting data under examination (6 months) thus represents the first half of operations for the financial year 2021/2022.
On the other hand, the financial data prepared only for Exor consolidated reporting purposes covers the period of 12 months (the second half of the financial year 2020/2021 and the first half of the financial year 2021/2022) and cannot be construed as representing the basis for a Juventus 2021/2022 full-year projection.
Result performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a period different from the period to which they refer.

For a correct interpretation of the data, it should be noted that the continuing health emergency related to the COVID-19 pandemic and the consequent measures imposed by the Authorities have significantly penalised - as for all companies in the sector - both the results of the first half of the 2021/2022 financial year and those of the previous year. The pandemic mainly affected - directly and indirectly - match revenues, revenues from product sales and revenues from players' rights management, with an inevitable negative impact of both economic and financial nature.

The Group's economic trend is characterised by a strong seasonal nature, typical of the business sector, determined essentially by participation in sports competitions, the calendar of sports events and the players' Transfer Campaign.

The first half of the 2021/2022 financial year closed with a consolidated loss of €119 million, a moderate increase compared to the loss of €114 million in the first half of the previous financial year, due to lower revenues for €35 million, mainly related to lower income from television and radio rights (€39 million); in the first half of the previous year, this item benefited also from the higher number of Serie A and UEFA Champions League matches played in the period. The negative effect mentioned above was partially offset by higher match revenues, an increase of €8 million thanks to the partial reopening of the stadium, and lower operating costs for €21 million.

The increase in net equity is due to the completion of the capital increase transaction (€394 million, net of related costs), partially offset by the result of the period.

The decrease in net financial debt (€310 million) is linked to the capital increase (€394 million), whose effects were partially compensated by negative cash flows from operation (-€28 million), payment related to the Transfer Campaign (-€48 million), investment in other fixed assets (-€1 million) and cash flows from financing activities (-€7 million).

Audit by Consob

By letter dated 12 July 2021, Consob (Italian Supervising Authority) initiated an inspection of Juventus pursuant to Article 115, paragraph 1, letter c) of Legislative Decree no. 58/1998 concerning the acquisition of documentation and information relating to the item "Income from players' registration rights" recorded in the financial statements at 30 June 2020 and 30 June 2021.

Juventus responded to the Authority's requests and provided due and full cooperation during the aforementioned audits. At present, the Company has not received any notice of the initiation of proceedings by the said Authority.

Requests for information from sports Authorities

In a letter dated 4 October 2021, Co.Vi.So.C. (an Italian sport Authority), on the basis of press reports, requested Juventus to provide information about the requests for inquiries regarding the separate and consolidated financial statements of Juventus received in 2021 from inspection bodies and, in particular, information about the expected response time and the elements of assessment regarding the facts subject to the said requests for inquiries; subsequently, in a letter dated 29 November 2021, Co.Vi.So.C. requested Juventus to provide further information, in particular with regard to the news published in the press concerning the criminal proceedings described in the following section.

On 24 November 2021, the *Procura Federale* (Federal Prosecutor's Office) of the F.I.G.C. (*Federazione Italiana Giuoco Calcio*) made a request to Juventus for documentation concerning the transfer of the rights to the performances of various football players, in the framework of proceedings opened by the same Prosecutor's Office. Juventus provided these documents and all the information requested.

On 21 February 2022, Juventus received, together with 10 other Italian football companies and respective senior managers, a "*Comunicazione di conclusione delle indagini*" (Communication of termination of investigations) from the Federal Prosecutor's Office before the F.I.G.C. with regard to the valuation of the effects of certain transfers of players' rights on the financial statements and the accounting of gains, following the "*segnalazione*" (report) by Co.Vi.So.C., for the postulated breach of article 31, paragraph 1, and articles 6 and 4 of the "*Codice di Giustizia Sportiva*" (Sport Justice Code). The communication served, concerning certain transfers completed in the financial years 2018/19, 2019/20 and 2020/21, does not constitute the exercise of the disciplinary action by the Federal Prosecutor's Office. Juventus had access to the records and articulate its defences in accordance with the terms set forth in the code and trusts it will be in a position to demonstrate the correctness of its conduct.

Criminal proceedings pending before the Turin Judicial Authority

On 26 November 2021 and 1 December 2021, search and seizure orders were served on Juventus, through the Officers of the "*Guardia di Finanza of the Nucleo di Polizia Economico-Finanziaria"* of Turin.

In the same date, Juventus was informed of the existence of an investigation by the Public Prosecutor's Office of the Court of Turin, against itself and some of its current and former representatives, concerning the item "Income from players' registration rights" recorded in the financial statements at 30 June 2019, 2020 and 2021 for the offences referred to in Article 2622 of the Italian Civil Code (False corporate communications by listed companies) and art. 8 of Legislative Decree no. 74/2000 (Issue of invoices or other documents for non-existent transactions) and, as far as the Company is concerned, for the offence envisaged by articles 5 (Liability of the body) and 25-ter (Corporate offences) of Legislative Decree no. 231/2001.

The investigation launched by the Public Prosecutor's Office at the Court of Turin is ongoing and to date, no notice of conclusion of the preliminary investigations pursuant to art. 415-bis of the Code of Criminal Procedure has been served. Juventus is cooperating with the investigators and trusts that it will clarify any aspect of interest to them, believing that it has operated in compliance with the laws and regulations governing the preparation of financial reports, in accordance with accounting principles and in line with international football industry practice and market conditions.

Outlook 2022

As a result of the continuing health emergency linked to the COVID-19 pandemic, the economic, financial and sporting reference context is still characterised by a high degree of uncertainty, which makes the formulation of reliable forecasts regarding possible short - to - medium term developments quite complex. However, the positive effects of the vaccination campaigns underway, both in Italy and globally, now make it possible to presume a gradual reduction in the various restrictive measures imposed by the Authorities during the second half of the 2021/2022 financial year and a substantial normalisation of the general economic context starting from the second half of the current year.

The Juventus' Group continues to monitor the developments of the pandemic and governmental measures, in order to align promptly the management of its business to the changing environment, adopting appropriate measures to protect its revenue sources and assets, and to continue to apply high standards to the measures adopted to safeguard the health and welfare of its registered customers and employees.

As things stand at present, the 2021/2022 financial year – still heavily affected by the direct and indirect effects of the pandemic – is expected to show a significant loss. It should also be noted that, on the assumption of a substantial normalisation of the general economic context starting from the second half of 2022, and as a result of the cost rationalisation and revenue recovery activities carried out in the financial year ended 30 June 2021 and effective in the medium term, the Group's economic performance is expected to improve significantly starting from 2022/2023 financial year.

In assessing the business outlook, the uncertainties typical of football operations remain, stemming in particular from the First Team's performance in the competitions in which it participates.

(89.62% of share capital)

The financial data prepared for EXOR consolidated reporting purposes differs from those reported by GEDI since the data consolidated by Exor reflects the effects of the application by Exor of the acquisition method to account for its acquisition of GEDI.
The following information refers to the key consolidated figures of GEDI.

€ million	Year 2021	2020	Change
Net revenues	**520**	533	(13)
Gross operating profit (loss)	**10**	2	8
Gross operating profit (loss) - adjusted	**37**	24	13
Operating profit (loss)	**(38)**	(165)	127
Operating profit (loss) - adjusted	**10**	(12)	22
Net loss	**(50)**	(166)	116

€ million	31/12/2021	31/12/2020	Change
Shareholders' equity	**213**	227	(14)
Net financial debt	**116**	106	10

COVID-19

The performance in 2020 was severely penalised by the trend in the first six months, a period in which all areas of the Group's business were heavily affected by the circumstances surrounding the spread of the COVID-19 virus and the resulting restrictive measures adopted by the public and local authorities to contain it. In particular, the drop in consumption was reflected directly in the trend of advertising investments.

The start of 2021 has also been affected by the ongoing impact of COVID-19 and its related restrictive measures. In Italy, the number of cases started to grow in February and reached a peak in the last ten days of March. Since mid-April, the situation has been improving and has made it possible to slowly phase out restrictions and reopen commercial activities.

The vaccination campaign and the introduction of new rules such as the green pass had positive impacts in terms of general infection levels and hospitalisations, leading to a gradual improvement in the situation.

The evolution of the health emergency continues to have a significant impact on macro-economic forecast, and while the extensive vaccination coverage achieved has been reflected positively in the medium-term forecasts, the duration and intensity of the post-pandemic recovery remain uncertain.

GEDI monitors the evolution of the situation on a daily basis in order to minimize its effects on the business, both in terms of work-place health and safety and of GEDI's economic performance and financial position. GEDI has established and promptly implemented the necessary action plans, while continuing at the same time to invest accordingly with the individual strategies identified.

Revenues

€ million	Year 2021	2020	Change
Circulation	**218**	253	(35)
Advertising	**260**	239	21
Add-ons and others	**42**	41	1
Total	**520**	533	(13)

In the context described above consolidated revenues stood at €520 million, excluding the impact of the local papers sold last year (this translates to a growth of 2.7%). Revenues from digital activities represented 17.3% of consolidated revenues (22.1% for the la Repubblica brand).

Circulation revenues from traditional products and digital subscriptions amounted to €218 million, a decline of 6% on a comparable data from last year).

In 2021, the actions to increase the sales of digital subscriptions have continued: the subscriber base, which has grown by 30% compared to the close of 2020, has attained higher profitability compared to the same period in 2020. This improvement is principally due to the transition of the customer base from promotional offers made in 2020 to full pricing. It is a measure of the continued interest of subscribers in GEDI's digital products – going beyond the effects of the COVID-19 emergency and in spite of the ending of the promotional period – and of the effectiveness of the new customer retention and engagement initiatives designed to reduce churn and to increase readers' consumption of products.

In May 2021 the new Repubblica App was released which combines in one single app all the newspaper's digital offerings (both free of charge and subscription) with state of the art functionalities.

Meanwhile, the production of paid digital content, particularly audio, was developed: up to 25 audio-articles were published per day (175 per week) by La Repubblica and La Stampa, in addition to daily reports by regular contributors, several original audio-series and the Long-Form audio version of La Repubblica.

With an average of around 4.9 million unique users a day and 26.6 million unique users a month on both of its websites (Audiweb, average data for January – December 2021), the Group is the fifth largest operator on the Italian digital market.

2021 was also a year of innovation, focusing on the quality of content for the GEDI Group's social media channels, a strategy that has proven highly successful in terms of reach and engagement. The growth on Instagram was particularly positive, as reflected in the results of La Repubblica (1.6 million followers, up 21.2% compared to 2020, and 58.6 million user-generated interactions), La Stampa (460,000 followers, +24.7% in 2020, and 9.1 million user-generated interactions) and Radio Deejay (1.1 million followers, +14.9% in 2020, and 13.8 million user-generated interactions). When combined with the results of the new companies acquired by the Group, total generated interactions reached over 85 million with over 140 million views, not counting reels. We also saw positive growth on Facebook, up by an average of 4% year-on-year for the Group's publications, with a total of over 70 million user-generated interactions and more than 250 million views.

During 2021, the strategy of releasing Content Hubs continued, with Moda & Beauty, il Gusto and Italian Tech, distributed across la Repubblica, La Stampa and all the local daily newspapers, in multichannel format (digital and paper) with a digital focus and a unified organizational structure. In 2020, the Green & Blue and Salute Content Hubs were successfully launched.

The purpose of the Content Hubs is to increase digital subscriptions, host interesting content for advertisers and ensure production and sales efficiency along the vertical themes.

Advertising revenues amounted to €260 million; excluding the impact of the local papers sold in the previous year, growth stood at 12.5%.

In terms of the various media within the Group, GEDI's advertising revenue from print newspapers increased by 8.4%, radio broadcasting by 14.9% and internet by 24.3% respectively.

Net loss

The consolidated net result was a loss of €50 million, including provisions relative to the disputes regarding alleged fraud against INPS of €23 million, impairment on publications of €17 million, restructuring expenses, depreciation on printing equipment and real estate, and other extraordinary items, with a total impact on net profit of €7 million. Furthermore, in 2021, the sale of the equity investment in the company Editoriale Corriere di Romagna was concluded, resulting in capital gains of €0.1 million (book value €0.6 million, sale price €0.7 million), as were the sales of the equity investments in Editoriale La Libertà, Telelibertà and Altrimedia with a loss of €0.7 million (book value €9.2 million, sale price €8.5 million). Finally, a write-down of €1.8 million was recorded for the equity investments held in the Italian press agency ANSA, aligning the book value to the fair value.

In 2020 the loss for the year was €166 million, including impairments on goodwill and publications of €82 million, restructuring expenses and other extraordinary items with an impact on net profit of €24 million and losses realised on the sale of local papers of €11 million. In 2020 write-downs of €7 million were also recorded on the value of the investment held in Editoriale Libertà and Editoriale Corriere di Romagna and €13 million for adjustments on deferred tax assets due to the worsening forecasts for the recovery of previous tax losses due to COVID-19. Net of the aforementioned effects, the adjusted loss for 2021 was €2 million, compared to a loss of €29 million in the previous year.

2022 Outlook

For 2022, the leading agencies and institutions are indicating a growth in Italian GDP above 4% and suggest that the Italian economy could return to pre-crisis production levels in the first quarter of the year. However, the drawn-out duration of the pandemic continues to cause a significant slowdown of activities in certain economic sectors; in particular, the Omicron variant of the COVID-19 virus was particularly damaging for families and businesses, generating serious organisational problems due to the high level of infectiousness of the variant despite the fortunately less critical clinical context. Furthermore, international tensions in Eastern Europe, with the consequent spike in costs of energy and certain raw materials, undoubtedly represent another critical concern.

At present, therefore, the factors that contribute to the construction of revenue forecasts, and in particular of advertising revenues, both for the editorial (printed and digital) and the radio broadcasting segments continue to be subject to major uncertainty.

To mitigate the effects of these external events, GEDI's management is implementing a series of incisive actions to contain the main cost categories. The aim is to achieve further savings while at the same time continuing to invest according to the individual strategies identified, in particular, seizing all the opportunities offered by the digital revolution to make the transformation needed to reach an ever-larger customer base on any platform.

Despite this, 2022 has been marked by some important projects aimed at developing the monetisation of content produced by the GEDI Group's brands.

The availability of a vast collection of audio content able to span different genres and interests has led to the launch in January 2022 of One Podcast, an app that aggregates all the Group's audio content in one place: news, radio shows, and a catalogue of podcasts, live radio broadcasts, re-runs of radio episodes, clips and online radio. News content is monetised through subscriptions while radio content is freely accessible to all users.

Also in January the new HuffPost website was launched with a new graphic design, fresh content and a strategy aimed at consolidating the readership community. The range of information, analyses and investigative reports was expanded thanks to collaborations with prestigious columnists, and a paywall was introduced for all of the publication's exclusive content. In mid-February the new app for smartphone and tablets was launched.

Finally, on 31 January 2022 the sale of the business unit comprising the daily newspaper La Nuova Sardegna and the printing centre to the SAE S.p.A. publishing group was completed and the building used for its editorial and administrative offices was sold to a third party. The publication had been leased to the company DB Information S.p.A. since December 2016. The operation follows the sale of four local newspapers by GEDI to SAE in October 2020. The concessionaire A. Marzoni&C. will continue to manage the advertising revenue for the publication.

With regard to future evolutions, considering the actions put in place and those yet to be implemented, the Group believes - assuming the absence of a renewed spike in infections and the consequent imposition of containment measures and/or the worsening of the international context - to have the managerial and financial leverage needed to guarantee a positive future outlook in the medium and long term. The actions undertaken by the Government to sustain the national economy may, also, provide a positive contribution to the Company’s results.

SUBSEQUENT EVENTS AND 2022 OUTLOOK

SUBSEQUENT EVENTS AND 2022 OUTLOOK

Subsequent events

Dividends and distribution of reserves expected to be received in the year 2022

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

Investee company	Number of shares	Dividends Per share (€)	Dividends Total (€ million)
Ferrari N.V.	44,435,280	1.362	61
Stellantis N.V.	449,410,092	1.04	467
CNH Industrial N.V.	366,927,900	0.28	103
Exor's share of dividends			**631**

Demerger between CNH Industrial and Iveco Group

Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses were separated from CNH Industrial. Iveco Group became a public listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. Each holder of common shares in the share capital of CNH Industrial received one common share of Iveco Group for every five CNH Industrial common shares held. Exor, which continues to be the shareholder of reference in both entities following completion of the spin-off process, holding 366,927,900 common shares CNH Industrial, received 73,385,580 Iveco Group common shares (a 27.06% stake) and the same number of special voting shares. As the demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in Exor's 2022 Consolidated Financial Statements, the opening position at 1 January 2022 for items in the statement of financial position (relative to CNH Industrial post-demerger and Iveco Group), will be equivalent to the carrying amounts of CNH Industrial pre-demerger at 31 December 2021.

Increased voting rights related to Exor's stake in Juventus Football Club

As of 3 January 2022, after an uninterrupted period of 24 months during which its shares in Juventus were maintained registered in the special list, in accordance with the company's voting rights regulations, Exor increased voting rights in Juventus and currently holds 77.874% of the voting rights.

Settlement with the Italian Tax Authorities

On 18 February 2022 Exor settled with the Italian Tax Authorities ("Agenzia delle Entrate") a complex tax issue, specifically related to the exit tax due by the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands.
Exor remains convinced that it acted in accordance with the rules; however, with the objective of avoiding the time and the costs of a major tax dispute, it agreed to enter into a settlement with the Agenzia delle Entrate and paid €746 million, of which €104 million represented by interest.
The effect of the settlement, which was paid in full on 18 February 2022, has been reflected in the Company's 2021 accounts, to the extent applicable.

Cash consideration for the sale of PartnerRe to Covéa increased by $328 million

The agreed cash consideration of $9.0 billion to be paid by Covéa on the closing of the transaction was based on a consolidated common shareholders' equity value of $7.0 billion. Based on PartnerRe's common shareholders' equity at 31 December 2021, the agreed cash consideration will be adjusted, as per the agreed terms, to include additional proceeds for around $328 million (of which $150 million paid by Covéa and $178 million paid by PartnerRe as a special dividend).

Exor buyback program

On 8 March 2022 Exor launched a share buyback program that will involve from time to time the repurchase of up to €500 million of ordinary shares by 2024 (the "Program"), in line with the disclosure made at the 2021 Investor Day. Exor started the repurchase of up to €100 million, as the first tranche of the Program, to be executed on Euronext Milan through a non-discretionary buyback agreement with a primary financial institution. The shares that are being repurchased will be cancelled.

The Program will be conducted in the framework of the resolution adopted by the Annual General Meeting of Shareholders ("AGM") held on 27 May 2021. The shares will be repurchased at a price not higher than 10% above the reference price recorded on the day before each transaction is made.

The repurchases will be carried out in compliance with applicable rules and regulations, including the Market Abuse Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052.

Conflict between Russia and Ukraine

The conflict between Russia and Ukraine is causing a severe humanitarian crisis involving millions of people. Exor expresses solidarity with all who are and will be suffering the consequences.

In response to these events the EU, the United States and the United Kingdom, among other countries, imposed sanctions against certain Russian individuals and entities. Potential effects at a global scale include supply chain disruptions, rises in commodity prices, inflationary pressures and volatility in the capital markets.

Exor's subsidiaries have conducted business in jurisdictions that may be subject to trade or economic sanctions and such sanctions could be expanded. Exor and its subsidiaries will continue to comply with and implement sanction regimes or other similar laws or regulations.

Exor acknowledges the high uncertainty regarding the duration, outcome and long-lasting consequences of the conflict. The overall effect of these factors on Exor's business cannot be estimated with a sufficient degree of confidence, and Exor will continue to monitor closely the developments.

2022 Outlook

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

Certain Exor operating companies (Ferrari, Stellantis and CNH Industrial) publish forecast data on their performance, while other operating companies (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under "Review of performance of the main operating companies" in the Board Report.

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

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

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

1 April 2022

The Board of Directors

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Ajay Banga

Melissa Bethell

Laurence Debroux

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

Introduction

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

Capital Structure

Structure of share capital

Share class	Number of shares	Listing market	Rights and obligations
Ordinary shares[1]	241,000,000	Euronext	

1 The ordinary shares are registered shares, freely transferable and issued in electronic form. Shares are managed through the centralized clearing system organized by Monte Titoli.

As of 31 December 2021 the Company held 9,291,244 of its own ordinary shares as treasury stock.

Economic and administrative rights

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

Issuance of shares

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

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

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

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

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

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

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

Special Voting Structure

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

More precisely, according to the Special Voting Structure:

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

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

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

Application for Special Voting Shares – Loyalty Register

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

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

Upon receipt of the Election Form, the intermediary's confirmation and the Power of Attorney, the Agent will examine the same and use its reasonable efforts to inform the relevant shareholder, through his intermediary, as to whether the request is accepted or rejected (and, if rejected, the reasons why) within ten business days of receipt of the above-mentioned documents. The Agent may reject a request for reasons of incompleteness or incorrectness of the Election Form, the Power of Attorney or the broker's confirmation or in case of serious doubts with respect to the validity or authenticity of such documents. If the Agent requires further information from the relevant shareholder in order to process the request, then such shareholder shall provide all necessary information and assistance required by the Agent in connection therewith.

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

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

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

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

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

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

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

Other characteristics of Special Voting Shares

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

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

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

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

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

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

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

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

Allocation of Special Voting Shares

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

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

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

On 13 December 2021, after (five) 5 years of registration in the Loyalty Register, the Electing Ordinary Shares held by Giovanni Agnelli B.V. became Qualifying Ordinary Shares A and Giovanni Agnelli B.V. became entitled to acquire one Special Voting Share A in respect of each of such Qualifying Ordinary Share A. On 13 December 2021, Exor issued 124,717,132 Special Voting Shares A allocated to Giovanni Agnelli B.V., now holding 85.44% of voting rights on outstanding capital and 84.37% of voting rights on issued capital.

Repurchase of Shares

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

Restrictions on the transfer of shares

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

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

Restrictions on voting rights
There are no restrictions on voting rights.

Shareholders

Significant shareholdings
Based on the regulatory filings with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") the following entities own at 31 December 2021, directly or indirectly, more than 3% of the share capital carrying voting rights:

Shareholder	% of issued capital
Giovanni Agnelli B.V.	52.01%
Harris Associates LP	4.99%
Baillie Gifford	3.14%
Vanguard Group	3.05%

In total ten shareholders, one of which is Giovanni Agnelli B.V., are registered, for a total amount of 132,228,028 shares, in the Loyalty Register to participate in the Special Voting Structure, as explained above.

Giovanni Agnelli B.V. is the largest shareholder of Exor through its 52.01% shareholding interest in Exor's issued capital. Giovanni Agnelli B.V. is a Dutch private company with limited liability and the shares of which are held by the descendants of Giovanni Agnelli, founder of Fiat. The main business objective is to preserve unity and continuity of its controlling equity interest in Exor.

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

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

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

Change of control clauses and By-Law provisions relevant to a public offer
Any change in control of the Company[2] would entitle subscribers of the following bonds outstanding at 31 December 2021 to demand early repayment.

- Non-convertible bond issue 2015/2022 of €750 million (€602 million outstanding)
- Non-convertible bond issue 2014/2024 of €650 million (€500 million outstanding)
- Non-convertible bond issue 2012/2025 of €100 million
- Non-convertible bond issue 2015/2025 of €450 million
- Non-convertible bond issue 2016/2026 of $170 million
- Non-convertible bond issue 2018/2028 of €500 million
- Non-convertible bond issue 2020/2030 of €500 million
- Non-convertible bond issue 2011/2031 of ¥10 billion
- Non-convertible bond issue 2021/2031 of €500 million

– Non-convertible bond issue 2019/2034 of €500 million

– Non-convertible bond issue 2018/2038 of €200 million.

In addition, three lending banks would have the right to demand the cancellation of irrevocable lines of credit totalling €250 million, which, however, were unutilized at 31 December 2021.

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

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

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

RISK MANAGEMENT
RISKS AND CONTROL SYSTEM

RISK MANAGEMENT, RISKS AND CONTROL SYSTEM

In compliance with the principles of the Dutch Corporate Governance Code, Exor has adequate internal risk management and control systems in place. To assess the risk affecting the Company's activities and the effectiveness of the internal control system, Exor has in place an internal control and risk management system (the "System") based on the model provided by the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission Report – Enterprise Risk Management model) and the principles of the Dutch Corporate Governance Code. The System consists of a set of policies, procedures, rules and organisational structures the purpose of which is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of the Company's assets, the efficiency and effectiveness of business processes and the Company's compliance with laws and regulations. An effective internal control and risk management system contributes to the conduct of the business in a manner consistent with its pre-established objectives and facilitates well-informed decision-making. The System is integrated within the organisation and governance structure adopted by Exor and is developed giving adequate consideration to the reference models and the best practices available nationally and internationally.

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

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

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

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

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

Internal control and external control over financial reporting

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

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

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

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

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

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

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

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

Internal control covering the preparation and processing of financial information

Overview of the organisational structure and management of accounting and financial information

The consolidated financial statements of the Exor group are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted in the European Union at the balance sheet date, as described in the annual financial report.

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

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

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

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

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

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

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

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

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

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

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

Risk Management

Exor has adopted its own Enterprise Risk Management ("ERM") system to identify and analyse the main risks associated with the Company's activities and the achievement of its objectives.

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

The Audit Committee monitors the effectiveness of the Company's internal control and ERM system and, together with executive management, performs a thorough exercise for the identification of the main risks and their ranking. In 2020 a detailed risk assessment and update of the risk profile, as well as a re-assessment of the relevant risks and risk appetite has been performed, especially in view of the developments caused by COVID-19. In 2021, the annual risk assessment has been performed in which the 2020 outcome has been re-evaluated and updated. Risk Appetite indicators (Risk Category & Measurement & Tolerance Level) have been reviewed and confirmed for 2021 and onwards.

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

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

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

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

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

Risk Appetite

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

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

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

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

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

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

Key risks and key trends

As a part of the 2021 risk assessment process, management performed an update of the previous Risk Assessment. Based on the potential business impact and likelihood of occurrence, as well as existing and/or planned countermeasures (mitigating actions) the risks have been reviewed and updated where needed.

The risk impact could result in a material direct or indirect adverse effect on its business, operations, financial condition and performance, reputation and/or other interests. The results of this assessment were presented to the Audit Committee on 7 September 2021 and to the Board of Directors on 17 November 2021.

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

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

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

Other risk factors[1]

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

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

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

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

RISKS RELATED TO BUSINESS, STRATEGY AND OPERATIONS

Risks relating to international markets and exposure to changes in local conditions and trade policies, as well as economic, geopolitical or other events

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

Moreover, the evolution of world monetary and financial market conditions and the associated uncertainties, especially in emerging markets, could adversely affect present economic conditions.

The principal risks associated with a slowdown in the markets in which Exor's investments operate comprise increases in energy prices and fluctuations in raw materials or possible contractions in infrastructure spending. In addition, in the Eurozone, unemployment remains significant, and a slow or inefficient implementation of structural reforms and budget adjustments in the public and private sectors will continue to hamper the pace of the recovery.
Exor is also susceptible to risks relating to epidemics and pandemics of diseases. The outbreak of coronavirus COVID-19, a virus causing potentially deadly respiratory tract infections, which was declared a global pandemic by the World Health Organization in March 2020, led to governments around the world mandating increasingly restrictive measures to contain the pandemic, including social distancing, quarantine, "stay-at-home" or similar orders, travel restrictions and suspension of non-essential business activities.
Notwithstanding, the ultimate impact of the pandemic on Exor's business, results of operations and financial condition will depend on numerous evolving factors and future developments that Exor is not able to predict, including the ultimate duration, spread and severity of the outbreak and potential subsequent waves (e.g. delta and Omicron variant), the ultimate extent and duration of the effect on the global economy and how quickly and to what extent normal economic and operating conditions can resume.
The ongoing coronavirus pandemic and any possible future outbreaks of other viruses may have a significant adverse effect on Exor and its capability to fully achieve its investing strategies and cause delays in the completion, or failure to complete, any acquisition, disposal, merger, joint venture or similar transaction.

Exor may also be exposed through its investments to any market downturn arising in connection with the UK's exit from the European Union (Brexit). The United Kingdom (UK) left the European Union (EU) on 31 January 2020 and the transition period ended on 31 December 2020. The precise impact of the future relationship between the UK and the EU on the business of Exor is difficult to determine.

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

Although Exor does not believe Brexit will have a direct material impact on its financial position, the form of Brexit remains uncertain and may result in greater restrictions on imports and exports between the UK and EU countries, a fluctuation in currency exchange rates and additional regulatory complexity as well as further global economic uncertainty, all of which could have a material adverse effect.
The exit of the United Kingdom (or any other country following the example of the United Kingdom) from the European Union, the potential decision of any European country that adopted the Euro to adopt a different currency, or prolonged periods of uncertainty connected to these circumstances could have significant negative impacts on international markets, including further declines in stock exchange indices and in the value of Sterling and the Euro and/or greater volatility of markets in general due to the increased uncertainty, with possible negative consequences on Exor and/or Exor's investments, operating results, capital and financial condition.

In addition to the above and given that there is currently no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. Should this occur, Exor and/or Exor's investments, financial condition and results of operations would be materially adversely affected.

New or revised agreements between the United States and its trading partners may also impact business and potential changes in tax laws that could adversely affect US operations. These developments have introduced an elevated level of economic and policy uncertainty and could have a material adverse effect on business, financial condition and results of operations. Such developments could cause financial and capital markets within and outside the US and Europe to constrict, thereby negatively impacting Exor's ability to finance its business.

The rapidly escalating tensions between Russia and Ukraine led to Russia's invasion of Ukraine on 24 February 2022 and represent a tragedy to the people. In response to these events, certain regions (including the United States, the United Kingdom and the EU) imposed sanctions against certain Russian individuals and entities. Moreover, there is further disruption imposed on people and economic activity both at a regional and global scale across all sectors such as supply chains, commodity prices and exchange rates, in addition to volatility of the global markets and financial system. Exor's subsidiaries have conducted business in jurisdictions that may be subject to trade or economic sanctions and such sanctions could be expanded. If Exor and its subsidiaries fails to comply with sanction regimes or other similar laws or regulations, they could be subject to damages and potentially other financial penalties, suspension of licenses, or a cessation of operations at its businesses, as well as damage to its brands' images and reputations. The overall effect of these factors on Exor's business cannot be estimated with a sufficient degree of confidence. Exor will continue to closely monitor the developments.

It is therefore not possible to provide an accurate indication of the future trends of the above factors and variables which may have an adverse impact on the demand for products and services, earnings, business prospects and the financial position of Exor and its subsidiaries and associated.

Risks relating to the business, operations and profitability of Exor

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

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

The financial results of the Exor Group and of Exor are no indicators of the future profitability of Exor. For the 2021 financial statements, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 - Presentation of Financial Statements) exist about its ability to continue as a going concern.

There can be no assurance concerning the profitability of Exor in future periods.

Risks associated with the distribution of dividends

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

The failure to achieve the objectives of the business plans of subsidiaries and associates due to, among other things, deterioration of economic and financial conditions and of the general conditions of the market, may have a significant negative effect on the economic results and financial position of Exor's subsidiaries and associates and affect their capability to pay dividend to Exor.

Therefore, no assurance can be given with regard to the fact that Exor will receive constant flows of dividends from the subsidiaries and associates which depend on the economic and financial performance and the investment and dividend policies of such companies.

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

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

Risks relating to Exor's credit rating

Exor's corporate credit rating from S&P is currently "BBB+" for long-term debt and "A-2" for short-term debt with a stable outlook. Its ability to access capital markets, and the cost of borrowing in those markets, is highly dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades, and any downgrades would increase Exor's cost of capital, potentially limiting its access to sources of financing, and could negatively affect its businesses.

Risks associated with market conditions

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

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

Risks associated with the sectors and markets in which Exor’s subsidiaries and associates operate

Through its investments in subsidiaries and associates, Exor currently operates mainly in the sectors of reinsurance (PartnerRe), automobile (Stellantis), trucks, commercial vehicles, buses (Iveco Group, spun off from CNH Industrial in January 2022), tractors, agricultural and construction equipment (CNH Industrial), performance and luxury cars (Ferrari), media, publishing and editorial (GEDI and The Economist Group) and professional football (Juventus Football Club). As a result, Exor is exposed to the risks typical of the sectors and markets in which such subsidiaries and associates operate. Therefore, the performance of the main subsidiaries has a very significant impact on the earnings, financial position and cash flows of Exor.

In the football industry, revenues are driven by the performance of football teams. Therefore, revenues of football teams may vary significantly depending on their participation and performance in domestic and international competitions. Also, business and financial performances are affected significantly by transactions made as part of the transfer campaign and the management of a player’s registrations rights. A significant portion of the revenues of Juventus includes, but is not limited to, its broadcasting and media rights, the management of its brand, sponsorship and advertising market.

Revenues deriving from such activities may be affected by various circumstances, such as future changes to the rules and criteria set out both at national and European level to govern the distribution of the broadcasting and media rights and by events in the football industry that, even if unrelated to Juventus, may negatively affect its brand or reputation. Juventus’ sponsorship and advertising revenues are also affected by the terms and conditions of the relevant sponsorship and advertising agreements; when the current agreements expire, Juventus may not be able to renew or replace them with contracts on similar or better terms.

In respect of the editorial, publishing and media industry, companies operating in the sector derive substantial revenues from the sale of advertising on newspapers, inserts and websites. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and buying patterns. In addition, newer technologies and free-press are increasing the number of media available to audiences and may cause changes in consumer behaviour that could affect the attractiveness of the media and publishing industries’ offerings, both to advertisers and to the public generally, which could have an adverse effect on the relevant business. The publishing industry is also largely exposed to the threat of content piracy and infringement of intellectual property rights. Furthermore, in general, the industry is highly regulated by laws and regulations issued and administered by various authorities; such authorities regulate, among other things, the ownership of media and various authorities have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters, including technological changes, which could, directly or indirectly, adversely affect the editorial, publishing and media industry business.

The sectors and markets in which the Exor's principal investments operate have already been affected by the current COVID-19 pandemic. In particular, the adoption of lockdown measures taken to limit the spreading of COVID-19 have caused, and may continue to cause, a decline in demand for the products and services that Exor’s subsidiaries and associates provide and as a result adversely impact the business and operations of Exor’s subsidiaries and associates.

Exposure to financial counterparty risk

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

Risks associated with the consolidated indebtedness of the Exor Group

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

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

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

Risks associated with acquisitions and disposals

No assurance can be given that the present investments or those in the future, if completed, will not impact negatively on Exor's results and financial position in the short and/or the medium term and on its ratings and will not encounter obstacles of an administrative, legal, technical, industrial, operational, regulatory or financial policy nature or other difficulties, such that they may not assure the achievement of the results, objectives or benefits expected. Exor is also exposed to the risk that the disposal of its investments may be effected on terms and conditions which are unsatisfactory with consequent negative impacts on its financial position and on its own prospects.

Exor is a diversified holding company and in the normal course of its business assesses new investment opportunities as well as opportunities to disinvest, such activity being its core business. In assessing new investment opportunities, Exor intends to keep its indebtedness at a level consistent with the objective of maintaining an investment grade rating, that is to say a "BBB" or higher. Any delay in completing, or the failure to complete, an acquisition, disposal, merger, joint venture or similar operation, could prejudice the full achievement or delay fully achieving, the results and the benefits expected for Exor, and could have significant negative repercussions on its business prospects and on its results and/or its financial situation.

Risks associated with the investment portfolio and the concentration of investments

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

Since Exor holds a limited number of investments, the economic and financial performance of Exor may be materially influenced by the negative economic and financial results even of a single investment. In fact, a high level of concentration in specific regions and sectors can create significant economic risks for the portfolio in the event of a downturn in those regions or sectors.

Exor's investment portfolio is monitored and analysed constantly both through the use of corporate governance rights (e.g. board representation) and through constant dialogue with the management of the companies without affecting their independence as the managers of the companies.

Exor does not have a specific policy on investment and disposals: investment decisions taken by Exor are formulated on the basis of in-depth assessments and the expertise developed in specific sectors, as well as on the basis of the potential contribution of the individual investment to the geographical and sector diversification of the portfolio and of its capacity to generate future cash flows.

Disposals have been guided by the wish to reduce exposure to non-global businesses or the wish to take advantage of concrete opportunities to divest in a market which offered an adequate economic result.

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

Risks associated with the loss of key management figures

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

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

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

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

While the data and information prepared using the shortened consolidation method are recognized by the financial community, by financial counterparties and by the rating agencies, and Exor believes that these data and information facilitate analysis of the financial position and results of Exor, such data do not fully represent, nor should be treated as the consolidated financial position of the Exor Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups.

The consolidated data prepared in shortened form are not audited by the independent auditors.

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

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

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

RISKS RELATED TO THE COMMON SHARES

Risk related the presence of a majority shareholders

Exor is controlled by a majority shareholder with the ability to sell its shares. This situation could have an adverse effect on Exor's stock price. Based on the most recent information available Giovanni Agnelli B.V. holds 52.99% of the issued capital of Exor, such that its control is not at present contestable.
In addition, this control situation implies that decisions of the majority shareholder could have adverse consequences for Exor.

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

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

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

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

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

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

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

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

No Special Voting Shares had been issued at the December 2016 Merger date, while after the maturity terms some shareholders registered in the Exor special register have requested to receive Special Voting Shares; at 31 December 2021 there are 124,717,132 Special Voting Shares outstanding, entirely issued to Giovanni Agnelli B.V.

Risks related to the tax treatment of Special Voting Shares

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

CORPORATE GOVERNANCE

GOVERNANCE

Introduction

EXOR N.V. (“Exor” or the “Company”) is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands. Its shares are listed in Italy on the Euronext Milan, organized and managed by Borsa Italiana S.p.A. (the “EXM”). The Company’s legal and tax residence is in the Netherlands.

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

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

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

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

Corporate Offices and Home Member State

The Company has its corporate seat at Gustav Mahlerplein 25, 1082 MS Amsterdam, the Netherlands. Exor has elected the Netherlands as Home Member State for the purposes of Article 2, paragraph 1, letter i), Article 20 and Article 21 of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 (the so-called “Transparency Directive”). The Company is registered in the Dutch Commercial Register under number 64236277.

BOARD OF DIRECTORS

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

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

The Board of Directors is entrusted with the management of the Company and as a whole is responsible for the strategy of the Company, which is determined in order to realize long-term value creation for the Company. In the performance of its tasks, the Board of Directors is guided by this long-term value creation and takes into account the stakeholder interests that are relevant in this context. The Board of Directors is composed of one executive director, the Chief Executive Officer and Chairman of the Company (the "Executive Director"), having the day-to-day responsibility for management of the Company, and eight Non-Executive Directors. The Non-Executive Directors do not have day-to-day responsibility and their duty is to supervise the Executive Director. Each Director is responsible for the general course of affairs of the Company and the business connected with it.

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

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

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

Name	Year of birth	Position	Nationality	(Re)Appointment date	Current period in office[(a)]
Mr. John Elkann	1976	Chairman and Chief Executive Officer	Italy	20 May 2020	5 years
Mr. Alessandro Nasi	1974	Vice Chairman and Non-Executive Director	Italy	20 May 2020	5 years
Mr. Andrea Agnelli	1975	Non-Executive Director	Italy	20 May 2020	5 years
Mrs. Ginevra Elkann	1979	Non-Executive Director	Italy	20 May 2020	5 years
Mr. Marc Bolland	1959	Senior Non-Executive Director	The Netherlands	20 May 2020	5 years
Mr. Joseph Bae	1972	Non-Executive Director	U.S.A.	20 May 2020	3 years
Mr. Ajay Banga[(b)]	1959	Non-Executive Director	U.S.A.	27 May 2021	1 year
Ms. Melissa Bethell	1974	Non-Executive Director	United Kingdom	20 May 2020	4 years
Mrs. Laurence Debroux	1969	Non-Executive Director	France	20 May 2020	4 years
Mr. António Horta-Osório[(c)]	1964	Non-Executive Director	Portugal	20 May 2020	4 years

(a) Years since the first appointment as Director by the Annual General Meeting of the Company.
(b) Appointed per 27 May 2021.
(c) Resigned per 27 May 2021.

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

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

– Marc Bolland;
– Joseph Bae;
– Ajay Banga;
– Melissa Bethell;
– Laurence Debroux.

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

– John Elkann: Chief Executive Officer and Chairman;
– Alessandro Nasi: Vice-Chairman;
– Marc Bolland: Senior Non-Executive Director. According to article 18 of the Articles of Association, the chairman of the Board, as referred to in the Dutch Civil Code, has the title of “Senior Non-Executive Director”.

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

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

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

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

Alessandro Nasi (1974) - Vice Chairman and Non-Executive Director

Alessandro Nasi obtained a degree in Economics at the University of Turin. He started his career as a financial analyst in several banks, gaining experience at a division of Unicredit in Dublin, at PricewaterhouseCoopers in Turin, at Merrill Lynch and JP Morgan in New York. He then joined JP Morgan Partners in New York as an Associate in their Private Equity Division. In the years thereafter, he held various senior managerial positions at Stellantis (formerly Fiat Group) and CNH Industrial.

Additional positions:
Alessandro Nasi serves as chairman of the board of Iveco Defence, Comau and Astra and is a member of the board of CNH Industrial, Iveco Group and Giovanni Agnelli B.V. In addition, he is a member of the advisory board of the Lego Brand Group and an independent director of GVS S.p.A.

Andrea Agnelli (1975) - Non-Executive Director

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

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

Ginevra Elkann (1979) - Non-Executive Director

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

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

Marc Bolland (1959) - Senior Non-Executive Director

Marc Bolland graduated with an MBA from the University of Groningen in the Netherlands. In November 2011, he was awarded an Honorary Doctorate from the University of York, in the UK. He began his professional career at Heineken N.V. in 1987 as a Management trainee. During his first 14 years he occupied several international management positions at Heineken N.V., WM Morrison Supermarkets plc, Marks and Spencer plc and the Blackstone Group International Partners LLP, where he currently is Chairman Europe.

Additional positions:
Marc Bolland is currently a non-executive director of the Coca-Cola company board, Atlanta USA. In addition, he is a trustee of the Royal Collection Trust and the chairman of the Royal Collection Entreprises. He is also the vice president at Unicef UK and was elected vice chairman of the Consumer Goods Forum in 2014. He was appointed by HRH the Prince of Wales as his personal National Ambassador and was appointed by the Prime Minister as a British Business Ambassador.

Joseph Bae (1972) - Non-Executive Director

Joseph Y. Bae holds a B.A., magna cum laude, from Harvard College. He is the co-chief executive officer of KKR. Previously he was the managing partner of KKR Asia and the global head of KKR's Infrastructure and Energy Real Asset businesses. He has also worked for Goldman Sachs & Co. in its principal investment area, where he was involved in a broad range of merchant banking transactions.

Additional positions:
Mr. Bae has been a member of the board of directors of KKR & Co. Inc. since July 2017. He is the chairman of KKR's Asia and Americas Private Equity Investment Committees and serves on KKR's European Private Equity, Growth Equity, Energy, Global and Asia Pacific Infrastructure, Real Estate and Special Situations Investment Committees. He is also a member of KKR's Inclusion and Diversity Council. He is active in a number of non-profit educational and cultural institutions, including co-founding and serving on the board of the Asian American Foundation, serving as a member of Harvard University's Global Advisory Council and serving as a member of the Board and Executive Committee of the Lincoln Center.

Ajaypal Banga (1959) - Non-Executive Director

Ajay Banga is vice chairman at General Atlantic. He joined General Atlantic after 12 years at Mastercard, where he served over 11 years as president and chief executive officer and one year as executive chair of the board of directors. Mr. Banga began his career at Nestlé in India, where he worked on assignments spanning sales, marketing and general management. He also spent two years with PepsiCo before joining Citigroup, where he rose to the role of chief executive officer of Citigroup Asia Pacific.

Additional positions:
In addition, Ajay Banga serves as chairman of the International Chamber of Commerce and is an independent director at Temasek. He is also an advisor to General Atlantic’s BeyondNetZero venture. Mr. Banga is a member of the Trilateral Commission, the co-chair of the Partnership for Central America, a founding trustee of the U.S.-India Strategic Partnership Forum and chairman emeritus of the American India Foundation. Furthermore, he is a co-founder of The Cyber Readiness Institute, vice chair of the Economic Club of New York. He is also a member of the Weill Cornell Medicine board of fellows.

Melissa Bethell (1974) - Non-Executive Director

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

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

Laurence Debroux (1969) - Non-Executive Director

Laurence Debroux holds a Master in Management from HEC (Paris) and began her career in investment banking. She has had Executive responsibility for Global functions such as Strategic Planning & Business Control, Tax & Financial Markets, Business Development, Financial Processes & Internal Control, Accounting & Reporting, Procurement and Information Systems. Laurence Debroux was CFO and member of the Executive Board of Heineken N.V. from April 2015 until April 2021.
Before joining Heineken she had been chief financial and administrative officer and a member of the executive board of JCDecaux since July 2010. Prior to this, Mrs. Debroux spent 14 years with the global healthcare company SANOFI where she held various executive positions including CFO and chief strategic officer.

Additional positions:
In addition, Laurence Debroux is a member of the Board of Directors, Chair of the Audit Committee and member of the Remuneration Committee of Novo Nordisk A/S; she is also a member of the Board of Directors of Juventus S.p.A., and a non-executive director at Kite Insights (The Climate School) and HEC Paris.

António Horta-Osório (1964) - Non-Executive Director

António graduated in management and business administration at Universidade Católica Portuguesa and has an MBA from INSEAD where he was awarded the Henry Ford II prize – and an AMP from Harvard Business School. He has also been awarded Honorary Doctorates from the University of Edinburgh, the University of Bath, the University of Warwick, the University of Birmingham and from the Universidade Catolica Portuguesa. He started his career at Citibank Portugal and subsequently worked for Goldman Sachs in New York and London, Banco Santander de Negócios Portugal, Santander Totta, Banco Santander Brazil. He has been the Chairman of Credit Suisse Group since 1 May 2021 until 16 January 2022. Prior to joining Credit Suisse, he was the Group Chief Executive of Lloyds Banking Group, to which he was appointed in 2011 at the invitation of the British Government and led for 10 years.
In 2021 he was Knighted by Queen Elizabeth II, for his work in financial services as well as for voluntary services to mental healthcare and culture. In 2014 the Government of Portugal awarded him with the Order of Merit Grã-Cruz. The Spanish Government in 2009 awarded him the order of Isabel la Catolica, Commander by Number and in 1998 he was also awarded the National Order of Cruzeiro do Sul from the Government of Brazil.

Additional positions:
In addition, he is the Chairman of the Board of Directors of BIAL in Porto, Portugal, and he is also a non-executive Director at Fundação Champalimaud, Stichting/Enable INPAR, at PartneRe, where he also chairs the Investment Committee. Mr. Horta-Osório has been Chairman of the Wallace Collection since 2015 until December 2021.

Composition and diversity of the Board of Directors

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

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

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

On 1 January 2022 new female quota rules (i.e. composition to be at least 1/3 male and 1/3 female) came into force. These new rules apply to supervisory boards and non-executive directors of Dutch companies listed on Euronext Amsterdam. An appointment in violation of the new rules is void, but does not affect the validity of any board decision-making.

The new rules do not apply to re-appointments of board members within a period of eight years from their first appointment. Although these new female quota rules do not apply to the Company, because it is not listed on Euronext Amsterdam, the Company voluntarily meets the female quota rules as prescribed by the Dutch company law.
Currently, three of the nine members of the Board of Directors are female, being at least 1/3 male and 1/3 female. The Company will continue to strive to meets the new female quota provisions.

Board Practice and Committees

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

In total ten Board of Directors meetings were held in 2021. Due to COVID-19, the Directors participated in these meetings mainly by means of video conference and when COVID-19 measures permitted in person. The table below shows the attendance of the individual Board members at these meetings. In these meetings, the Board discussed a number of subjects, including the general state of affairs, as well as the strategy of the Company, investment opportunities, long-term value creation, the Company's 2021 objective, the values and purposes for the coming years, ESG related topics, the external auditor rotation, debt management and the procedures and evaluation of the functioning of the Board, its members and its Committees.

Director	Board of Directors	Audit Committee	Compensation and Nominating Committee	ESG Committee
John Elkann	10/10	-	-	
Alessandro Nasi[1]	10/10	-	3/3	
Andrea Agnelli	9/10	-	-	
Ginevra Elkann[2]	9/10	2/2	-	
Marc Bolland[3]	10/10	-	3/3	1/1
Joseph Bae[4]	9/10	2/2	6/6	
Ajay Banga[5]	7/7	-	-	1/1
Melissa Bethell[4]	8/10	5/5	3/3	
Laurence Debroux	10/10	5/5	-	1/1
António Horta-Osório[6]	3/3	-	3/3	

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

Evaluation

Annually, under the oversight and responsibility of the Compensation and Nominating Committee and of the Senior Non-Executive Director and with the assistance of the general counsel, the Board of Directors evaluates and discusses its own functioning and performance, the functioning of its Committees and its individual Directors. In 2021, the evaluation of the Board of Directors and its Committees consisted of a self-assessment facilitated by written questionnaires. The main topics of the questionnaire related to the composition, competence, performance, meeting information provision as well as oversight and involvement of the Board and the functioning of the internal Committees. The outcome of the questionnaire (the response rate was 100%) was assessed and discussed in the Compensation and Nominating Committee. The general impression emerged from this self-evaluation was positive.

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

The Committee, as well as the Senior Non-Executive Director, gave their feedback and recommendations in the Board of Directors meeting in which the evaluation was further discussed. During this meeting, the functioning of the individual Directors and the Board as a whole has also been considered in more detail and this has been very insightful. The overall conclusion on the composition and functioning of the Board is good and supportive and the Directors valued positively the open and constructive discussions as well as the discussions on purpose and long-term strategy. Consequently, the general impression that emerged from this evaluation was good to excellent. A further conclusion that could be drawn on the basis thereof, as prescribed by the best practice provision 2.2.8 of the Dutch Corporate Governance Code, is that the Board would like to spend more time on the topics discussed in the respective committee meetings and this topic is being addressed by reserving more time in the board meetings.

Board Regulations

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

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

Indemnification of Directors

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

Conflict of interests

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

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

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

In the financial year 2021, there were no transactions involving a conflict of interests with members of the Board.

Determination of independence and related-party conflicts

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

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

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

In the financial year 2021, there have been no Related Party Conflicts.

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

Amount and Composition of the remuneration of the Board of Directors

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

THE AUDIT COMMITTEE

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

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

Composition of the Audit Committee

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

Until 27 May 2021, the Audit Committee consisted of the following members:

- Ms. M. Bethell (Chair);
- Mrs. L. Debroux; and
- Mrs. G. Elkann.

At 27 May 2021 Mrs. Debroux succeeded Ms. Bethell as Chair of the Audit Committee. Ms. Bethell remained on as member, with Mrs. Elkann stepping down per that same date and rejoining the Committee as of 7 September 2021, replacing Mr. Bae who served as a member of the Committee from 27 May until 7 September 2021.

The majority of the above members qualify as independent and the Board considers them to be financial experts.

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

The Audit Committee met six times during 2021. The average attendance rate was 100%. In relation to the group external auditor rotation the Audit Committee met on several occasions with the Steering Committee, advisors and the tender candidates.

The main items discussed and/or reviewed during these meetings were, amongst others, the annual and semi-annual financial reports; the risk assessment and risk appetite; appropriateness of the risk management & control systems in place; the company's and group external auditor rotation; the internal and external audit plans and scope; updates on compliance and legal matters; review of updated policies; discussion of (i) the internal audit assessment on the company-only/consolidated financial reporting, as well as on the tax and whistleblower/anti-bribery and corruption procedures; (ii) the quality of the control environment; (iii) the evaluation of the external auditors and the (re)appointment of the external auditors; (iv) the evaluation of the internal audit function and; (v) the self-assessment of the Audit Committee itself.

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

INTERNAL AUDIT FUNCTION

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

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

In the financial year 2021, all significant internal audit reviews, assessments and tests were performed. As part of these reviews and tests, the effectiveness of the risk management and internal control systems was tested and no material weaknesses or deficiencies were identified.

THE COMPENSATION AND NOMINATING COMMITTEE

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

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

Composition of the Compensation and Nominating Committee

The Compensation and Nominating Committee is elected by the Board of Directors and is comprised of at least three Non-Executive Directors. Until 27 May 2021, the majority and thereafter all members were independent in accordance with the Dutch Corporate Governance Code and article 2 of the Compensation and Nominating Committee Charter.

Until 27 May 2021, the Compensation and Nominating Committee consisted of the following members:

- Mr. A. Horta-Osório (Chair);
- Mr. A. Nasi; and
- Mr. J. Bae.

As of 27 May 2021 Mr. Bolland succeeded Mr. Horta-Osório as Chair of the Compensation and Nominating Committee, Ms. Bethell joined and Mr. Nasi stepped down per the same date.

Meetings

In 2021, the Compensation and Nominating Committee met six times and the average attendance rate was 100%.

The main items discussed and/or reviewed during these meetings were, amongst others: the design of the new remuneration policy and long term incentive plan; the CEO compensation; review of the 2020 Remuneration Report; the review of and discussions on the results of the self-assessment and the recommendations thereof to the Board of Directors; establishment of the independence of the Non-Executive Directors; assessment of the composition of the Non-Executive Directors.

THE ESG COMMITTEE

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

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

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

During the financial year 2021, the ESG Committee consisted of the following members:

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

In 2021, the ESG Committee met once with an attendance rate of 100%.

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

The main items discussed and/or reviewed during this meeting were, amongst others: the ESG Committee charter; the ESG message during the Exor Capital Markets Day; the carbon neutrality trend and selected topics in each of the three ESG pillars.

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

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

GENERAL MEETING OF SHAREHOLDERS

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

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

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

(a) discussion of the board report;

(b) discussion and adoption of the annual accounts;

(c) dividend proposal (if applicable);

(d) appointment of Directors;

(e) appointment of an external auditor;

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

Calling of meetings

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

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

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

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

Conduct of the meeting

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

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

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

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

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

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

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

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

When determining how many votes are cast by shareholders, how many shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of shares for which no votes can be cast by law.

No voting rights shall be exercised in the general meeting of shareholders for shares owned by the Company or by a subsidiary of the Company. Pledgees and usufructuaries of shares owned by the Company and its subsidiaries shall however not be excluded from exercising their voting rights, if the right of pledge or usufruct was created before the shares were owned by the Company or a subsidiary. Neither the Company nor any of its subsidiaries may exercise voting rights for shares in respect of which it holds a right of pledge or usufruct.

Minutes will be kept of the proceedings at the general meeting of shareholders by, or under supervision of, the company secretary, which will be adopted by the chairman of the meeting and the secretary and will be signed by them as evidence thereof. However, the chairman of the meeting may determine that notarial minutes will be prepared of the proceedings of the meeting. In that case the co-signature of the chairman will be sufficient. The minutes of the general meeting of shareholders shall be made available, on request, to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the Articles of Association.

CODE OF CONDUCT

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics has been amended, updated and renamed the Code of Conduct and approved by the Board of Directors meeting in November 2017 (the "Code").

The Code sets out the principles and the ethical values that contribute to a culture which EXOR follows in the conduct of its activities and the quality and integrity which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company. Together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to the mission and values contributing to a long-term-horizon-culture, the ethical principles, social commitment, principles for the management of its investments and conduct principles, anti-corruption, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding of the Company's assets, workplace health and safety, and relationships with third parties, such as public institutions.

All of Exor's Directors, managers and staff, those who have a function of representation, administration and direction, all employees (without any exception) and all collaborators (including, as mere example, consultants, professional advisors etcetera) are required to be familiar, and to comply with the dispositions of the Code.

To strengthen its effectiveness and ensure proper compliance with the Code, the Company is committed to ensuring maximum diffusion by means of appropriate communication methods, such as through training and measures that increase awareness of its contents. In addition, there is a whistleblower procedure to report violations and disciplinary measures can be imposed in case of non-compliance with the provisions of the Code.

Exor furthermore takes steps to ensure that the companies in which it has an investment have adopted principles similar to or based on those of the Code.

The Code is available on EXOR's website (https://www.exor.com/pages/exor/governance/corporate-regulations).

Anti-Bribery and Corruption

The Company recognizes the importance of conducting business in an ethical way. In this respect our Code of Conduct provides for a set of rules to act and to conduct, in all internal and external affairs, to the highest standards of integrity, honesty and fairness, avoiding bribery and corruption in any form, including collusive behaviour. Furthermore, the Company does not allow charity and political contributions that act as a mean of corruption.

During 2021 there were no reports made nor signals of bribery or corruption. During the same year Exor made no monetary contributions to nor any spendings for politics and lobbyists.

DISCLOSURES PURSUANT TO THE DECREE IMPLEMENTING ARTICLE 10 EU-DIRECTIVE ON TAKEOVERS

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the “Decree”), the Company makes the following disclosures.

(a) For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, reference should be made to the section above Major Shareholders and Ownership Structure. For information on the rights attached to the ordinary shares reference is made to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to ordinary shares comprise pre-emptive rights upon issue of ordinary shares, the right to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to the reserves. For information on the rights attached to the special voting shares reference should be made to the Articles of Association and the terms of the special voting shares (the "SVS Terms") which can both be found on the Company's website and more in particular to the section Special Voting Structure above.

(b) No transfer restrictions apply to ordinary shares. Pursuant to the Articles of Association and the SVS Terms transfer restrictions apply for special voting shares. For information on participation in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply reference is made to the section "Major Shareholders and Ownership Structure" of this Board Report. This section lists the shareholders who hold 3% or more of the issued ordinary shares.

(c) No special control rights or other rights accrue to shares in the capital of the Company other than the right of holders of ordinary shares to receive special voting shares if and when the terms and conditions as set out in the SVS Terms are met.

(d) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

(e) No restrictions apply to voting rights attached to ordinary shares in the capital of the Company, nor are there any deadlines for exercising voting rights. No depositary receipts for ordinary shares have been issued with the cooperation of the Company.

(f) The Company is not aware of the existence of any agreements with any shareholder which may result in restrictions on the transfer of shares or limitation of voting rights.

(g) The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association. All members of the Board of Directors are appointed by the general meeting of shareholders. The Board of Directors will nominate a candidate for each vacant seat. A nomination by the Board of Directors will be binding. However, the general meeting of shareholders may deprive the nomination of its binding character by a resolution passed with a two-thirds majority of the votes cast. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed. If the nomination is deprived of its binding character, the Board of Directors will be allowed to make a new binding nomination. The term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for reappointment. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of shareholders which can only be adopted upon a proposal of the Board of Directors.

(h) The Board of Directors has been designated by the general meeting of shareholders as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five years with effect from 27 May 2021. The Board of Directors will be authorized to increase the share capital with such number of shares for a nominal value up to EUR 5,000,000 and to issue convertible bonds for an aggregate issue price up to EUR 1,000,000,000, and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio. This designation can be used for any and all purposes. The Board of Directors is also authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares, for a term of five years with effect from 27 May 2021. With respect to Special Voting Shares A, the Board of Directors has been designated by the general meeting of shareholders as the competent body to issue Special Voting Shares A and to grant rights to subscribe for Special Voting Shares A for a term of five years with effect from 27 May 2021. The power of the Board of Directors concerns all authorized but un-issued Special Voting Shares A in the Company's share capital from time to time. The Board of Directors has also been authorized by the general meeting of shareholders with effect from 27 May 2021 to resolve on the acquisition by the Company of its own fully paid-up ordinary shares, up to the maximum number of shares that can be repurchased under Dutch law, and further within the limits of Dutch law and the Articles of Association through a purchase on the stock exchange or otherwise for a term of 18 months against a repurchase price between, on the one hand, the nominal value of the shares concerned and, on the other hand, an amount of 110% of the reference price recorded for the ordinary shares on the Euronext Milan on the day before each transaction is made or, in the event of purchases carried out through public purchase or exchange offerings, on the day before the disclosure to the public. The maximum amount to be used for the repurchase of ordinary shares will be EUR 500,000,000.

(i) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts *(Wet op het financieel toezicht*), provided that certain of the loan agreements entered into by the Company contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

(j) The Company did not enter into any agreement with a director or employee providing for a payment / distribution upon termination of employment as a result of a public offer within the meaning of article 5:70 of the Dutch Financial Supervision Acts.

INSIDER TRADING POLICY

The Exor insider trading policy (the "Insider Trading Policy") sets forth the guidelines, recommendations and prohibitions for all members of the Board of Directors and employees of Exor regarding the legal and regulatory duties and sanctions applicable to insider trading and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that have to be fulfilled under Dutch and Italian law by members of the Board of Directors when dealing in securities of Exor and its group companies. The insider Trading Policy is also applicable to persons closely associated (immediate family members or members of the same household) with the members of the board of directors or employees.

With the Insider Trading Policy, Exor makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated Exor Insider Trading Policy was adopted by the Board of Directors on 13 November 2019. Exor also maintains a so-called insider list including all persons, who in the exercise of their employment, profession or duty, have access to inside information.

Compliance with the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company endorses the principles and best practice provisions of the Dutch Corporate Governance Code and complies with the majority of the provisions, except for the best practice provisions listed below:

a) *Best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code: For each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.*

The Non-Executive Directors Alessandro Nasi, Andrea Agnelli and Ginevra Elkann are considered non-independent non-executive directors within the meaning of best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code. These three members belong to the Agnelli family, which controls Giovanni Agnelli B.V. In light of the major shareholding of Giovanni Agnelli B.V., the Company's history and its commencement the Company feels it is appropriate that more than one member of the Agnelli family has a seat on the Board of Directors as a Non-Executive Director.

b) *Principle 2.3.2 of the Dutch Corporate Governance Code*: If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee.

The Company has combined the roles of the remuneration committee and the selection and appointment committee in one committee, called the Compensation and Nominating Committee. The Company feels that there would be no benefits for the Company, given its size and the nature of its organizational structure, in splitting the Compensation and Nominating Committee as prescribed under the Dutch Corporate Governance Code.

c) *Best practice provision 4.3.3 of the Dutch Corporate Governance Code*: The general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast.

Pursuant to article 15.3 of the Company's Articles of Association the binding nature may only be cancelled with a two-third majority of the votes cast. The Company feels that in view of the major shareholding of Giovanni Agnelli B.V. it is appropriate to have such a threshold.

REPORT OF THE NON-EXECUTIVE DIRECTORS

Introduction

This is the report of the Non-Executive Directors of the Company on the financial year 2021 as referred to in best practice provision 5.1.5 of the Dutch Corporate Governance Code. The Board of Exor is structured as a one-tier board and does therefore not have a separate supervisory body. According to the Articles of Association, the Board of Directors consists of at least seven and at most nineteen members, comprising both members having responsibility for the day-to-day management of the Company (executive Directors) and members not having such day-to-day responsibility (non-executive Directors).

The Non-Executive Directors of Exor are responsible for the supervision of the policy and the general course of affairs of the Company and its affiliated enterprises carried out by the Executive Director, including the implementation of the strategy of the Company regarding long-term value creation. The Non-Executive Directors perform this task in an independent way and act solely in the interest of the Company in doing so. They are guided by the interests of the Company and its affiliated enterprises and take into account the stakeholder interests that are relevant in this context.

The tasks of the Executive and Non-Executive Directors in a one-tier board such as the Company's Board of Directors may be allocated under or pursuant to the Articles of Association, provided that the general meeting of shareholders has stipulated whether each individual Director is appointed as an executive or as a non-executive director and furthermore provided that the task to supervise the performance by the Directors of their duties can only be performed by the Non-Executive Directors. Regardless of an allocation of tasks, all Directors remain collectively responsible for the proper management and strategy of the Company (including supervision thereof in the case of Non-Executive Directors).

Details of the current composition of the Board of Directors, including the Non-Executive Directors, and its committees are set forth in the section "Board of Directors".

Supervision by the non-executive Directors

In their periodic meetings, the Non-Executive Directors discussed with the Executive Director, a number of subjects, including amongst others, the Company's strategy, the long-term business plans, the implementation of such plans and the risks associated with such plans.

The Non-Executive Directors furthermore supervise the policies carried out by the Executive Directors and the general affairs of the Company. In so doing, the Non-Executive Directors have also focused on the effectiveness of the Company’s internal risk management and control systems, the integrity and quality of the financial reporting and the Company’s long-term business plans and strategy, the implementation of such plans and the associated risks.

The Non-Executive Directors also determine the remuneration of the Executive Directors and nominate Director candidates, via the Compensation and Nominating Committee, for appointments. Furthermore, the Board of Directors may allocate certain specific responsibilities to one or more individual Directors or to a committee comprised of eligible Directors of the Company. In this respect, the Board of Directors has allocated certain specific responsibilities to the Audit Committee, the Compensation and Nominating Committee and the ESG Committee.

Further details on the manner in which these Committees have carried out their duties, are set forth in the sections: “The Audit Committee”, “The Compensation and Nominating Committee” and "the ESG Committee".

In addition, the Non-Executive Directors supervised the adoption and implementation of the procedures, strategies and policies of the Company, reviewed this Annual Financial Report, including the Remuneration Report, the financial results and received updates on legal and compliance matters. The Non-Executive Directors have also reviewed the reports of the Board of Directors and its committees.

During the meetings held in 2021, for an overview of which reference is made to the section “Board of Directors”, the key topics discussed were, amongst others: the strategy, performance and strategy of the operating subsidiaries, cash flow and debt management, values, purpose and objectives 2021, the financial results and reporting, investment opportunities and transactions, executive compensation, risk management & control, legal and compliance matters, ESG related matters, the Remuneration Report and evaluation of the Board.

Independence of the non-executive Directors

The Non-Executive Directors are required by Dutch law to act solely in the interest of the Company. The Non-Executive Directors have determined that five of the eight Non-Executive Directors qualify as independent in accordance with the Dutch Corporate Governance Code. For a more comprehensive overview, reference is made to the section "Determination of independence and related-party conflicts".

Whilst Exor acknowledges that it is not in compliance with best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code on the basis that more than one of its Non-Executive directors are affiliated with Exor’s largest shareholder, Giovanni Agnelli B.V. and notwithstanding the foregoing regarding the non-independent directors, Exor is of the opinion that it otherwise meets the independence requirements set forth in best practice provision 2.1.10 of the Dutch Corporate Governance Code.

Evaluation by the non-executive Directors

The Non-Executive Directors are responsible for supervising the Board of Directors and its committees, as well as the individual Executive and Non-Executive Directors, and are assisted by the Compensation and Nominating Committee in this respect.

In 2021, the evaluation of Executive Directors consisted of a self-assessment facilitated by written questionnaires. The outcome of the questionnaire (the response rate was 100%) was assessed and discussed in the Compensation and Nominating Committee. In addition to the written questionnaires, the Senior Non-Executive Director and the Chair of the Compensation and Nominating Committee held individual conversations with the each Non-Executive Directors. In these conversations, the overall functioning of the Board, that of the individual Directors and the Executive Director were discussed. The overall conclusion on the composition and functioning of the Board is good and supportive and the Directors valued positively the open and constructive discussions as well as the discussions on purpose and long-term strategy.

It was further concluded that each of the Non-Executive Directors continued to demonstrate commitment to his or her respective role in the Company.

For a more comprehensive overview, reference is made to the section "Evaluation".

The Non-Executive Directors have been regularly informed by each committee as referred to in best practice provision 2.3.5 of the Dutch Corporate Governance Code, of the results and recommendations of these meetings and the conclusions of those committees were taken into account when drafting this report of the Non-Executive Directors.

The Non-Executive Directors were able to review and evaluate the performance of the Audit Committee and the Compensation and Nominating Committee.

Further details on the manner in which these committees have carried out their duties, are set forth in the sections “The Audit Committee”, “The Compensation and Nominating Committee” and "The ESG Committee" within “Board Practices and Committees” above.

IN CONTROL STATEMENT

Internal Control System

Based on the assessment performed, the Board of Directors believes that, as of 31 December 2021, the Group’s and the Company’s Internal Control over Financial Reporting is considered effective and that (i) the Board Report provides sufficient insights into any material weakness in the effectiveness of the internal risk management and control systems. This is discussed in the Internal Audit Function on page 91, (ii) the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies. This is discussed in Risk Management, Risks and Control System on page 71, (iii) based on the current state of affairs, it is justified that the Group’s and the Company’s financial reporting is prepared on a going concern basis. This is justified by the discussion in the Consolidated Financial Statements from page 154 and in the Company Financial Statement from page 275, and (iv) the Board Report states those material risks and uncertainties that are, in the Board of Director’s judgment, relevant to the expectation of the Company’s continuity for the period of twelve months after the preparation of the Board Report. You may refer to the Risk Factors section on page 76.

1 April 2022

John Elkann

Chairman and Chief Executive Officer

RESPONSIBILITIES IN RESPECT TO THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Board Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Board Report provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, developments during the year, together with a description of the principal risks and uncertainties that the Company and the Group face.

1 April 2022

The Board of Directors

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Ajay Banga

Melissa Bethell

Laurence Debroux

SUSTAINABILITY REPORT

Exor's Sustainability Report is presented as part of the Annual Report and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards under the Core option and in accordance with the Sustainability Accounting Standards Board (SASB).

The available disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) are presented in a content index at the end of this report.

I. REPORTING SCOPE AND BOUNDARIES

This section addresses the requirements of the Dutch Civil Code, and of the Dutch Decree on Non-Financial Information (*Besluit bekendmaking* niet-financiële informatie), which is a transposition of Directive 2014/95/EU "Disclosure of non-financial and diversity information" into Dutch law.

The reporting scope of non-financial information in this section is at Exor's holding level (EXOR N.V. and the Holdings System subsidiaries) although this section also describes how Exor considers sustainability issues in relation to the governance of its portfolio. Exor's main listed operating companies (Ferrari, Stellantis, CNH Industrial and Juventus) publish their own Sustainability Reports, which are available on their official websites, but a summary of their approach to sustainability is also included at the end of this section.

II. HOW EXOR'S BUSINESS MODEL IMPACTS SUSTAINABILITY

1. OVERVIEW

Exor is a diversified holding company with a culture that combines entrepreneurial spirit and financial discipline. Most of its portfolio is made up of companies in which Exor is the largest shareholder. Exor's purpose is to build great companies while providing opportunities for its people to grow, to make a positive contribution to society and to deliver superior returns to its investors.

Exor believes that great companies are not just those that perform to the highest standards but also those that seek out renewal and change and are distinctive in what they do. In doing all of this, great companies need to ***act in a responsible way***. Exor therefore expects all of its companies engage with all their stakeholders on sustainability and other topics and to set and achieve clear environmental, social and governance targets.

TO BUILD:		GREAT COMPANIES:
• Foster a culture with clarity of purpose and shared values • Appoint leaders who walk the talk • Create governance that ensures alignment of culture and actions	**BUILD GREAT COMPANIES**	• Perform to the highest standards • Seek renewal and change • Are distinctive in what they do • ***Act in a responsible way***

2. IMPLEMENTATION AND LONG-TERM VALUE CREATION

Through its role in their governance, Exor ensures that its companies derive the benefits of its ownership. Exor also uses its role within the governance of its companies to support their achievement of their sustainability goals and to ensure long-term value creation. The benefits of Exor's ownership are summarised below.

1 CREATING AN ENVIRONMENT WHERE COMPANIES CAN THRIVE	2 EMPOWERING LEADERS TO BUILD GREAT COMPANIES	3 USING GOVERNANCE TO STEER OUR COMPANIES
✓ Long-term, stable ownership	✓ Use our network to find new leaders	✓ Build effective Boards
✓ Permanent capital	✓ Act as a “critical-friend” to our leaders	✓ Support companies in their management successions
✓ Strong network	✓ Strong culture across our companies	✓ Play an active role in the Boards of all our companies
✓ Support and challenge companies’ plans	✓ Promote diversity and inclusiveness	

Exor recruits the best possible talent, offers equal opportunities, promotes a diverse workforce and builds relationships both internally and within its companies based on collaboration, integrity and mutual respect. An important part of creating this environment is ensuring that its people respect its values.

Exor’s values, together with its purpose of building great companies, form the foundation of its culture. These values are described below and are deliberately written in pairs. There is often tension between the words in these pairs and it is the job of the leaders within Exor, and within its companies, to find the right balance between them:

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

By building Great Companies using these values, Exor aims to deliver the following financial priorities:

– Outperforming the MSCI World Index over the long term through the increase in its NAV per share

– Maintaining financial strength and discipline while keeping its Loan-To-Value ratio below 20%.

– Generating free cash flows above its dividend outflows over time.

– Keeping cash holding costs as a percentage of its Gross Asset Value below 10 bps.

Exor's purpose and values underpin how it interacts with its companies. As with all the elements of greatness, Exor encourages and constructively challenges its companies to act in a responsible way by setting and achieving a clear set of ESG goals. It does this through the role it plays within their governance while always being conscious of their autonomy.

III. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

1. EXOR'S ESG APPROACH

Exor believes that great companies should act in a responsible way. In doing this, it expects its companies to:

- Align with best practices and reporting frameworks;
- Identify priorities, set targets, measure and report progress;
- Continue to raise the bar;
- Aspire to industry ESG leadership.

Exor has created an ESG framework that it applies to itself and uses across its companies. This is structured in the three parts described below.

FOUNDATIONS	• These are the fundamental ESG governance procedures, policies and guidelines that Exor and its companies need to operate with integrity, responsibility and ethics
PASSIONS	• Exor has identified one passion within each ESG pillar that it holds in common across its companies, enabling them to work together to increase their impact
COMMUNICATION	• Exor expects its companies to communicate their ESG priorities and progress clearly to their stakeholders and Exor facilitates engagement across its companies on the overall framework and on the passions

1.1 FOUNDATIONS

Exor has identified a set of fundamental ESG procedures, policies and guidelines that it applies to itself and to its companies. These foundational elements provide excellent starting conditions to create long-term sustainable value. They include but are not limited to:

- Making ESG a priority among leadership teams and Boards;
- Adopting a Code of Conduct and adhering to widely-recognised guidelines;
- Implementing a whistle-blower mechanism;
- Ensuring that risks are evaluated and mitigants are identified periodically.

Exor expects that this list of foundational elements will evolve over time.

1.2 PASSIONS

Exor has identified one passion within each of the three ESG pillars as described below. These passions are derived from Exor's discussions with its stakeholders, as well as from its history and values.

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

Exor has made commitments on each of these passions at holding company level. These commitments are described below in Section 2. It is also encouraging all of its companies to make progress on these passions, as described in Section 3.

1.3 COMMUNICATION

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

ENVIRONMENT	SOCIAL	GOVERNANCE
Emissions reduction	Education: decreasing inequalities and promoting innovation	Diversity and inclusion

1.4 USING GOVERNANCE TO DELIVER EXOR'S ESG FRAMEWORK

Exor's approach to governance is summarised in the table below. This governance framework has been derived based on extensive discussions with stakeholders and through interviewing other organisations to understand their best practices. Exor believes that a clear governance framework is essential to encouraging its companies to adopt its ESG framework and to support them in delivering their ESG priorities.

BOARD STRUCTURE

We create effective Board Structures

- Board size – we have reduced the size of our Boards to increase the quality of Board debates
- Committees – we have streamlined committees, focusing them on audit, ESG and remuneration
- Meetings – we create systematic Board schedules and agendas

PEOPLE

We spend time choosing the right Directors

- Exor role – we play an active governance role on the Boards of all our companies
- Diversity – we ensure we have a range of perspectives on all our Boards
- Expertise – we appoint Directors with appropriate sector and functional expertise

PROCESS

We incentivise and improve Board performance

- Assessment – we conduct regular Chair, CEO and Board reviews
- Remuneration – we expect Directors to become shareholders
- Director terms – we appoint Directors for clear and overlapping terms

2. EXOR'S ESG APPROACH AT HOLDING COMPANY LEVEL

2.1 STAKEHOLDER ENGAGEMENT

Exor believes in the importance of maintaining a continuous dialogue with both internal and external stakeholders. A review of relevant stakeholder groups at the Exor holding company level has been performed to understand their priorities using the engagement methods described below.

STAKEHOLDER	AREAS OF FOCUS	ENGAGEMENT METHODS
Exor employees	Motivation and Development, Equal opportunities and Diversity, Health and Safety, Ethical business conduct	Regular meetings and communications, Annual review of objectives, Internal initiatives and Compensation
Investors & Analysts, Rating agencies, Media	Market transparency, Communications, Financial Performance	Annual and half-year reporting, Investor events, Meetings with investors, Corporate website, Press releases
Operating companies	Governance, Boards of Directors	Active representation and participation in the Boards, Regular Communication and meetings
Authorities and regulators	Compliance with applicable laws and regulations, Risk management	Implementation of governance, risk management structures and corporate responsibility best practices

Exor is committed to:

– Maintaining a regular dialogue with each of these stakeholder groups;

– Being clear about its purpose, its values and its priorities both internal and externally;

– Providing relevant information to each stakeholder group, while being accessible and responsive;

– Promoting transparent capital markets, while aligning to best practices and disclosing information in an accurate, complete, balanced and reliable manner.

2.2 ESG FOUNDATIONS

At holding company level, Exor has taken a number of specific actions to ensure that it is well positioned to build long-term sustainable value. These actions include the following:

Establishing an ESG Board Committee
In May 2021, Exor announced the formation of an ESG Committee which will report to Exor's Board. This is chaired by Ajay Banga with Laurence Debroux and Marc Bolland attending as members. This Committee will oversee Exor's ESG activities at holding company level; will supervise Exor's reporting on ESG issues at holding company level; and will advise Exor on how it should champion progress on ESG through the role it plays within the governance of its companies.

Adopting a Code of Conduct
Exor has in place a Code of Conduct that has been approved by its Board of Directors. This Code includes guidelines on a number of matters including: health and safety, business ethics and anti-corruption, principles for the management of investments, human resources management, respect of human rights (in line with the United Declaration on Human Rights), conflicts of interest and abuse of inside information, data privacy, safeguarding of Company's assets and relationships with public institutions.

Implementing a Whistleblowing policy
The Code of Conduct includes a whistleblowing policy. This makes clear that all of Exor's employees or collaborators are expected to report any infringement against the Code of Conduct or against legal requirements without fear of retaliation. Concerns can be raised internally with Exor's General Counsel or, if that is not appropriate, to the Chair of Exor's Board or the Chair of the Audit Committee.

Conducting a periodic risk assessment
Exor maintains an internal control and risk management system to identify, measure, manage and monitor its principal risks. This enables it to ensure the reliability, accuracy and timeliness of its financial information, the safeguarding of its assets, the efficiency and effectiveness of its business processes and its compliance with laws and regulations. For more information regarding the key global risks identified by Exor and the control measures taken, refer to the section – "Risk management, risks and control system" in this report.

2.3 ESG PASSIONS

As described above, Exor has identified a set of ESG passions with one focused on each pillar of the ESG framework. At holding company level it has made the following commitments in relation to these passions:

- **Emissions reduction:** achieve carbon neutrality by 2022 and net zero emissions by 2025;
- **Education:** 1) Decrease inequalities by running an education programme to reduce the gender gap in STEM subjects. This will be done in collaboration with *Fondazione Agnelli*. 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures. This will be done through collaboration with Innovation 4 Change;
- **Diversity and inclusion:** maintain the existing 40/60 gender balance and consider diverse candidates for all new appointments.

2.3.1 ENVIRONMENTAL PASSION - EMISSIONS REDUCTION

Exor commitment at holding level: achieve carbon neutrality by 2022 and net zero emissions by 2025

While its environmental impact as a standalone company is limited given its size, Exor nonetheless believes that it has a responsibility to reduce its emissions at holding company level.

As a first step to achieving its commitment, Exor has measured its greenhouse gas (GHG) emissions. This emissions inventory has been produced in accordance with the internationally acknowledged and recognised standards of the Greenhouse Gas Protocol initiative.

This inventory covers the period from 2019 to 2021 and includes Scope 1 and Scope 2 emissions as well as all relevant categories of Scope 3 emissions. Given the nature of Exor's business activities, Scope 3 emissions represented the largest contributors towards Exor's overall footprint. In addition, the emissions that derive from the Scope 1 and 2 emissions of Exor's largest companies, with respect to ownership, were included as part of the analysis to give a full picture of Exor both as an individual company and as an investor. In the future, when data becomes available, this metric will be expanded to include the Scope 3 emissions of Exor's largest companies.

Following this initial assessment of Exor’s environmental footprint, the company will examine how it can reduce its emissions. This will include, for example, reducing Scope 3 emissions by making changes to purchased goods/services and travel. Exor is also promoting recycling and waste reduction within its offices and encouraging a more sustainable working space. Any remaining emissions will be offset using the best in class offsetting options.

All units are tCO2e	2019	2020	2021
Exor Scope 1 Emissions	8	5	45
Exor Scope 2 Emissions	18	15	27
Exor Scope 3 Emissions	2,019	742	995
Exor Total Holding Level Emissions	**2,045**	**762**	**1,067**
Exor Companies Emissions (Scope 1 and 2)[1]	**671,310**	**554,563**	

1) Emissions of Exor companies outside of Exor’s operational control are accounted for under Scope 3 Category 15 in proportion to Exor’s ownership. The attribution factors used to determine the share of the overall emissions of the investee companies that are attributable to Exor were calculated following the definition of the PCAF (2020) – The Global GHG Accounting and Reporting Standard for the Financial Industry (first edition). The outstanding amount (numerator of the attribution factor) and EVIC (denominator of the attribution factor) are always calculated as of the calendar year-end, i.e. 31st December (N.B. as The Economist Group closes its financial year in March, the gross debt considered for the calculation of the EVIC is as of 30th September). In those cases where the financial and thus reporting year of a company diverges from the calendar year, the emissions reported for that financial year were attributed to the corresponding calendar year.
The companies included were Fiat Chrysler Automobiles N.V., CNH Industrial N.V., Ferrari N.V., GEDI Gruppo Editoriale, Juventus Football Club S.p.A and The Economist Group. The emissions of these companies were collected from their latest Sustainability Report or Annual Report. The emissions of other Exor companies were not included as they do not determine their emissions.
At the time of the completion of the Annual Report, the emissions of 2021 have not yet been publicly disclosed by all the above Exor companies. This value will be communicated at a later date following the publication of emissions data by the relevant companies.

2.3.2 SOCIAL PASSION - EDUCATION

Exor commitment at holding level: 1) Decrease inequalities by running an education programme to reduce the gender gap in STEM subjects. This will be done in collaboration with *Fondazione Agnelli*. 2) Promote innovation by helping high potential young entrepreneurs build disruptive ventures. This will be done through collaboration with Innovation 4 Change;

Exor believes that education is a life changing tool that can be used to reduce inequalities by giving students new opportunities, and through those, access to a better quality of life. It can also be a powerful tool for increasing innovation and excellence. Given these beliefs, Exor has always maintained a strong relationship with *Fondazione Agnelli*, an independent institute founded in 1966 that conducts detailed research on education and teaching.

1) Reducing the gender gap in STEM subjects
Gender stereotypes and ineffective teaching methods feed the gender gap in STEM from a very early stage in schools. As a result, many girls find STEM subjects difficult at school and they are less likely to choose STEM degrees when they grow up.

To address this issue Exor is launching an initiative, run in collaboration with Fondazione Agnelli. This initiative will target young girls (but be available to all students) in primary schools and promote the development of spatial skills. These skills, which are a key factor in developing STEM-based competencies, can be improved through construction play such as using building blocks and bricks. The programme will focus both on students – who will be engaged in construction play sessions – as well as teachers who will be trained on removing gender bias from classrooms and integrating construction play to boost STEM skills. The initiative is expected to be launched in the 2022/2023 school year.

2) Helping high potential young entrepreneurs

Exor's second education initiative will be focused on encouraging innovation by working with high potential entrepreneurs through its continued support of Innovation 4 Change (I4C). Developed by *Collège des Ingénieurs Italia*, *Politecnico di Torino* and CERN Ideasquare in 2016, the 5-month I4C has become the leading Italian innovation project. The initiative sees a pool of talented MBA, doctoral and creative design students unite to create an impact startup that responds to a sustainability-focused challenge posed by a corporate partner.

The partners who proposed the challenges this year were AGC, Arduino, Banca Mediolanum, CNH Industrial, Enel, DSM, Ministry of Justice and Rai Way. In response to these the participants came up with a variety of innovative startups ranging from a tv box to provide home treatment for Alzheimer patients to creating invisible sound bubbles to manage noise pollution. The programme concluded with a pitch and demo day that saw Farmelody, with their focus on using the microbiome to drive more sustainable farming methods, taking home first place.

2.3.3 GOVERNANCE PASSION - DIVERSITY AND INCLUSION

Exor commitment at holding level: maintain the existing 40/60 gender balance and consider diverse candidates for all new appointments.

Exor strongly believes in the importance of both building diversity and ensuring that all of its employees have an equal opportunity to develop, progress and be rewarded within its organisation. Diversity and inclusion is not only a moral imperative, it also brings clear business benefits as it can lead to more innovation, increased productivity and better talent attraction.

Exor already has a good gender balance within its structure and is committed to maintaining this balance. Considering diverse candidates for all new appointments will play an important role in doing this.

Alongside diversity, Exor is also committed to promoting greater inclusivity and has undertaken a number of activities to promote this over the last year. These included launching an annual employee survey, which focused on the transition back to the office from home working, and holding its annual Exor Day, which took place in December virtually due to the pandemic restrictions. This internal event brought together all employees from all teams and countries to discuss Exor's values, to review Exor's priorities and to hold an internal debate. An in-person Exor Day is planned for the summer of 2022. Exor has also updated its performance management process to include Exor's values more explicitly and to increase the consistency of the process across different teams.

NUMBER OF EMPLOYEES[1]

Employees	31 December 2021	31 December 2020
Total	**19**	**17**
of which women	**47.4%**	**58.8%**

1) Key workforce metrics are reported below. Please note 2020 figures have been restated due to the fact that Exor Capital (previously Exor Investment (UK) LLP) has become an independent operating company outside of the Holdings System.

2.4 COMMUNICATING EXOR'S ESG ACTIVITIES

Exor will continue to communicate openly and transparently about its ESG activities at holding company level. Exor's Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards under the Core option and in accordance with the Sustainability Accounting Standards Board (SASB). The available disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) are presented in a content index at the end of this report.

Exor also periodically engages with ESG ratings agencies to ensure that it is held accountable for the work that it undertakes on ESG at holding company level.

3. EXOR'S ESG APPROACH ACROSS ITS COMPANIES

The previous section considered Exor’s approach to ESG at holding company level. This section turns to Exor’s approach to championing ESG activities with its companies. Exor’s companies operate in a wide range of sectors including Luxury Goods (Ferrari), Reinsurance (PartnerRe), Automotive (Stellantis), Agricultural and Construction Equipment (CNH Industrial), Commercial Vehicles (Iveco Group, a company that was spun off from CNH Industrial in January 2022), media (The Economist and GEDI) and professional football (Juventus Football Club).

Exor monitors the performance of the companies in which it is the largest shareholder both through its role in their Boards and through its dialogue with their management teams. However, while Exor takes seriously the positive role it can play in championing ESG topics, it always does so while respecting the autonomy of the companies that it owns. A summary of the ESG activities of the largest Exor companies can be found towards the end of this section.

3.1 ESG FOUNDATIONS

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

All of the largest companies within Exor’s portfolio have established ESG Committees, have put in place relevant ESG policies that adhere to widely-recognised guidelines, have effective risk evaluation and mitigation systems and have implemented a whistle-blower mechanism.

3.2 ESG PASSIONS

Exor is encouraging all its companies to make progress on the ESG passions in the following ways:

- **Emissions reduction:** set reduction targets for Scope 1 and 2 emissions and measure Scope 3 emissions;
- **Education:** pursue company-relevant educational initiatives accompanied by clear metrics and targets;
- **Diversity and inclusion:** set diversity targets and measure and report progress against them.

In many cases work is already underway on these priorities at company level. Exor will continue to champion these themes including through its role in the governance of these companies and through setting up networks to share best practices, and expects significant additional progress to be made in the coming years. Some of the work that has already been done on these passions at company level and the commitments that have already been made is summarised below.

3.2.1 ENVIRONMENTAL PASSION - EMISSIONS REDUCTION

The Economist

SCIENCE BASED TARGETS

The Economist Group made an ambitious commitment through the rigorous and globally renowned Science Based Targets initiative (SBTi). The Economist Group commits to reduce absolute Scope 1, 2 and 3 GHG emissions 25% by FY2025 from a FY2020 base year. Within that target, The Economist Group commits to reduce absolute Scope 1 and 2 emissions 68% by FY2025 from a FY2020 base year, and reduce absolute Scope 3 GHG emissions 23% within the same timeframe. The Economist Group also commits to increase annual sourcing of renewable electricity from 0% in FY2020 to 100% by FY2025.

CNH Industrial has maintained its industry-leading position for over a decade and continues to set challenging long-term targets to reduce its carbon footprint such as a 50% reduction in CO_2/h of production by 2030 and a 90% share of renewable electricity by 2030 as well. In December 2021, CDP, the international non-profit that drives companies and governments to reduce their greenhouse gas emissions and safeguard water resources, has recognised CNH Industrial N.V. as a global leader in corporate sustainability by including it on the CDP's prestigious 'A List' for tackling climate change as well as acting to protect water security. CNH Industrial is one of the 57 companies that achieved a double 'A', out of the over 13,000 disclosing businesses in CDP's 2021 assessment.

3.2.2 SOCIAL PASSION - EDUCATION

Since 2008, the TechPro2 initiative by FCA and CNH Industrial has provided students with theoretical and practical skills. The training course entails a 2-stage curriculum: theory is taught at training institutes and hands-on learning at partner company workshops. Over 13,000 students have benefited from nearly 400,000 hours of training at 63 worldwide locations since the inception of the project.

Digitali e Uguali is the project launched by YOOX and the GEDI publishing group, in collaboration with the Specchio d'Italia Foundation and the Golinelli Foundation. The project aims to contribute to bridging the digital gap and solving the strong problem of technological inequality among the younger generations in Italy through the distribution of computers to schools. *Digitali e Uguali* was initially born from an idea of a group of students from the University of Bologna and Almacube together with YOOX NET-A-PORTER GROUP in April 2020 following the COVID-19 emergency.

3.2.3 GOVERNANCE PASSION - DIVERSITY AND INCLUSION

On 12 July 2021 Ferrari S.p.A. maintained their Equal-Salary Certification status, achieved one year ago, as only the beginning of a long-term process involving all stages of its people management and development. In 2020, it was the first Italian company to ever receive this certification which involves an extremely rigorous process including an audit. Ferrari continued to extend its excellence in this passion as Ferrari North America also confirmed the Equal-Salary Certification for the first time in 2021.

Stellantis has set both short-term and long-term targets around women in leadership positions. In 2021, women represented 24% of leadership roles and Stellantis is striving for 27% by 2025 and above 35% by 2030. The Business Resource Groups develop multicultural learning opportunities, mentoring and outreach events with Women of Stellantis representing nearly 3,000 members in 26 countries. The efforts of Stellantis surrounding diversity and inclusion were recognised by DiversityInc, which included it as one of the Top 50 Companies for Diversity in North America.

3.3 FERRARI

Ferrari is committed to creating a culture of sustainability. Ferrari recognises that creating such a culture requires effective risk management, responsible and proactive decision-making and innovation.

Sustainability is a core element of Ferrari's governance model and executive management plays a direct and active role in developing and achieving its sustainability objectives under the oversight of its Board of Directors.

3.3.1 Stakeholder engagement

In 2021, Ferrari carried out various activities in order to enhance the voice of its stakeholders on sustainability themes. Ferrari engaged with its employees by explaining what sustainability stands for within Ferrari while taking into consideration their priorities and suggestions. Ferrari also engaged with its top investors to better understand what they consider to be the main ESG drivers for Ferrari.

Considering the rising environmental and social changes, these engagement activities are an important part of the sustainability approach to help Ferrari identify its sustainability risks and opportunities, as well as supporting management in achieving its objectives.

In 2021, Ferrari ranked among the global leaders in environmental performance and transparency in the annual report published by CDP, the independent non-profit organisation specialising in environmental reporting and in the evaluation of corporate sustainability strategies. Ferrari was awarded a B rating, ranking significantly above both the European regional average and the sector's average, for actions implemented to combat climate change.

3.3.2 Materiality analysis

In 2021, Ferrari updated the analysis of the most relevant sustainability topics to better reflect sustainability context developments, changes in its drivers and goals, as well as its 2019-2022 plan, based on its 5 sustainability strategic pillars: exceeding expectations; reducing environmental footprint; being the employer of choice; creating and sharing value with the community and; proactively fostering best practice governance.

The most relevant topics identified by Ferrari, representing its strategic sustainability priorities, are related to product responsibility*:* image and brand reputation, innovation: technology and design, quality and safety of products and customers, customer satisfaction and supply chain responsible management. Special attention is also paid to ethical business conduct and risk management and compliance. The analysis also confirmed the importance of the development of human capital and the commitment to employees' health and safety. With a particular focus on reducing emissions, environmental responsibility is also a key aspect that is continuing to grow in relevance.

3.3.3 Sustainability governance

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with monitoring and evaluating reports on the Group's sustainable development policies.

The foundation of Ferrari's governance model is the Code of Conduct that reflects its commitment to a culture dedicated to integrity, responsibility and ethical behaviour. The Code of Conduct aims to ensure that all members of the Ferrari Group workforce act with the highest level of integrity, comply with applicable laws and build a better future for the Company and the communities in which it operates. Ferrari's Code of Conduct includes, among others, rules related to anti-bribery, anti-corruption, competitive behaviour and conflicts of interest.

3.3.4 Social Responsibility

Ferrari has always put people and their passion at the centre of all its processes and involvement in motorsport, starting with its employees and their families then extending outward to clients and the community as a whole.

The high attention and care for its products is the foundation upon which Ferrari's success is built and this is feasible thanks to the efforts of the people working in Ferrari. One of the many strengths is the ability to attract, retain and develop talents. Since 1997, Ferrari has developed the "Formula Uomo" initiative, with the intention of developing a high-quality working life for its employees. Over the years, the project has become a pillar of its culture, based on redesigning the working environment, enforcing a safety-first culture, enabling individual development, enhancing teamwork and building a community comprising 57 different nationalities.

In 2021, Ferrari started the program "Formula Insieme", whose aim is to pursue the continuous development of the company through a "plan, do, check, act" approach, starting from its employees' opinions, gaining awareness of their points of view and identifying opportunities for continuous improvement.

NUMBER OF EMPLOYEES

Employees	31 December 2021	31 December 2020
Total	**4,609**	**4,556**
of which women	***15.2%***	***14.8%***

Ferrari is aware of its responsibility towards the community and its efforts are directed to support the development of the local community, mainly through collaborations with local universities and thanks to the industry network in the Emilia-Romagna region. Ferrari believes that promoting the education of young talents is an essential step to reinforce the connection with local communities. Shaping brilliant engineers with a specific academic background that focuses on new technologies within the automotive industry, and in particular innovative solutions for state-of-the-art performance in luxury cars, is also a prerequisite for Ferrari to seize future opportunities.

Ferrari is partner of the Motorvehicle University of Emilia-Romagna (MUNER) and has established long-term relationships with technical schools in Maranello and other towns nearby. Education is also the focus of a series of different initiatives that provide scholarships to talented junior high, high school and university students.

3.3.5 Environmental Responsibility

Ferrari's most significant environmental efforts are deployed through efficiencies in the manufacturing processes and a programme for the reduction of polluting emissions.

The monitoring and management of the environmental performance of its productive plants is assigned to a team that reports to the Chief Technologies and Infrastructures Officer. Their effort is aimed at minimising the impact of its activities on the environment, particularly in relation to the energy consumption of production facilities. A different team is in charge of overseeing regulatory developments while monitoring the emissions of Ferrari cars.

Part of the environmental impact of Ferrari's activities is also related to the product lifecycle.

In 2021, Ferrari calculated its carbon footprint considering the GHG emissions related to all the Group activities over its entire value chain, including both direct and indirect GHG emissions. Ferrari's carbon footprint calculation, based on GHG protocol methodology, has been certified according ISO 14064-1:2018 requirements. Ferrari is committing to achieve carbon neutrality by 2030 on its entire value chain looking at both direct and indirect GHG emissions.

FERRARI: ENVIRONMENTAL IMPACT KPIs

	31 December 2021	31 December 2020
Total energy consumption *(thousands GJ)*	1,774	1,619
Total CO2eq emissions (Scope 1 and 2 market-based method) *(tons of CO2eq)*	95,514	88,380
NOX *(tons)*	63	59
SOX *(tons)*	1	1
Volatile Organic Compounds (VOCs) *(tons)*	62	46
Dust *(tons)*	5	3
Total water withdrawal *(thousands of m^3)*	735.7	701.4

In addition to its focus on the energy consumption in its facilities, Ferrari is deploying considerable resources for the development of hybrid and electric powertrains, which will be mounted on an increasingly larger proportion of its car models; this is intended to improve performance and driving experience while also satisfying customer preferences and regulatory requirements regarding emissions.

3.3.6 Responsible Supply Chain

Ferrari's focus on excellence, in terms of luxury, quality, aesthetics and performance, requires it to implement a responsible and efficient supply chain management in order to select suppliers and partners that are able to meet its high standards. Ferrari encourages the adoption and sharing of sustainable practices among its business partners, suppliers and dealers. All suppliers must respect the Ferrari Code of Conduct, which includes the set of values recognized, adhered to and promoted by Ferrari.

For more information, refer to the Ferrari 2021 Sustainability Report and corporate website

3.4 PARTNERRE

PartnerRe is a leading global (re)insurer with a broadly diversified and balanced portfolio of traditional (re)insurance and capital markets risks. PartnerRe helps insurance companies manage their risks by absorbing some of their losses and by doing so stabilises insurance company results and enables growth and innovation to continue. PartnerRe also has significant investments in the financial markets which contribute to the real economy.

PartnerRe and its subsidiaries are committed to fulfilling its ambition of being a responsible corporate citizen while balancing profitability with effective risk management and a prudent investment policy, which ultimately benefits all of its stakeholders, including shareholders, clients, capital providers, employees and local communities. PartnerRe's Environmental Social Governance (ESG) mission and initiatives focus on improving society and helping to manage climate risks in a continually evolving landscape. This mission embraces PartnerRe's core values of Integrity, Performance, Collaboration, Straightforward Communication, Respect and Care. To put PartnerRe's ESG mission into effect, it has adopted the following ESG goals:

1. *Good business conduct, ethics and governance;*
2. *Managing the impacts of climate change across liabilities, assets and its corporate operations to build global resilience;*
3. *Community support and wellness;*
4. *Diversity and inclusion.*

3.4.1 Good Business Conduct, Ethics and Governance

Good corporate governance is essential to effective and prudent management of risks and to ensure value preservation through ethics and integrity and safeguard a sustainable future for PartnerRe's stakeholders. The Board of Directors of PartnerRe Ltd. (Board) currently consists of six directors, four of whom are independent. The Board has established an Audit Committee, an Investment Committee and an Underwriting and Risk Committee and each committee is responsible for contributing toward PartnerRe's ESG mission and evolving as it continues its ESG journey. Each member of PartnerRe's Executive Leadership Team (ELT) is committed to its ESG mission and ESG goals are reflected in each person's key performance indicators and is a factor in remuneration schemes. In addition, one member of the ELT has been selected as executive sponsor of PartnerRe's implementation of ESG activities.

PartnerRe's Code of Business Conduct and Ethics (Code) sets out the high standards of behaviour and the strong ethical foundation on which it is built. The Code applies to all directors, officers and employees and was adopted by the Audit Committee of PartnerRe. It is revisited each year to ensure that PartnerRe's business practices comply with its standards and the evolving legal requirements, and for each employee to commit to transform their words into meaningful actions that shape PartnerRe's culture and reputation.

3.4.2 Managing the Impacts of Climate Change

The global and regional climate has changed and will continue to change as a result of human activities. As a reinsurer, PartnerRe's business is directly and indirectly affected by climate change.

PartnerRe is committed to understanding the risks from climate change, and to quantifying their impact on its business. PartnerRe follows the scientific community (Inter-governmental Panel on Climate Change) consensus as input to its managing and monitoring of climate change risk throughout the company. PartnerRe considers the potential effects of climate change with its enterprise risk management (ERM) framework, which contemplates strategic, reinsurance, financial market and credit, emerging, reputational and operational risks. Annually, the ERM policies are reviewed and adjusted in accordance with an evolving understanding of climate risks, thereby fostering responsible behaviours and informed risk-taking. PartnerRe has adapted its underwriting guidelines and investment guidelines to account for ESG considerations. For example, its Specialty Property Mining Underwriting Guidelines include specific coal-related restrictions on facultative business and the Investments Operating Guidelines include specific restrictions on investments in issuers that generate certain revenues from thermal coal and are involved in the development and proliferation of controversial weapons.

PartnerRe strives to reduce its environmental impact by decreasing its office carbon footprint through improving energy efficiency, increasing use of renewable resources and sharing and leveraging best practices across its offices.

Through its Carbon Cutting Challenge, PartnerRe employees all across the globe reduced 13,000 kg of CO2, 710 kg of waste and saved 710 kg of water during initiative. In addition, as part of Earth Day, in partnership with Native Energy, PartnerRe offset 100% of its operational carbon footprint and provided funding to help the Haiti Clean Water Project.

3.4.3 Community Support and Wellness

PartnerRe gives back to its local communities and encourages employees to actively participate by providing support to local charitable organisations or branches of national/international organisations. PartnerRe aligns its corporate giving with employee participation, dollar matching for employees' charitable giving, as well as disaster relief. PartnerRe hosts a company-wide day of giving, focused on nurturing local communities and the environment. In 2021, this was not possible due to COVID-19 restrictions.

PartnerRe values the well-being, growth and development of its employees. For example, it offers all employees access to a Global Employee Assistance Program that provides a continuum of care across all aspects of health and well-being and a customised Stay Fit program aimed at developing awareness about healthy work-life habits and building resilience. PartnerRe's commitment to learning and development is supported by ReMind, its dedicated platform enabling employees to take hold of their own growth and development.

3.4.4 Diversity and Inclusion

PartnerRe believes that companies with an inclusive culture and a higher degree of diversity across all levels are better at making business decisions. Such an environment also makes for better employees, because it creates a workplace in which everyone can succeed, learn and grow.

For PartnerRe, Diversity and Inclusion means consciously hiring and advancing people from all backgrounds and with a diverse range of identities, and doing this at every level of the organisation. PartnerRe has the systems in place and a culture of inclusion where every employee feels welcomed and respected to perform at their best.

In 2021, all employees were invited to take part in two D&I surveys. When comparing the data from both surveys, the most recent results show that PartnerRe is trending upwards with favourable responses increasing or remaining consistent on most survey items. Additionally, when comparing its results to its provider's Global High Performing Benchmark, PartnerRe scores on par or above on most items.

This positive momentum towards D&I is a direct result of all employees' efforts throughout 2021. Improvements in D&I require all parts of the organisation to contribute towards promoting an inclusive environment and improving diverse representation at PartnerRe.

The most recent D&I survey data reflects this sentiment, showing that at least 80% of respondents report having personally contributed to improving D&I at PartnerRe.

For more information, please refer to the 2021 PartnerRe 20-F Report, filed with the SEC, its 2021 ESG Report and corporate website.

3.5 STELLANTIS

In this new era of mobility, the Stellantis portfolio of brands is uniquely positioned to offer distinctive and sustainable solutions to meet the evolving needs of customers, as they embrace electrification, connectivity, autonomous driving and shared ownership. To increase the positive impacts and reduce the negative consequences of its activities throughout the value chain, Stellantis takes specific actions that are designed to maintain or develop its environmental, relational, financial, human, industrial and intellectual capital.

3.5.1 Materiality Analysis

Stellantis has identified six CSR macro-risks which are the pillars of its approach to CSR: bringing a tangible impact on climate change, driving Stellantis's transformation through the development of human capital, meting changing customer expectations on mobility (market risks), preventing ethics violations, promoting protection and implementing responsible use of natural resources and ensuring protection of human rights and supporting a balanced economic development of territories.

In light of Stellantis's activities, each macro-risk has been broken down into a number of CSR issues, which are considered to be material to the Company and its stakeholders. In total, there are 22 CSR issues that are considered to be material by Stellantis experts and stakeholders.

Based on this double materiality approach, these 22 CSR issues are considered as having a substantive influence on the stakeholders' assessments and decisions. Each CSR issue is a CSR challenge for Stellantis.

3.5.2 Sustainability Governance

Stellantis Corporate governance ensures that Stellantis is managed in the interests of its shareholders and its main stakeholders. In accordance with the Company's articles of association, the Board of Directors has adopted the charter of the ESG Committee. The function of the ESG Committee is to assist and advise the Board of Directors and act under authority delegated by the Board of Directors with respect to monitoring, evaluation and reporting on the sustainable policies and practices, management standards, strategy, performance and governance globally of Stellantis and its subsidiaries.

3.5.3 Social Responsibility

Stellantis must have a comprehensive strategy that includes a plan to retrain or ensure a professional transition for employees. Stellantis desires and aspires to conduct constructive, trustful and responsible social dialogues with employee representatives at each level.

Since the merger of PSA and FCA at the very beginning of 2021, Stellantis started dialogues with employee representatives and promotes both contractual and constructive approach. It operates according to a policy of responsible and sustainable employment, and Stellantis aims to anticipate transformations and reinforce employees' employability by offering different paths such as reskilling and upskilling programs to safeguard careers.

Targeted recruitment processes are deployed within Stellantis worldwide to support the onboarding and integration of new talents. Stellantis aims to recruit diverse talent, including more female employees, based on a recruitment policy developing attractiveness and equal treatment, and has been hiring actively worldwide.

NUMBER OF EMPLOYEES

Employees	2021
Total	**281,595**
of which women	**21%**

Moreover, as a corporate citizen, Stellantis wants to make a positive contribution to society in the countries where it operates. Stellantis wants to share with its communities its values, knowledge and resources through its philanthropic actions.

Stellantis, as a member of the Global Compact, plays a role in building a more stable, inclusive and sustainable society. By mobilising financial and human resources to help Non-Governmental Organizations (NGO), Non-Profit Institutions (NPI) and support employee initiatives, Stellantis can develop and deploy philanthropic projects of general interest adapted to the specific needs of the communities in which it operates.

3.5.4 Environmental Responsibility

Stellantis has a holistic approach to climate change. The Stellantis decarbonisation strategy is structured around three pillars:

- Cutting vehicle CO2 emissions;
- Moving forward into a carbon-efficient production system;
- Improving the environmental performance of the supply chain.

As CO2 emissions regulations thresholds are becoming more stringent for car manufacturers, Stellantis is: developing increasingly low carbon offerings connected to electrification, making production location more sustainably efficient, engaging suppliers and expanding vertical integration in Stellantis supply chains.

3.5.5 Diversity and Equal Opportunity

By virtue of its structure and global vocation, Stellantis considers diversity as a strength. Through diverse teams, who are representative of the markets and communities it operates in, Stellantis gains a better understanding of the needs and expectations of its customer base, and a deeper understanding of market dynamics. Through fostering an inclusive culture, Stellantis drives employee engagement and creates the conditions for all employees to reach their full potential, leading to greater performance and business sustainability.

Stellantis is aligned with the vision of the United Nations Sustainable Development Goal on Gender Equality, and has signed up to the UN Women's Empowerment Principles, which encourages companies to promote gender equality and the empowerment of women in the workplace, industry, and community. With this commitment, Stellantis shares its intention to adopt business practices that support gender equality and empower women within the Stellantis organisation, globally and across the automotive industry.

For more information, refer to the Stellantis 2021 CSR Report and corporate website.

3.6 CNH INDUSTRIAL

CNH Industrial is committed to a better future, integrating sustainability in its day-to-day activities and involving all employees. The full integration of environmental and social considerations with economic objectives enables CNH Industrial to identify potential risks and seize additional development opportunities, resulting in a process of continuous, and sustainable, improvement that creates value over the long-term.

3.6.1 Stakeholder Engagement

In the past six years, CNH Industrial has evaluated its material topics through stakeholder engagement to assess:

- their relevance to CNH Industrial, based on feedback from the Sustainability Steering Committee members;
- their relevance to stakeholders, based on feedback from a sample of 2,068 stakeholders (55 in 2020) including employees, customers, dealers, opinion leaders, public institutions, non-governmental organizations, investors, and journalists.

CNH Industrial managers and stakeholders were engaged through an online survey or direct interviews. They were asked to evaluate the 14 material topics identified, ranking the five most significant based on their impact on the economy, the environment, and society.

3.6.2 Materiality analysis

The materiality analysis is a tool that CNH Industrial uses to ensure close alignment between the material topics identified and its business decisions, increasingly integrating sustainability principles into CNH Industrial’s daily activities.

The materiality analysis by CNH Industrial confirms the greater significance of business-related aspects, in line with the sustainability priorities defined within CNH Industrial's Strategic Business Plan. Specifically, from a circular economy perspective, the material topic Circular product life cycle was considered, both within and outside CNH Industrial, as one of the most relevant to CNH Industrial, highlighting the importance of adopting alternative solutions that minimise the impact of a product’s life cycle.

CO2 and other air emissions was also one of the most relevant topics, considering not only the impact of manufacturing processes but also of the entire value chain (logistics, supply chain, and product use). Even the topic Occupational health and safety ranked among the most relevant to both CNH Industrial and its stakeholders, highlighting the importance of an approach based on effective preventive and protective measures that involves all employees.

3.6.3 Sustainability governance

In 2016, the Sustainability Steering Committee was established to identify sustainability strategies, integrate them with business needs, adopt a medium-to-long term vision, and provide a forum for communication and benchmarking among the geographic areas.

CNH Industrial's sustainability management system consists of several tools, including, among others:

- the Code of Conduct, approved by the Board of Directors, and related policies that set out CNH Industrial’s approach to key topics;
- a set of approximately 200 sustainability-related Key Performance Indicators (KPIs), designed to provide maximum coverage of all the key environmental, social, and governance aspects, in line with the GRI Standards and the SASB Standards and those of the major sustainability rating agencies;
- the Sustainability Plan, also including the strategic sustainability targets, which identifies action priorities and tracks commitments undertaken; and
- the annual Sustainability Report, which discloses CNH Industrial’s sustainability performance.

NUMBER OF EMPLOYEES

Employees	31 December 2021	31 December 2020
Total	71,895	64,016

3.6.4 Environmental responsibility

CNH Industrial is committed to climate change mitigation and aims at full transparency in its management of climate related risks and opportunities, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The identification of climate-related risks and opportunities led to the definition of a decarbonisation strategy, which in turn has been incorporated within, and regularly influences, CNH Industrial’s Strategic Business Plan. To further address the potential impacts of climate change, CNH Industrial has integrated relevant projects and a number of other specific climate-related topics within its Sustainability Plan and has defined long-term strategic targets that will further drive key business strategies.

Climate-related risks and opportunities are embedded within CNH Industrial’s strategy to ensure resiliency of its business model in light of shifting global challenges. The shift in consumer preferences and demand towards sustainable transport solutions, driven by both an increase in climate-related awareness and strong stimulus coming from regulators, may result in potential risks for manufacturers that must adapt to the evolving market. To counter this, CNH Industrial applies these evolutions in the development of its product portfolio to steer the focus of research and development towards sustainable technologies (e.g. “green” fuels, electric and hydrogen propulsion technologies, digitalisation and related intelligent capabilities that include precision farming and smart water management, etc.). CNH Industrial also takes advantage of collaboration with strategic business partners, startups, and external expertise in the emerging technology sector.

CNH INDUSTRIAL: ENVIRONMENTAL IMPACT KPIs

	2021	2020
Total direct energy consumption *(GJ/000)*	3,313	2,728
Total indirect energy consumption *(GJ/000)*	3,471	2,862
Total CO2 emissions (Scope 1 and Scope 2 – market-based) *(Mtons/000)*	333	284

For more information, refer to the CNH Industrial 2021 Sustainability Report and corporate website.

3.7 JUVENTUS

Juventus aims at using football as a tool of promoting and conveying values such as respect, sharing, and social inclusion. Juventus' commitment is to keep improving as a club and as a company by attempting to identify and meet the demands of its stakeholders, not only in the short term.

Juventus commits to supporting activities in three areas in which a football company may have the greatest influence: playtime, education and social inclusion.

Every year, Juventus promotes a wide range of interaction and engagement activities among its stakeholders including athletes, fans, suppliers, educational institutions and universities, sports institutions, media, sponsors and trade partners, staff, management and employees among others.

Juventus aspires to establish and consolidate a relationship of trust with its stakeholders. The Code of Ethics fixed the values of Juventus. Adherence to the Code is required of corporate bodies and employees, as well as all those who work for the achievement of business objectives, each within their own functions and responsibilities.

The Juventus Corporate Governance System is founded on: the values defined in the Code of Ethics, the central role of Management and Control bodies, the central role of the Board of Directors, management transparency, careful distribution of management responsibilities, the monitoring and evaluation of the internal control and risk management system, a risk management system in line with best practices.

Juventus invests in recruiting the best talents who will represent Juventus with professionalism and competence. Juventus is at the forefront of participation in job fairs in the sector and in all the events that represent a point of contact with candidates and allow them to learn more about it as a leading Entertainment Company on the world sports scene.

Throughout the 2020/2021 season, Juventus continued to contribute to the themes of ESG through various initiatives. Juventus succeeded in completely zeroing its carbon footprint for the 2020/2021 season by purchasing Certified Emission Reductions from the UN Carbon Offset Platform. As part of the Illuminiamo il futuro campaign with Save the Children, Juventus redeveloped the Punto Luce Vallette youth centre. In addition, Juventus extended its Gioca con me initiative, which was launched in 2012. The focus is on fostering an inclusive society by using sport as a means to instil the values of togetherness and fair play.

Juventus acknowledges its role in society and in the world of football and wants to lead the change in the sector as a football company contributing to the achievement of certain UN Sustainable Development Goals (SDGs): SDG 3 – Good health and well-being, SDG 4 – Quality education, SDG 10 – Reduced inequalities, SDG 13 – Climate Action and SDG 17 – Partnerships for the goals.

For more information, refer to the Juventus 2020/2021 Annual Report, 2020/2021 Sustainability Report and corporate website.

IV. ADDITIONAL DISCLOSURES

1. IDENTIFIED MATERIAL ESG TOPICS

Exor focuses on a number of ESG issues that have been identified relevant to its stakeholders, its activities and the fulfilment of its long-term objectives.

These are identified through an internal assessment, a review of market best practices and peer benchmarking.

FACTOR	IDENTIFICATION OF MATERIAL TOPICS
Environmental	Exor understands that its environmental footprint is minimal due to the nature of its activities at the group holding company level. Exor has begun to measure its environmental footprint in order to establish a baseline and the aim to further reduce it and where not possible, offset any remaining emissions.
Social	Exor aims to improve and strengthen its impact on the social systems within which it operates, in particular in relation to education.
Governance	Exor is implementing a governance structure and composition that ensures transparency, accountability and diversity with particular focus on diversity and inclusion.

Activities that are more relevant including, among others, human right, bribery and corruption and the identification of the material topics for the operating companies within the Exor Group are addressed separately in “Section 3. "Summary of the ESG performance of the operating Exor companies” and on the operating companies’ websites.

Its focus areas at holding company level are defined below.

FOCUS AREA	ACTION
Exor to be an active and responsible owner focused on the long-term development and success of its companies	Engaging in continuous dialogue with the companies, through presence in the Boards. Promoting solid governance and business practices.
Exor to be an attractive employer committed to building a diverse and high-performing workforce	Attracting and retaining talent through engagement, competence development, reward and a strong company culture.
Exor to contribute to the cultural, social and economic development of communities	Engaging with local communities and supporting projects and initiatives, with a special focus on the field of education.

2. CODE OF CONDUCT

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics was amended, renamed the Code of Conduct and approved by the Board of Directors in November 2017 (the “Code”).

Exor conducts its business with integrity and with respect for all its stakeholders, while safeguarding its corporate image and reputation, by following and respecting the values, principles and guidelines as laid down in the Code. Its rigorous observance is required of all people in the Company and of all those who collaborate in the pursuit of its corporate mission.

Exor's governance model, regulating the decision-making process and approach of the Company and its employees in the interest of its stakeholders is firmly based on the Code. Together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding of Company's assets and relationships with public institutions.

Explicit reference is made to the respect of human rights in all of its activities by endorsing the principles of the United Nations "Declaration on Human Rights".

Exor is committed to the following integrity principles:

– **Observance of the law:** the behaviour of people associated with Exor (including executives, managers, directors, employees and external consultants or advisors), in the activities undertaken in the interests of the Company is founded on the rigorous observation of national, community and international laws and regulations.

– **Equality and Impartiality:** people associated with Exor are required to act in the best interest of the Company while taking decisions with professional rigour and impartiality and applying to the decisions criteria, which are objective and neutral.

– **Transparency:** people associated with Exor must be founded on the maximum transparency and reliability, ensuring that transparent, truthful, complete and accurate information is communicated to all stakeholders without favouring any interest group or single individual. Exor undertakes to provide all the information necessary for the market to make informed investment decisions, ensuring the correctness and clarity of the aforesaid information and the equality of access to it.

– **Honesty and correctness in the presence of potential conflict of interest:** each transaction should take place in the interest of the Company and should be conducted through a correct and balanced management. Situations where the people involved in transactions are or could be in conflict of interests must be avoided. In the presence of a potential conflict of interests, people associated with Exor are required to inform their Company referent. The Directors undertake to inform the Board of Directors of any financial advantage which they may derive from transactions submitted to the Board's review.

– **Confidentiality:** the Company ensures the confidentiality of the information in its possession and does not use confidential information unless in possession of express and explicit authorization and, anyhow, always in observance of the applicable legislation concerning the protection of personal data. Disclosure of information is permitted solely for business or professional purposes; the third party is expressly notified of the confidential nature of the information and requested to observe the confidentiality obligation. No employee or collaborator may derive advantage of any kind from the use of confidential information, nor may disclose such information to others without an authorisation.

The Company is committed to assuring the maximum diffusion of the Code through appropriate communication methods, including training and measures to increase awareness of its contents. Exor also takes steps to ensure that the companies, in which it has an investment, adopt Codes of Conduct whose principles are based on those of its Code of Conduct (available on Exor's corporate website at www.exor.com).

2.1 WHISTLEBLOWING MECHANISM

Exor's Code of Conduct outlines how any employee or collaborator, on becoming aware of presumed violations of the Code or of general conduct, which is not compliant with the rules of conduct adopted by the Company, is expected to report the matter immediately, and without fear of retaliation. The person should report to the appointed trusted person (legal / general counsel). In case the report concerns the trusted person itself or a non-executive member of the Board, reports should be made directly to the Chairman of the Board. If the report concerns an executive member of the Board, reports should be made to the Chairman of the Audit Committee.

3. ANTI-BRIBERY AND CORRUPTION

Exor's Code of Conduct includes, among others, rules related to anti-bribery, anti-corruption, competitive behaviour and conflicts of interest. Exor is committed to the highest standards of integrity, honesty, correctness, fairness and legality in all internal and external affairs and will not tolerate any kind of bribery or corruption.

In particular, the Company asks all recipient of the Code of Conduct to participate actively in the fight against every form of corruption and to avoid any activity or behaviour, which is incompatible with the obligations arising from the relationship with the Company on behalf of which they are acting.

It is also forbidden to offer, promise, give, pay or authorise the giving or payment, directly or indirectly, of an economic advantage or other utility to a third party (private or public) with the object of:

– Inducing a third party to perform any function or act in a manner, which is improper or contrary to the duties of his or her position (or to reward the performance of the same).

– Improperly obtaining or maintaining an unfair business advantage, in violation of the applicable laws.

A violation of anti-bribery and anti-corruption laws is a serious offence for both companies and individuals, which can result in significant fines, reputational damage and imprisonment of individuals.

4. INSIDER TRADING POLICY

The Exor Insider Trading Policy describes the guidelines, recommendations and prohibitions for all members of the Board of Directors and employees of Exor regarding the legal and regulatory duties and sanctions applicable to insider trading and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that must be fulfilled under Dutch and Italian law by members of the Board of Directors when dealing in securities of Exor and its group companies. The Insider Trading Policy is also applicable to persons closely associated (immediate family members or members of the same household) with the members of the Board of Directors or employees.

With the Insider Trading Policy Exor makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated Exor Insider Trading Policy was adopted by the Board of Directors on 13 November 2019.

5. TAX APPROACH

Responsible tax behaviour is an essential element and an integral part of Exor's sustainability strategy. Thereby Exor takes the social and corporate responsibility into consideration and the interests of all its stakeholders. As part of Exor's aim to create sustainable growth for all its stakeholders and recognising the role that tax plays in this regard, Exor commits to the following global tax approach.

Profile

Exor aims for a low tax risk profile. The tax regulations are subject to change, among others due to recent developments in the international tax arena (e.g. BEPS). The tax regulations are often complex and subject to interpretation. In that regard, tax certainty is aimed on the adopted tax positions. Where no certainty can be obtained in advance, Exor ensures that the position is settled in line with its tax approach.

Structuring

Exor uses structures that meet the intentions and the spirit of the law and does not compromise business motives for tax gains. Exor does not use tax havens (as defined by the European Commission's "blacklist") for tax avoidance purposes and does not engage in artificial tax arrangements. Exor aims for a tax neutral investment structure, not resulting in economic double taxation for its investors.

Tax planning is considered part of the overall business strategy but Exor ensures that it is based on sound commercial business activity. This means that aside from factors such as financial impact, complexity and reputation, solid business and/or commercial reasons have to exist.

Compliance
Exor strives to be compliant with all applicable laws at all times. Exor's tax approach is based on a well-defined set of principles and internationally accepted standards. We support and adhere to the principles promoting tax transparency and responsible tax management as set out in the OECD Action Plan on Base Erosion and Profit Shifting (BEPS), and the EU Anti-Tax Avoidance Directives (ATAD I and II).

Exor aims to comply with the spirit as well as the letter of the law. Exor complies with any legitimate disclosure requirement at first demand. Exor files its tax returns timely and accurately in compliance with reasonable and responsible interpretations of local tax laws and regulations. Moreover, the way of working conforms to Exor's Code of Conduct.

Transfer pricing
Exor aims to pay an appropriate amount of tax according to where value is created within the normal course of business activity. Any transfer pricing is always calculated using the "arm's-length" principle.

Transparency
Exor integrates transparency in its approach to tax. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards.

Relationships with tax authorities
Exor seeks to develop strong, honest and mutually respectful relationships with national tax authorities based on transparency and mutual trust. All dealings with them are undertaken in a professional, courteous and timely manner. Exor provides the tax authorities with all relevant information they require within a reasonable timeframe.

6. HR POLICY

Safeguarding and ensuring the well-being of the people that work at and within Exor is of critical importance. Their creativity, drive, perseverance and loyalty have contributed to the successful development of the Company and will continue to shape its future. Exor makes high demands of its employees: expecting them to excel in their work, to collaborate in diverse teams and to improve and expand their own capabilities.

Exor is committed to a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company.

In return, Exor offers a chance to operate in a dynamic and enjoyable work environment and to collaborate with highly skilled and ambitious colleagues from all over the world. Exor wants its employees to enjoy their work and to be proud to work for the Company.

Exor offers programs and tools to help its employees to balance their personal and professional lives. Depending on the employee needs, Exor provides the tools to address the expectations of an evolving labour market. Exor has arrangements in place to improve work-life balance including flexitime, part-time or reduced hours, telecommuting, parental leave and other leaves.

6.1 WORKPLACE HEALTH AND SAFETY

Exor provides for working conditions which respect the dignity of the individual and it assures a healthy and safe workplace, in compliance with the applicable occupational accident prevention and health regulations. It also promotes a health and safety culture among all its employees.

7. EXOR EMPLOYEE STATISTICS

Exor has a lean organisation structure at holding company level, employing 19 people at 31 December 2021. Exor puts considerable effort into its recruiting processes, training and competency development, and into building a strong company culture, because it believes in the importance of its people in its future success. As a result, the Exor workforce is characterised by its diverse, youthful and intellectually curious nature.

Moreover, Exor recognises that its employees possess considerable expertise and talent that can be used for the betterment of communities in which it operates. Exor employees are actively encouraged to support educational endeavours whether it be as mentors, guest speakers, or experts in their respective field.

Exor promotes diversity and believes that no individual should be subjected to discrimination based on their age, gender, sexual orientation, race, nationality, political opinion or religious faith (for example). The Company also undertakes to ensure that authority is exercised fairly and correctly, avoiding any abuse of power or activities that harm the dignity and autonomy of employees or collaborators.

Under no circumstances will Exor tolerate requests or threats aimed at inducing persons to act in breach of the law or of the Code of Conduct, or to behave in a manner, which conflicts with the moral convictions and personal preferences of the individual.

Exor values and promotes a multicultural environment within its offices and its employees come from diverse professional, national and cultural backgrounds. As a result, it is tracking diversity and plans to broaden the dimensions under which diversity is measured over time in order to allow truly diverse workplaces to flourish.

Key workforce metrics are reported below. Please note 2020 figures have been restated due to the fact that Exor Capital (previously Exor Investment (UK) LLP) has become an independent operating company outside of the Holdings System.

BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER

Type of employment contract	31 December 2021			31 December 2020		
	Male	Female	**Total**	Male	Female	**Total**
Permanent	9	8	**17**	7	8	**15**
Temporary	1	1	**2**	-	2	**2**
Total	**10**	**9**	**19**	**7**	**10**	**17**

BY GEOGRAPHICAL AREA

Geographical Area	31 December 2021			31 December 2020		
	Male	Female	**Total**	Male	Female	**Total**
The Netherlands	5	6	**11**	3	7	**10**
Luxembourg	-	1	**1**	-	1	**1**
United Kingdom	5	2	**7**	4	2	**6**
Total	**10**	**9**	**19**	**7**	**10**	**17**

PER EMPLOYEE CATEGORY BY GENDER

Employment category	31 December 2021			31 December 2020		
	Male	Female	**Total**	Male	Female	**Total**
Top Managers	2	2	**4**	2	2	**4**
Middle-managers	3	3	**6**	3	3	**6**
Professionals	5	4	**9**	2	5	**7**
Total	**10**	**9**	**19**	**7**	**10**	**17**

PER EMPLOYEE CATEGORY BY AGE GROUP

Employment category	31 December 2021				31 December 2020			
	<30	30-50	>50	**Total**	<30	30-50	>50	**Total**
Top Managers	-	1	3	**4**	-	1	3	**4**
Middle-managers	-	5	1	**6**	-	5	1	**6**
Professionals	4	4	1	**9**	2	4	1	**7**
Total	**4**	**10**	**5**	**19**	**2**	**10**	**5**	**17**

EMPLOYEE TURNOVER

New hires		
	2021	**2020**
Number of employees	6	3
Turnover %	31.6%	17.6%
Leavers		
	2021	**2020**
Number of employees	4	5
Turnover %	21.1%	29.4%

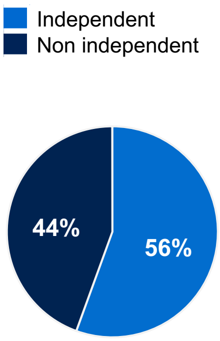
In 2021, among the new hires, two were female and four were male. Of the leaving employees, three were female and one was male.

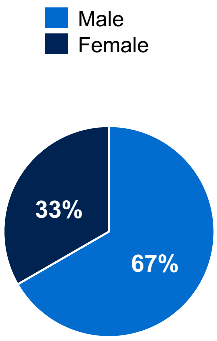
In 2020, all the new hires were female. Of the leaving employees, three were female and two were male.

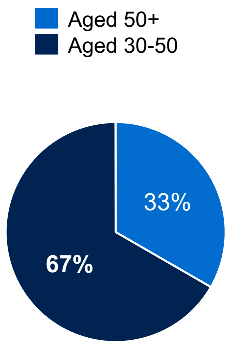
8. BOARD DIVERSITY

As governance is the tool that Exor uses to steer its companies on their path to greatness, the Company believes that its own governance must meet the highest standards. Therefore, Exor wants to ensure that the diversity of thought in its Board continues to be a central factor in its governance.

To meet this objective, Exor ensures that its Board of Directors has the diversity of experience, expertise and backgrounds, and the appropriate independence and judgment needed to fulfil its responsibilities and execute its duties.







6 nationalities

MARC BOLLAND

Senior Operating Partner and Chairman Europe at the Blackstone Group International Partners LLP

JOSEPH Y. BAE

Co-Chief Executive Officer of KKR

AJAY BANGA

Executive Chairman of Mastercard

MELISSA BETHELL

Partner at Atairos and Managing Partner of Atairos Europe

LAURENCE DEBROUX

Board Member of HEC Paris, Novo Nordisk A/S and former CFO of Heineken N.V.

For further information, please refer to the Directors' full biographies under the Governance section of the Exor website.

At 31 December 2021, the composition of the Board of Directors by gender and age groups is as follows:

Directors by gender and age group	30-50	>50	Total
Male	4	2	**6**
Female	2	1	**3**
Total	**6**	**3**	**9**

V. EU TAXONOMY ON SUSTAINABLE ACTIVITIES

The EU Taxonomy is a classification system introduced by the Regulation (EU) 2020/852 ("the Regulation") and designed to encourage investments towards sustainable activities and to boost the achievement of the goals set by the European Green Deal. The Regulation defines a set of environmentally sustainable economic activities, in relation to six different environmental objectives. During 2021, the first two, Climate Change Mitigation and Climate Change Adaptation, were regulated through the publication of the 2021/2139 Delegated Act ("Climate Delegated Act"), that contains the description of each activity and the related technical screening criteria defining the condition under which the activity can be defined as "Taxonomy-aligned". The remaining four objectives (Sustainable use and protection of water and marine resources, Transition towards a circular economy, Prevention and reduction of pollution and Protection and restoration of biodiversity and ecosystems) will be regulated during 2022.

For this first reporting year, companies within the scope of the Regulation are required to disclose the proportion of turnover, capital expenditures (CapEx), and operating expenditures (OpEx) of taxonomy eligible activities related to climate change objectives, i.e. the proportion of activities described in the Climate Delegated Act, irrespective of whether that economic activity meets any or all of the technical screening criteria.

In this context, working closely with the operating companies, Exor proceeded to a preliminary assessment of the eligibility of the Group's activities, matching them with those listed in the Annexes 1 and 2 of the Climate Delegated Act. By analysing both operating companies' business activities and related NACE codes, compared to those foreseen by the EU Taxonomy, the following eligible activities have been identified.

SECTOR	ACTIVITY	DESCRIPTION	OPERATING COMPANY[1]
MANUFACTURING	3.3 – Manufacture of low carbon technologies for transport	Manufacture of cars	Ferrari
		Manufacturing of Commercial Vehicles segment (CV), vehicle maintenance and repair	CNH Industrial
TRANSPORT	6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	Financial services activities	Ferrari
		Leasing for CV vehicles	CNH Industrial
INFORMATION AND COMMUNICATION	8.3 – Programming and broadcasting activities	Frequency modulation radio broadcasting	GEDI
ARTS, ENTERTAINMENT AND RECREATION	13.2 – Libraries, archives, museums and cultural activities	Museum	Juventus
	13.3 – Motion picture, video and television programme production, sound recording and music publishing activities	TV Production	Juventus

1. The scope of the assessment includes all subsidiaries considered significant and consolidated with line-by-line method. Companies consolidated at equity method or reclassified within assets held for sales are excluded from the analysis. The scope of the assessment includes all subsidiaries considered significant and consolidated with line-by-line method. Companies consolidated at equity method or reclassified within assets held for sales are excluded from the analysis.

The most relevant contribution to the consolidated KPIs arises from CNH Industrial and Ferrari operations in manufacturing, maintenance and repair of commercial vehicles (the first) and cars (the latter). Additional residual eligible activities have been detected in GEDI and Juventus.

Based on this assessment, each operating company determined the proportion of turnover, CapEx and OpEx referred the eligible activities, pursuant to provisions laid down in the Regulation and the 2021/2178 Delegated Act.

In light of the regulatory developments, and the subsequent extension of the scope of the Regulation foreseen for 2022, the Group will carry out additional analysis that can eventually identify further eligible activities, to be disclosed in next reporting cycle.

2021	EU TAXONOMY - ELIGIBLE	EU TAXONOMY – NOT ELIGIBLE
Turnover	36%	64%
CapEx	39%	61%
OpEx	56%	44%

Accounting Policy (1.2.1)

For the determination of the three KPIs, the Accounting and Finance Department of each operating company have been involved and, where relevant, the Sustainability Department. Based on the indications given in Annex 1 to Delegated Act 2178/2021, each Department identified the values to be included in the KPIs from the balance sheet items, as described in the next paragraph.

For the calculation of the numerator, only the balance sheet items related to the eligible activities (3.3, 6.5, 8.3, 13.2 and 13.3) were considered. For the calculation of the denominator, all the items provided for by the regulations at a consolidated Exor N.V. level were included, as specified within the contextual information paragraph.

Assessment of compliance with Regulation (EU) 2020/852 (1.2.2)

The activities identified as Taxonomy eligible are listed in the table above. The avoidance of double counting has been made possible by:

- Eliminating the infra – group transactions from the calculation;
- Assessing the reconciliation between the line items at company level and their reclassification at consolidated level.

Contextual information (1.2.3)

The KPIs were determined by aggregating the single KPIs of each component, after having removed potential infra-Group items.

KPI	Denominator	Numerator
Turnover	Consolidated net turnover in accordance with IAS 1.82(a) and with article 2, point (5), Directive 2013/34/EU	Net revenues from eligible activities[1]
CapEx	Additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16), and additions resulting from business combinations.	Additions related to capital expenditures referred to the identified eligible activities and related economic activities connected to individual measures enabling the activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures.
OpEx	Direct non-capitalized costs that relate to: a. research and development, b. building renovation measures, c. short-term lease, d. maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.	Direct non-capitalized costs related to the identified eligible activities and related to the purchase of output from taxonomy-eligible economic activities connected individual measures enabling the activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures.

1. According to the Climate Delegated Act, if the activities contribute to the climate change adaptation objective, the turnover can be included in the numerator only if they qualify as "enabling activities", i.e. provided they meet the technical screening criteria laid down in Annex I and II to the Climate Delegated Act. Since the actual alignment with the technical screening criteria has not been assessed yet, it was not possible to determine whether the activity can be defined as enabling. Therefore, activities 8.3, 13.2 and 13.3 are marked as “eligible-to-be-enabling” for this reporting cycle, and revenues associated with the radio activity, the Juventus museum and TV production have been included in the numerator.

There are no amounts related to eligible activities conducted for the internal consumption of the Group. Within the CapEx and OpEx items, there are no items related to a plan to expand the economic activities aligned to the Taxonomy.

VI. GRI CONTENT INDEX

General disclosures		Page	Comment
Organizational profile			
102-1	Name of the organization		Exor N.V.
102-2	Activities, brands, products and services	5-9	
102-3	Location of headquarters	4	
102-4	Location of operations	28	
102-5	Ownership and legal form	63-69	
102-6	Markets served		Mainly Europe and United States.
102-7	Scale of the organization	3, 18-25, 128-130	
102-8	Information on employees and other workers	128-130	
102-9	Supply chain		As a diversified holding company with a lean organization of 19 employees at 31 December 2021, Exor's supply chain is limited to office supplies and consulting or service companies in its main offices in Amsterdam and London. There has been no major change of suppliers in 2021 compared to 2020.
102-10	Significant changes to the organization and its supply chain		There have been no significant changes to the organization or supply chain.
102-11	Precautionary Principle or approach	70-82	No direct reference is made to the precautionary principle or approach at the Exor holding level. Reference is made to the risk management framework, risk and control systems in place.
102-12	External initiatives	107, 110-114	
102-13	Membership of associations	110-114	
Strategy			
102-14	Statement from senior decision-maker	I-XV	See Letter to shareholders.
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	5-6, 96-99	
Governance			
102-18	Governance structure	83-102	
102-22	Composition of the highest governance body and its committees	84-94	
102-25	Conflicts of interest	90	
102-35	Remuneration policies	141-150	
Stakeholder engagement			
102-40	List of stakeholder groups	108	
102-41	Collective bargaining agreements		No employees at the Exor holding level are covered by such agreements. Reference is made to the Code of Conduct (available on the Exor's website), where Exor recognizes the freedom of association and the right to collective bargaining.
102-42	Identifying and selecting stakeholders	108	
102-43	Approach to stakeholder engagement	108	
102-44	Key topics and concerns raised	108, 125	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	178	
102-46	Defining report content and topic Boundaries	125	
102-47	List of material topics	125	
102-48	Restatements of information		No changes compared to Year 2020.
102-49	Changes in reporting		No significant changes compared to Year 2020.
102-50	Reporting period		Year 2021
102-51	Date of most recent report		31 December 2020
102-52	Reporting cycle		Annually
102-53	Contact point for questions regarding the report		ir@exor.com
102-54	Claims of reporting in accordance with the GRI Standards	103	
102-55	GRI content index	134-135	
102-56	External assurance		Not verified by an external third party.

Topic-specific disclosures		Page	Comment
Economic			
103-1	Explanation of the material topic and its Boundary	125	
103-2 103-3	Management approach components and evaluation	106-112, 125	
201-1	Direct economic value generated and distributed	3, 5-6	
203-2	Significant indirect economic impacts	107, 109-124	
205-2	Communication and training about anti-corruption policies and procedures	96	
205-3	Confirmed incidents of corruption and actions taken	96	
207-1	Approach to tax	127-128	
Environmental			
103-1	Explanation of the material topic and its Boundary	125	
103-2 103-3	Management approach components and evaluation	106-112, 125	
305-1	Direct (Scope 1) GHG emissions	109-110	
305-2	Energy indirect (Scope 2) GHG emissions	109-110	
305-3	Other indirect (Scope 3) GHG emissions	109-110	
Social			
103-1	Explanation of the material topic and its Boundary	125	
103-2 103-3	Management approach components and evaluation	106-112, 125	
401-1	New employee hires and employee turnover	128-130	
405-1	Diversity of governance bodies and employees	128-131	
419-1	Non-compliance with laws and regulations in the social and economic area		No significant fines or non-monetary sanctions were incurred during FY 2021.

VII. SASB STANDARDS

Exor uses the SASB Standards (version 2021-12) specific to the industry "Asset Management & Custody Activities", in line with the Sustainable Industry Classification System.

SASB DISCLOSURE TOPICS & ACCOUNTING METRICS

Topic	Accounting Metric	SASB code	Comment	Page
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Not applicable: Exor N.V. has no customers or clients.	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	Not applicable: Exor N.V. has no customers or clients.	
	Description of approach to informing customers about products and services	FN-AC-270a.3	Not applicable: Exor N.V. has no customers or clients.	
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	Exor discloses Board diversity metrics and workforce breakdown by gender, age, geographic location, contract type and category.	128-131
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	Not applicable: Exor N.V. has no customers or clients.	
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	After identifying potential opportunities, Exor assesses them against a set of clear investment criteria. Following its assessment, Exor selects companies that it believes have the capacity to become great. One element of Exor's definition of great companies are those that act in responsible way: they align with the best standards and frameworks in ESG, they identify key material themes and put in place targets with metrics as they continue to the raise the bar in their aspiration of industry ESG leadership.	
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	Exor engages with its operating companies through active representation and participation in the Boards, Regular Communication and meetings.	107-108
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	In February 2022, Exor has settled with the Italian Tax Authorities on a complex tax issue, specifically in respect of the Exit Tax.	60
	Description of whistleblower policies and procedures	FN-AC-510a.2	Description of whistleblowing mechanism is presented in the Sustainability Report.	126

SASB ACTIVITY METRICS

Activity Metric	SASB code	Comment	Page
(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	Not applicable: Exor N.V. has no customers or clients.	
Total assets under custody and supervision	FN-AC-000.B	Not applicable: Exor N.V. has no customers or clients.	

VIII. TCFD CONTENT INDEX

Topic	TCFD code	Page	Comment
Governance			
Describe the board's oversight of climate-related risks and opportunities	TCFD – G(a)	93-94	The Board of Directors oversees ESG matters through a dedicated ESG committee.
Metrics & Targets			
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management	TCFD – MT(a)	109-110	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	TCFD – MT(b)	109-110	
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD – MT(c)	109-110	

REMUNERATION REPORT

REMUNERATION REPORT

Foreword

This section on the remuneration of the Executive and Non-Executive directors is divided into two sections.

Section I of the Remuneration Report provides general information regarding the current remuneration policy (the “Remuneration Policy”) – as approved and adopted by the general meeting of shareholders on 20 May 2020 – and describes the policies, structures and principles applicable to the remuneration of executive directors (the "Executive Directors") and non-executive directors ("Non-Executive Directors") of EXOR N.V. (“Exor” or the “Company”).

A proposal for a new Remuneration Policy, including a new long-term incentive plan will be presented to Exor's shareholders for approval at the Annual General Meeting of Shareholders (“AGM”) in May 2022.

Section II of the Remuneration Report provides information on the application of the Remuneration Policy during the year and the compensation paid to the Executive and Non-Executive Directors (together, the "Directors" and each of them individually, a "Director") with reference to the period from 1 January 2021 until the end of the financial year (i.e. 31 December 2021). The Chief Executive Officer, Mr John Elkann, is the sole Executive Director of the Company.

Within the scope of EXOR’s Remuneration Policy, the remuneration of the Executive Directors is determined by the board of directors (the "Board") at the recommendation of the Compensation and Nominating Committee of the Company (the “CNC”).

This Remuneration Report contains disclosures as required under the Shareholder Rights Directive II and its implementation into the Dutch Civil Code, and in line with this regulation, will be subject to an advisory vote at the 2022 AGM.

SECTION I

Objectives and principles of the Remuneration Policy

Objectives and principles

The objective of the Remuneration Policy is to provide a compensation structure that allows the Company to attract and retain the most highly qualified executives and to motivate them to achieve business and financial goals that create long-term value for shareholders in a manner consistent with the Company’s core business and leadership values.

For these objectives to be achieved, the Remuneration Policy is determined considering (i) best practices in compensation policy design (in accordance, inter alia, with the Dutch Corporate Governance Code); and (ii) the need for sustainable compensation and aligned with the medium-to-long-term interests of all stakeholders.

The Remuneration Policy aims to provide a total compensation opportunity that is competitive compared to the compensation paid by comparable companies and to reinforce the Company’s performance-driven culture and meritocracy. It furthermore assures that the interests of the Executive and Non-Executive Directors are closely aligned to those of the Company, its business and stakeholders, encouraging them to perform at the best of their ability with a view to the Company's sustainable success.

All the above is in the context of the specific characteristics of the Company, in particular of the ownership structure and the simple organizational structure. The Remuneration Policy is determined to be coherent with the Company’s risk management policy and internal control system.

The Remuneration Policy was, in light of the new disclosure requirements under the new Shareholders Rights Directive, last amended by the AGM in May 2020 and was well received by the shareholders and was approved by over 97% of the votes. At that time, no new long-term incentive scheme was implemented due to the prevailing economic situation in financial year 2020.

During the last 12 months, the CNC reviewed and assessed the effectiveness of the variable remuneration and the Remuneration Policy as a whole. It is envisaged that the Company will submit a new Remuneration Policy for the Company's Executive Directors at the shareholders’ meeting to be held on 24 May 2022. This proposal will emphasize the Company's performance driven culture and include a re-design of the long-term incentive.

The proposed Remuneration Policy will be placed on the Company's website (https://www.exor.com) upon convening the 2022 AGM. The 2020 Remuneration Report was presented to the shareholders for an advisory vote at the AGM held on 27 May 2021 and received 82.09% shareholders' approval. Changes have been made to this year's Remuneration Report to address the feedback received by some institutional investors.

Scenario analysis
In the CNC, the Non-Executive Directors examined, by taking into account different scenario assumptions, the relationship between the performance criteria chosen and the possible results of the variable remuneration components and the manner in which this effects the remuneration of Exor's Executive Directors (scenario analysis).

As such, the Non-Executive Directors have also assessed the functioning of the Remuneration Policy taking into account the relationship between the Company's objectives, the chosen performance criteria and the long-term interest/value creation. The CNC believe that linking our remuneration primarily to financial performance criteria is in line with Exor's role as holding company and its purpose to build great companies and sustainable long-term perspective. The CNC will continue to assess the adequacy of the performance measures used in light of long-term sustainable value creation.

2021 Internal pay ratios
In line with the Dutch Corporate Governance Code and in order to make sure that the remuneration to be awarded is proportional to those set for employees within Exor, the internal pay ratio is taken into consideration when determining the Remuneration Policy for the Executive and Non-Executive Directors. Analysing the difference in remuneration levels of the Executive Directors, Non-Executive Directors and other employees helped the CNC in developing a balanced view of the remuneration levels. The ratio between the annual total remuneration of the Executive Director and the average total remuneration for all employees within the Holdings System (as defined in the section Alternative Performance Measures of this Annual Financial Report) was 9:1 for the 2021 financial year and down compared to the financial year 2020 (13:1).

The development of this ratio will be monitored and disclosed going forward. The CNC also monitors the ratio on a total compensation basis, incorporating the value of variable compensation delivered to the Executive Director and all employees within the Holdings System.

Framework for Executive Directors Remuneration
The Board determines the compensation for Executive Directors based on recommendations from the CNC and in accordance with the Remuneration Policy.

The compensation structure for Executive Directors includes a fixed component and a variable component based on short and long-term performance. A balanced combination hereof, that also takes into account suitably ambitious performance parameters, provides the Executive Directors with an incentive to implement the corporate strategy and to ensure Exor's sustained success. The CNC believe this reconciles the interests of all stakeholders, in particular those of the shareholders of the Company and those of the employees.

In determining the level and structure of the compensation of Executive Directors, the Non-Executive Directors will take into account, among other things, the Company's financial and operational results and other business objectives. The components of Executive Directors' variable remuneration are subsequently linked to predetermined, assessable targets. The Company establishes target compensation levels using a market-based approach and periodically benchmarks the compensation program of the Executive Directors against peer companies and monitors compensation levels and trends in the market, whilst also taking into account the broader public opinion.

Fixed components
The base salary is the fixed part of the annual cash compensation for Executive Directors. The primary objective is to attract and retain highly qualified senior executives. The base salary is set at a market-competitive level taking into account the individual responsibilities, experience and required competences of the Executive Directors. The Company's policy is to periodically benchmark comparable salaries paid to executives with similar experience by comparable companies.

Variable components

Executive Directors are also eligible to receive variable compensation subject to the achievement of pre-established financial performance criteria, aligning to the Dutch Corporate Governance Code. The variable components consist of Short- and Long-Term Incentives which will only be paid if at the end of the year the average change in Net Asset Value (the “NAV”) per Exor share in US$ in the three preceding years exceeds the average change in the MSCI World Index in the three preceding years.

The CNC believe that linking the variable component of the remuneration primarily to financial performance criteria is in line with Exor's role as a holding company and with its purpose to build great companies and a sustainable long-term perspective. Exor focuses on economic growth and wants its Executive Directors to do the same with a view to achieving long-term value creation for all stakeholders. The CNC will continue to assess the adequacy of the performance measures used to support sustainable long term value creation.

Short-Term Incentives

The primary performance objective of short-term variable cash incentives is to incentivize Executive Directors to focus on the Company's priorities for the current or next year. Executive Directors’ variable remuneration is linked to the achievement of pre-determined short-term (i.e. annual) financial and other identified objectives proposed by the CNC and approved by the Non-Executive Directors each year and which are ultimately to be considered to be in the best interest of all stakeholders.

Long Term Incentives

The primary performance objective of long-term variable incentives is to (i) align the interests of the Executive Directors with the interest of Exor's shareholders and other stakeholders; (ii) motivate the attainment of the Company's financial and other performance goals and reward sustained long-term value creation; and (iii) serve as an important attraction and long-term retention tool that is being used to strengthen loyalty to the Company.

Other Benefits

Executive Directors may also be entitled to customary fringe benefits such as company car and driver, personal/ home security, (medical) insurances, tax preparation and financial counselling. The CNC may grant other benefits to the Executive Directors in particular circumstances. In 2021 no such particular circumstances occurred.

SECTION II

2021 Application of the Executive Remuneration Framework

The applicability of the remuneration framework for the sole Executive Director, Mr John Elkann, is described hereafter.

Fixed components

The annual fixed compensation of the Executive Director is US$1,000,000. No increase was made during 2021.

Variable components

The Executive Director is eligible for a variable component of US$1,000,000, the so-called “cash performance”. As stipulated in the Remuneration Policy, the cash performance will only be paid if at the end of the year the average change in Net Asset Value (the “NAV”) per EXOR share in US$ in the three preceding years exceeds the average change in the MSCI World Index in the three preceding years.

For the year ending 31 December 2021, performance of the three preceding financial years 2019 – 2021 was:

- The average performance of the MSCI World Index was: 19.8%
- The average change in EXOR’s NAV per share in US$ was: 22.4%

On the basis that the predetermined performance objective was achieved, the Executive Director’s variable component will be paid in full. The CNC is of the view that this outcome reflects the overall performance of the individual and the Company.

Framework for Non-Executive Directors Remuneration

The remuneration of Non-Executive Directors is a cash remuneration only which is fixed and is not dependent on the Company's financial results. Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans. The committee membership and committee chair fee payments will be made all in cash. Based on the Remuneration Policy, the annual compensation for Non-Executive Directors is as follows:

- €50,000 for each Non-Executive Director;
- an additional €15,000 for each member of the Audit Committee and €20,000 for the Audit Committee Chairman;
- an additional €7,500 for each member of the Compensation and Nominating Committee and €10,000 for the Compensation and Nominating Committee Chairman; and
- an additional €7,500 for each member of the ESG Committee and €10,000 for the ESG Committee Chairman.

The remuneration as received by each Non-Executive Director individually is reflected in more detail in the table in the paragraph Directors' Compensation.

Incentive Plans for Executive Directors and management

By means of the resolution adopted by the general meeting of shareholders, the Company resolved to maintain effective all the stock option plans already established by EXOR S.p.A. (now EXOR N.V.) in order to attract, retain and motivate directors as well as employees and other individuals having business relationships with Exor to reward such persons for their loyalty and their commitment to the long-term value creation of Exor (the "Stock Option Plans").

The Remuneration Policy has proven to be effective in terms of establishing a correlation between Exor's strategic goals and the chosen performance instrument (Stock Option Plans), as the main key performance instrument of the Executive Director's long-term incentive, which represents a significant part of his compensation package and supports both Exor's business strategy and the long-term value creation for shareholders, being stock appreciation.

The Long-term incentive compensation is an important component of the Executive Directors' compensation structure and, in addition, a tool to motivate and reward employees of the Company. This compensation component is designed to:

- align the interest of our Executive Directors and other key contributors with the interests of Exor's shareholders;
- motivate the attainment of Company performance goals and reward sustained shareholder value creation; and
- serve as an important attraction and long-term retention tool that management and the Compensation and Nominating Committee use to strengthen loyalty to the Company.

The Long term incentive compensation is a retention plan and for this reason not a performance linked remuneration, however the recipient has to be an employee of Exor and can only exercise the stock option 3 years after the vesting date, hence in line with the Dutch Corporate Governance Code the Stock Options cannot be exercised during the first three years after they have been granted.

The 2012 Incentive Plan

The 2012 Incentive Plan is in two parts, the first has the form of a stock grant and the second that of a stock option. Under the stock grant part of the plan, which was denominated as the "Long Term Stock Grant", recipients were granted a maximum of 400,000 shares, conditional on the continuation of the professional relationship with the Company and with companies in the so called "Holdings System". At the end of May 2018, the Long Term Stock Grant vested and 124,612 shares were delivered to the beneficiaries.
Under the second part, denominated as the "Company Performance Stock Option", a maximum of 3,000,000 options are granted, allowing recipients to purchase a corresponding number of shares, conditional on the achievement of a pre-established performance objective and on the continuation of the professional relationship with the Company and with the companies in the Holdings System.

The performance objective was determined as the change in Exor's NAV being greater than the change in the MSCI World Index expressed in Euro in the year preceding the year in which the options vest.

At the end of May 2018, under the Company Performance Stock Options vested 1,019,200 options of which 450,000 to the Executive Director and 569,200 to other beneficiaries; this allowed them to purchase a corresponding number of EXOR ordinary shares at a price per share of €16.59 and €16.62, respectively. The options were exercisable until the end of 2021. At the end of 2020 the options outstanding, vested and not exercised, were 450,000 granted to the sole Executive Director of the Company and 252,000 to other beneficiaries. During 2021, the Executive Director and the other beneficiaries exercised their respective options.

The 2016 Long Term Stock Option Plan

The general meeting of shareholders held on 25 May 2016 approved a stock option plan (the "2016 Long Term Stock Option Plan").

Under the 2016 Long Term Stock Option Plan, the CEO was awarded a number of options in 2016 made in lieu of annual long-term incentive awards for five years 2016 through 2020. The final tranche of the 2016 award has vested in 2021. In line with the Dutch Corporate Governance Code, each option may not be exercised until after 3 years from the vesting of the options and until 31 December 2026 and recipients who do not exercise their options by that date will cease to have any rights.

The plans will be serviced exclusively through treasury shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instruments will be issued by the Company or by its subsidiary or by third parties.

At the end of 2021 the options outstanding are 2,013,950 granted to the Executive Director of the Company (of which 805,580 exercisable) and 923,185 to other beneficiaries (of which 368,099 exercisable) at the exercise price of €32.38.

No awards were made under the 2016 Long Term Stock Option Plan during 2021.

Director and Officer Overlaps

There is an overlap between the composition of the Board of Directors of Giovanni Agnelli B.V. and that of the Board of Directors of the Company.

More specifically, John Elkann, Alessandro Nasi and Andrea Agnelli are also Directors of Giovanni Agnelli B.V. of which John Elkann is also the Chairman.

Non-monetary benefits and supplementary insurance coverage

In line with best practice in the field of compensation and in consideration of the specific responsibilities assigned, the compensation plans of Directors include non-monetary benefits (such as, reimbursement of expenses for travel outside the municipality of residence). For all Directors there is also insurance cover for directors' civil liability relating to claims for compensation for non-fraudulent acts performed in the performance of the director's duties. All the aforesaid being in addition to the reimbursement of out-of-pocket expenses incurred in the performance of the activities associated with the responsibilities assigned.

There are no pension arrangements in place for the Directors.

Treatment on cessation of office and non-competition agreements

There are no severance agreements or arrangements between the Company and its Directors which provide for indemnities in the event of early termination of the relationship or for the granting or maintaining of non-monetary benefits for Directors who have left the Company or for consulting arrangements covering periods after termination of the relationship or for compensation for non-competition agreements.

Board of Directors

Hereafter follows an illustration, on an individual basis, of the compensation paid in whatever form to the Executive and Non-Executive Directors in the financial year 2021. The data in the tables relates to Board positions held in the Company and in the listed and non-listed (operating) subsidiaries.

In addition, the share ownership table sets out the number of common shares of Exor and the (operating) subsidiaries, owned by the members of the Board at the end of December 2021.

Directors' Compensation

The following table summarizes the remuneration paid to the members of the Board for the year ended 31 December 2021.

Amount in €					EXOR N.V.			OTHER[1]	TOTAL
Directors of Exor N.V.	**Office held**	**Year**	**Salary Annual fee (cash)**	**Compensation Annual fee (equity)**	**Bonus and other (non-equity)**	**Committee**	**Total Exor N.V.**	**Total Other**	**Total Compensation**
ELKANN John	Executive Director (Chairman and CEO)	2021	850,043	1,473,676	897,918		3,221,637	379,025	3,600,662
		2020	230,080 (2)	3,595,769	814,930		4,640,779	2,800,579	7,441,358
NASI Alessandro	Non-Executive Director (Vice Chairman)	2021	0 (3)			3,000	3,000	271,858	274,858
		2020	0 (3)			7,500	7,500	727,653	735,153
AGNELLI Andrea	Non-Executive Director	2021	0 (3)				0	566,423	566,423
		2020	0 (3)				0	506,820	506,820
ELKANN Ginevra	Non-Executive Director	2021	0 (3)			0 (4)	0		0
		2020	0 (3)			0 (4)	0		0
BOLLAND Marc	Non-Executive Director	2021	50,000			10,500	60,500		60,500
		2020	12,500 (2)				12,500		12,500
BAE Joseph	Non-Executive Director	2021	0 (5)			0 (5)	0		0
		2020	0 (5)			0 (5)	0		0
BANGA Ajay	Non-Executive Director	2021 (6)	30,000			6,000	36,000		36,000
		2020							
BETHELL Melissa	Non-Executive Director	2021	50,000			21,500	71,500		71,500
		2020	12,500 (2)			20,000	32,500		32,500
DEBROUX Laurence	Non-Executive Director	2021	50,000			22,500	72,500	11,781	84,281
		2020	12,500 (2)			15,000	27,500		27,500
HORTA-OSORIO Antonio	Non-Executive Director	2021 (7)	20,000			4,000	24,000	252,464	276,464
		2020	12,500 (2)			10,000	22,500		22,500
Total 2021			**1,050,043**	**1,473,676**	**897,918**	**67,500**	**3,489,137**	**1,481,551**	**4,970,688**

(1) Related to the remuneration received from the management positions held respectively at CNH Industrial, Ferrari, PartnerRe, Juventus and FCA (in 2020).
(2) In response to the healthcare crisis caused by the COVID-19 pandemic, the Board of Directors waived their full cash compensation from April 2020 to the end of the year to help fund Company initiatives to support the communities in which Exor operates.
(3) Directors have waived their right to the emolument of €50,000 as determined by the Exor Shareholders' Meeting.
(4) Director has waived her right to the emolument of €10,767 (€15,000 in 2020) as determined by the Exor Shareholders' Meeting.
(5) Director has waived his right to the emolument of €61,733 as determined by the Exor Shareholders' Meeting, €50,000 for Salary/Annual Fee and €11,733 for Committee (€50,000 for Salary/Annual Fee and €7,500 for Committee in 2020).
(6) Director from 27 May 2021.
(7) Director until 27 May 2021.

The following table summarizes the remuneration paid to the members of the Board for the year ended 31 December 2021 from the operating subsidiaries:

Amount in €								
					Other			
Directors of Exor N.V.	**Office held**	**Year**	**CNH Industrial**	**Ferrari**	**PartnerRe**	**Juventus**	**FCA**	**Total**
ELKANN John	Executive Director (Chairman and CEO)	2021		336,938	42,087			379,025
		2020		77,790	331,612		2,391,177	2,800,579
NASI Alessandro	Non-Executive Director (Vice Chairman)	2021	271,858					271,858
		2020	727,653					727,653
AGNELLI Andrea	Non-Executive Director	2021				558,537	7,886	566,423
		2020				506,820		506,820
DEBROUX Laurence	Non-Executive Director	2021				11,781		11,781
		2020						
HORTA-OSORIO Antonio	Non-Executive Director	2021			252,464			252,464
		2020						
Total 2021			**271,858**	**336,938**	**294,551**	**570,318**	**7,886**	**1,481,551**

With regard to the remuneration received from the operating subsidiaries CNH Industrial, Ferrari, PartnerRe and Juventus, reference is made to the information published in their respective annual reports.

Directors' Remuneration and Company Performance

In line with the Dutch Civil Code, the performance of the Company, the annual change of remuneration of each Director, and of the average employee remuneration other than directors from 2017 to 2021 financial years is disclosed in the following table.

€	2021 (Change to 2020)	2020 (Change to 2019)	2019 (Change to 2018)	2018 (Change to 2017)	2017
Company performance					
Net profit attributable to owner of the parent	1,717,000,000 (+5,823.3%)	(30,000,000) (-101%)	3,053,000,000 (+126.7%)	1,347,000,000 (-3.23%)	1,392,000,000 (n/a)
Net Asset Value per share	132.42 (+29.7%)	102.08 (+ 3.5%)	98.6 (+37.2%)	71.89 (-9.6%)	79.48
Earnings per share - diluted	7.79 (+6,092%)	(0.13) (-101%)	13.12 (+131.4%)	5.67 (-3.4%)	5.87
Executive Director					
John Elkann	3,221,637 (-30.6%)	4,640,779 (-13.67%)	5,375,390 (-0.85%)	5,421,511 (-2.2%)	5,543,052
Non-Executive Directors					
Alessandro Nasi	3,000 (-60%)	7,500 (0%)	7,500 (0%)	7,500 (0%)	7,500
Andrea Agnelli	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
Ginevra Elkann	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
Marc Bolland	60,500 (+384%)	12,500 (-75%)	50,000 (-14,29%)	58,333 (-17%)	70,000
Joseph Bae	0 (0%)	0 (0%)	0 (0%)	0 (0%)	n/a
Ajay Banga(1)	36,000 (+100%)	n/a	n/a	n/a	n/a
Melissa Bethell	71,500 (+120.0%)	32,500 (-53.57%)	70,000 (+13.51%)	61,667 (+23%)	50,000
Laurence Debroux	72,500 (+163.6%)	27,500 (-57.69%)	65,000 (+10.64%)	58,750 (+18%)	50,000
Antonio Horta-Osório(2)	24,000 (+6.7%)	22,500 (-62.5%)	60,000 (+7.46%)	55,833 (+12%)	50,000
Employees					
Average employee remuneration(3)	373,126 (+5.3%)	354,494 (+3.2%)	343,415 (-9.3%)	378,649 (-18.1%)	462,566

(1) From 27 May 2021.
(2) Until 27 May 2021.
(3) Calculated as total employee cost divided by the average number of FTEs.

Stock options granted in previous years

The following table summarizes outstanding stock options held by the Executive Director of Exor at 31 December 2021:

			at 1 January 2021				**at 31 December 2021**
Name/Plan	Grant Date	Exercise price	Granted and not vested	Granted	Vested	Expired	Granted and not vested
Elkann John / Exor 2016 Plan	7/1/2016	€32.38	**402,790**	—	402,790	—	—

Share plans granted to Directors

The following table gives an overview of the share plans held by Directors of Exor at 31 December 2021:

Name **Plan**	**Grant Date**	**Vesting Date**	**Number of shares under award at 1 January 2021**	**Shares Granted**	**Shares Vested**	**Number of shares under award at 31 December 2021**	***Shares subject to a Performance condition***
ELKANN John Ferrari Equity incentive Plan 2019-2021 PSUs and RSUs	April 2019	March 2022	**20,703**	—	—	**20,703**	*13,802*
ELKANN John Ferrari Equity incentive Plan 2020-2023 PSUs and RSUs	April 2020	March 2023	**4,829**	—	—	**4,829**	*3,219*
ELKANN JOHN / Ferrari Equity incentive Plan 2020-2022 PSUs and RSUs	April 2021	March 2024	**—**	4,448		**4,448**	*2,965*

The number of conditional shares outstanding as per 31 December 2020 under the FCA 2019 and FCA 2020 plans reported in the 2020 remuneration report have not been reported in the table shown above. This is because these plans belong to Stellantis following the merger between PSA and FCA and Stellantis is not a subsidiary of Exor as FCA was in the past.

Share Ownership

The following table summarizes the number of common shares of Exor and its subsidiaries owned by Exor directors at 31 December 2021:

	EXOR N.V. common shares	**CNH Industrial N.V. common shares**	**Ferrari N.V. common shares**	**JUVENTUS S.p.A. ordinary shares**
ELKANN John			15,375	
NASI Alessandro		348,994	375	
AGNELLI Andrea			1,122	96,711

Consolidated Financial Statements at 31 December 2021

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	Years ended 31 December 2021	2020[1]
Net revenues	5	33,617	26,792
Cost of sales	6	(25,979)	(21,937)
Selling, general and administrative expenses		(2,673)	(2,245)
Research and development costs	7	(1,823)	(1,699)
Other income (expenses), net	8	(378)	(734)
Result from investments	9	2,057	(1)
Net financial expenses	10	(169)	(390)
Profit (loss) before taxes		**4,653**	**(214)**
Tax expense	11	(1,302)	(16)
Profit (loss) from continuing operations		**3,350**	**(230)**
Profit (loss) from discontinued operations, net of tax	3	104	231
Profit (loss) for the period		**3,454**	**1**
Profit (loss) attributable to:			
Owners of the parent		*1,717*	*(30)*
Non-controlling interests		*1,737*	*31*
Profit (loss) from continuing operations attributable to:			
Owners of the parent		1,630	*(214)*
Non-controlling interests		*1,720*	*(16)*
Earnings per share (in €)	13		
Basic earnings per share		7.803	(0.132)
Diluted earnings per share		7.792	(0.134)
Earnings per share from continuing operations (in €)	13		
Basic earnings per share		7.409	(0.944)
Diluted earnings per share		7.398	(0.946)

1. The 2020 data have been re-presented following the classification of FCA and PartnerRe as Discontinued Operations for the year ended 31 December 2021, as requested by the IFRS 5 – Non current Assets Held for Sale and Discontinued Operations.

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	Years ended 31 December 2021	2020[1]
Profit (loss) for the period from continuing operations		3,350	(230)
Profit (loss) for the period from discontinued operations		104	231
Profit (loss) for the period (A)	21	**3,454**	**1**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		154	(18)
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		252	—
Gains (losses) on financial assets at fair value through other comprehensive income		(28)	108
Related tax effect		(20)	15
Items relating to discontinued operations, net of tax		197	(106)
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)		**555**	**(2)**
Items that may be reclassified to the Consolidated Income Statement in subsequent periods:			
Gains (losses) on cash flow hedging instruments		—	67
Foreign exchange translation gains (losses)		1,072	(1,552)
Share of other comprehensive income (loss) of equity method investees		261	(1)
Related tax effect		7	(19)
Items relating to discontinued operations, net of tax		2,193	(2,930)
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)		**3,533**	**(4,435)**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)		**4,088**	**(4,437)**
Total Comprehensive Income (A)+(B)		**7,542**	**(4,436)**
Total Comprehensive Income (Loss) attributable to:			
Owners of the parent		3,811	(1,727)
Non-controlling interests		3,731	(2,709)
Total Comprehensive Income (Loss) attributable to owners of the parent:			
Continuing operations		3,017	(1,540)
Discontinued operations		794	(187)

1. The 2020 data have been re-presented following the classification of FCA and PartnerRe as Discontinued Operations for the year ended 31 December 2021, as requested by the IFRS 5 – Non current Assets Held for Sale and Discontinued Operations.

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	
(€ million)	Note	2021	2020
Assets			
Intangible assets	14	8,639	33,318
Property, plant and equipment	15	7,777	35,169
Investments and other financial assets	16	12,746	6,174
Deferred tax assets	11	1,165	2,192
Inventories	17	6,951	14,322
Trade and other receivables	18	18,415	24,102
Investments of reinsurance companies	19	—	14,422
Other assets		1,629	7,357
Assets held for sale	3	25,883	328
Cash and cash equivalents	20	7,905	35,561
Total Assets		**91,111**	172,945
Equity and Liabilities			
Equity attributable to owners of the parent	21	16,759	13,090
Non-controlling interests	21	7,611	24,570
Total Equity		**24,370**	37,660
Liabilities			
Provisions for employee benefits	23	1,592	10,671
Other provisions	24	3,384	15,176
Technical reserves reinsurance companies	25	—	13,336
Deferred tax liabilities	11	358	2,256
Financial debt and other financial liabilities	26	28,950	52,932
Trade payables	28	7,040	26,796
Tax payables		1,205	707
Other liabilities	29	5,987	13,212
Liabilities held for sale	3	18,225	199
Total Liabilities		66,741	135,285
Total Equity and Liabilities		**91,111**	172,945

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CASH FLOWS

		Years ended 31 December	
(€ million)	Note	2021	2020[1]
Cash flows from operating activities:	33		
Profit (loss) from continuing operations		3,350	(230)
Amortisation and depreciation		1,728	1,689
Gains on disposal of non-current assets		(40)	(102)
Other non-cash items[2]		1,420	960
Dividends received		61	29
Change in provisions		357	148
Change in deferred taxes		(205)	(325)
Change in inventories, trade and other receivables and payables		(1,279)	1,758
Cash flows from operating activities – discontinued operations		(1,215)	10,134
Total		**4,177**	**14,061**
Cash flows used in investing activities:			
Investments in property, plant and equipment and intangible assets		(1,960)	(1,653)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets		(2,928)	(331)
Consideration paid for the acquisition of GEDI net of cash and cash equivalents acquired		—	(175)
Consideration paid for the acquisition of Full More Group net of cash and cash equivalents acquired		—	(76)
Proceeds from disposal of investments, tangible, intangible and financial assets		165	267
Net change in financial receivables		(945)	490
Net change in securities		13	(104)
Net cash proceeds from disposal of discontinued operations		—	15
Other changes		130	—
Cash flows used in investing activities – discontinued operations		(1,533)	(8,535)
Total		**(7,058)**	**(10,102)**
Cash flows used in financing activities:			
Issuance of notes	26	1,355	3,085
Repayment of notes	26	(2,258)	(725)
Proceeds of other long-term debt	26	729	2,173
Repayment of other long-term debt	26	(562)	(1,778)
Net change in short-term debt and other financial assets/liabilities	26	(615)	(1,174)
Capital increases by subsidiaries		138	32
Exercise of stock options		12	—
Buyback of treasury shares		—	(28)
Dividends paid		(455)	(268)
Other changes		(281)	(208)
Cash flows used in financing activities – discontinued operations		(251)	9,517
Total		**(2,188)**	**10,626**
Translation exchange differences		**502**	**(1,949)**
Total Change in Cash and Cash Equivalents		**(4,567)**	**12,636**
Cash and cash equivalents at beginning of the period		**35,561**	**22,935**
Cash and cash equivalents at the beginning of the period included in Assets held for sale		**27**	**17**
Deconsolidation of FCA Group	3	**(22,532)**	—
Cash and cash equivalents at the end of the period included in Assets held for sale	3	**(584)**	(27)
Cash and cash equivalents at the end of the period		**7,905**	**35,561**

1. The 2020 data have been re-presented following the classification of FCA and PartnerRe as Discontinued Operations for the year ended 31 December 2021, as requested by the IFRS 5 – Non current Assets Held for Sale and Discontinued Operations.
2. In 2021 mainly related to the share in the profit (loss) of the investments accounted by the equity method. In 2020 mainly referred to the impairment losses recognized in the income statement on goodwill, development expenditure previously capitalized, property, plant and equipment and inventories.

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share Capital	Treasury Stock Reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasure -ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 1 January 2020	**2**	**(269)**	**15,553**	**7**	**313**	**(43)**	**(258)**	**(280)**	**15,025**	**27,534**	**42,559**
Share-based compensation	—	—	36	—	—	—	—	—	**36**	79	**115**
Buyback of treasury shares	—	(29)	—	—	—	—	—	—	**(29)**	—	**(29)**
Capital increase by subsidiaries	—	—	—	—	—	—	—	—	**—**	5	**5**
Dividends declared	—	—	(100)	—	—	—	—	—	**(100)**	(168)	**(268)**
Total comprehensive income	—	—	(30)	4	(1,569)	18	(39)	(111)	**(1,727)**	(2,709)	**(4,436)**
Effect of the change in the percentage ownership of companies1	—	—	(39)	—	(3)	1	(1)	—	**(42)**	42	—
Other changes	—	—	(73)	—	—	—	—	—	**(73)**	(213)	**(286)**
At 31 December 2020	**2**	**(298)**	**15,347**	**11**	**(1,259)**	**(24)**	**(298)**	**(391)**	**13,090**	**24,570**	**37,660**

1. Of which -€5 million relates to the CNH Industrial Group, +€1 million relates to the Ferrari Group and -€37 million relates to the FCA Group, -€5 million relates to GEDI Group and +€4 million relates to Exor Seeds.

(€ million)	Share Capital	Treasury Stock Reserve	Other reserves	Cash flow hedge reserve	Currency translation differences	Financial assets measured at FVTOCI	Remeasure -ment of defined benefit plans	Cumulative share of OCI of equity method investments	Total Owners of the parent	Non-controlling interests	Total
At 1 January 2021	**2**	**(298)**	**15,347**	**11**	**(1,259)**	**(24)**	**(298)**	**(391)**	**13,090**	**24,570**	**37,660**
Share-based compensation	—	—	72	—	—	—	—	—	**72**	73	**145**
Buyback of treasury shares	—	—	—	—	—	—	—	—	**—**	—	**—**
Capital increase	5	—	(5)	—	—	—	—	—	**—**	182	**182**
Dividends	—	—	(100)	—	—	—	—	—	**(100)**	(2,387)	**(2,487)**
Total comprehensive income	—	—	1,717	35	1,143	57	106	753	**3,811**	3,731	**7,542**
Loss of control of FCA Group and recognition of Stellantis	—	—	—	—	—	—	124	(124)	**—**	(18,044)	**(18,044)**
Effect of the change in the percentage ownership of companies[1]	—	—	(17)	—	—	—	—	—	**(17)**	(5)	(22)
Other changes	—	—	(114)	—		—	—	17	**(97)**	(509)	**(606)**
At 31 December 2021	**7**	**(298)**	**16,900**	**46**	**(116)**	**33**	**(68)**	**255**	**16,759**	**7,611**	**24,370**

(1) Of which -€24 million relates to the Welltec Group, +€2 million relates to the Ferrari Group and +€7 million relates to Exor Seeds, -€2 million related to CNH Industrial.

(The accompanying notes are an integral part of these consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR N.V. ("Exor N.V." or "Exor" or the "Company" and together with its subsidiaries the "Exor Group" or the "Group"), was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015 and in 2016 became the holding company for the Exor Group following the cross-border merger with EXOR S.p.A. (the "Merger").

Exor is one of Europe's largest diversified holding companies and is controlled by Giovanni Agnelli B.V. (Giovanni Agnelli) which holds approximately 52% of its share capital.

Exor and its subsidiaries operate through CNH Industrial N.V. and its subsidiaries ("CNH Industrial" or the "CNH Industrial Group") in agricultural equipment, construction equipment and commercial vehicles, PartnerRe Ltd and its subsidiaries ("PartnerRe" or the "PartnerRe Group") in the reinsurance sector, Ferrari N.V. and its subsidiaries ("Ferrari" or the "Ferrari Group") in luxury performance sports car, GEDI Gruppo Editoriale S.p.A. and its subsidiaries ("GEDI" or the "GEDI Group") in the media sector and Juventus Football Club S.p.A. and its subsidiaries ("Juventus" or "Juventus Group") in the professional football sector.

2. Basis of preparation and significant accounting policies

Authorization of consolidated financial statements and compliance with International Financial Reporting Standards

These consolidated financial statements, together with the notes thereto, at and for the year ended 31 December 2021 (the "Consolidated Financial Statements") were authorised for issuance on 24 March 2022 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code. The designation "IFRS" also includes International Accounting Standards ("IAS") as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of preparation

The Consolidated Financial Statements are prepared under the historical cost convention, except where the use of fair value is required for the measurement of certain financial assets and derivatives, as well as on the going concern assumption. In this respect the Group's assessment is that no material uncertainties (as defined in IAS 1 – Presentation of Financial Statements) exist about its ability to continue as a going concern. Despite operating in a continuously difficult economic and financial environment, negatively impacted by the continuing spread of the COVID-19 pandemic, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already undertaken by Exor's subsidiaries to preserve cash and contain costs, and to preserve the Group's industrial and financial flexibility, and its strong liquidity position.

All significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate changes which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts.

The Group's presentation currency is the Euro, which is also the functional currency of the Company and, unless otherwise stated, information is presented in millions of Euro.

The Group presents the income statement using a classification based on the function of expenses, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes and consistent with international practice.

The statement of financial position is presented in decreasing order of liquidity as permitted by IAS 1 paragraph 60. More specifically, the consolidated financial statements include both industrial companies and financial services companies. While a separate classification of current and non-current in the statement of financial position provides useful information for industrial business, for the entities that have diverse operations and for which financial services activities are significant, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant.

New standards and amendments effective from 1 January 2021

The following amendments and interpretations, which were effective from 1 January 2021, were adopted by the Group. The adoption of these amendments had no material impact on the Consolidated Financial Statements.

Interest Rate Benchmark Reform – Phase 2

There was no effect from the adoption of a package of amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts and IFRS 16 – Leases in response to the reform of inter-bank offered rates (IBOR) and other interest rate benchmarks. The amendments aimed at helping companies to provide investors with useful information about the effects of the reform on those companies' financial statements. These amendments focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

The new amendments relate to:

- changes to contractual cash flows – a company will not be required to derecognize or adjust the carrying amount of financial instruments for changes required by the interest rate benchmark reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company does not have to discontinue its hedge accounting solely because it makes changes required by the interest rate benchmark reform if the hedge meets other hedge accounting criteria; and
- disclosures – a company is required to disclose information about new risks that arise from the interest rate benchmark reform and how the company manages the transition to alternative benchmark rates.

There was no effect from the adoption of the amendments to IFRS 4 – Insurance Contracts which deferred the expiry date of the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2021.

New standards and amendments effective from 1 April 2021

In March 2021, the IASB extended by one year the applicability of a previous amendment to IFRS 16 issued in 2020 that permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications, thus giving the possibility to the lessees to recognize the entire economic benefit of such discounts immediately through profit or loss. There was no significant effect from the adoption of this amendment.

New standards and amendments not yet effective

The standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") that will have mandatory application in 2022 or subsequent years are listed below. Effective dates refer to those as issued by the IASB and may differ from those of the EU when the relevant standard is endorsed. The Group will introduce any new standards, amendments and interpretations once they are endorsed by European Union and as of their dates.

IFRS 17 – Insurance contracts

In May 2017 the IASB issued IFRS 17 — Insurance Contracts, which establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued as well as guidance relating to reinsurance contracts held and investment contracts with discretionary participation features issued. In June 2020 the IASB issued amendments to IFRS 17 aimed at helping companies implement IFRS 17 and making it easier for companies to explain their financial performance. The new standard and amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 1

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1), which affects the requirements in IAS 1 for the presentation of liabilities, including clarifying one of the criteria for classifying a liability as non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IFRS 3 — Business combinations

In May 2020 the IASB issued amendments to IFRS 3 — Business combinations to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. These amendments are effective on or after 1 January 2022. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 16 — Property, Plant and Equipment

In May 2020 the IASB issued amendments to IAS 16 — Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company should recognize such sales proceeds and the related cost in the income statement. These amendments are effective on or after 1 January 2022. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets

In May 2020 the IASB issued amendments to IAS 37 — Provisions, Contingent Liabilities and Contingent Assets, which specify which costs a company includes when assessing whether a contract will be loss-making. These amendments are effective on or after 1 January 2022. The Group does not expect any material impact from the adoption of these amendments.

Annual Improvements to IFRSs 2018 - 2020 Cycle

In May 2020 the IASB issued Annual Improvements to IFRSs 2018 - 2020 Cycle. The improvements have amended four standards with effective date 1 January 2022: i) IFRS 1 — First-time Adoption of International Financial Reporting Standards in relation to allowing a subsidiary to measure cumulative translation differences using amounts reported by its parent, ii) IFRS 9 — Financial Instruments in relation to which fees an entity includes when applying the ‘10 percent’ test for derecognition of financial liabilities, iii) IAS 41 — Agriculture in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset, and iv) IFRS 16 — Leases in relation to an illustrative example of reimbursement for leasehold improvements. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 1 — Presentation of Financial Statements and IFRS

In February 2021 the IASB issued amendments to IAS 1 — Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies which require companies to disclose their material accounting policy information rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimate

In February 2021 the IASB issued amendments to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates which clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. These amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IAS 12 — Income Taxes: Deferred Tax related to Assets and Liabilities Arising From a Single Transaction

In May 2021 the IASB issued amendments to IAS 12 — Income Taxes: Deferred Tax related to Assets and Liabilities Arising From a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. These amendments are effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of these amendments.

Amendments to IFRS 17 - Insurance contracts

In December 2021 the IASB issued an amendments to IFRS 17 — Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information, which provides a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment is effective on or after 1 January 2023. The Group does not expect any material impact from the adoption of this amendments.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases.

Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.
Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.

Subsidiaries are deconsolidated from the date that control ceases. When the Group ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts, derecognizes the carrying amount of non-controlling interests in the former subsidiary and recognizes the fair value of any consideration received for the transaction.

Any retained interest in the former subsidiary is recognized at fair value. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e., reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).

Joint ventures and Associates

Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or where a contractual arrangement exists where two or more parties undertake an economic activity that is subject to joint control.

Associates are entities over which the Group has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies.

Investments in joint ventures and associates are accounted for using the equity method from the date that joint control or significant influence commences until the date it ceases. When the Group's share of losses of a joint venture or associate exceeds the Group's interest in that joint venture or associate, the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

The Group discontinues the use of the equity method from the date that the investment ceases to be an associate or a joint venture, or when it is classified as available for sale.

Interests in Joint Operations

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. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, it recognizes its related interest in the joint operation including: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation and (v) its expenses, including its share of any expenses incurred jointly.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the statement of financial position. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded, are recognized in the income statement.

Consolidation of foreign entities

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

	2021		2020	
	Average	**At 31 December**	**Average**	**At 31 December**
U.S. dollar	1.183	1.133	1.142	1.227
Brazilian real	6.378	6.310	5.894	6.374
Chinese renminbi	7.628	7.195	7.875	8.023
Polish zloty	4.565	4.597	4.443	4.560
Argentinian peso	121.381	116.239	103.043	103.043
British pound	0.860	0.840	0.890	0.899
Swiss franc	1.081	1.033	1.071	1.080
Canadian dollar	1.486	1.439	1.530	1.563
Hong Kong dollar	9.193	8.833	8.859	9.514
Danish krone	7.437	7.436	7.454	7.441
Singapore Dollar	1.589	1.528	1.574	1.622
Australian Dollar	1.575	1.562	1.655	1.590
Japanese Yen	129.877	130.380	121.846	126.490

Date of reference

The investments are consolidated using the financial statements at 31 December, Exor's year-end closing date, which cover a 12-month period, or accounting data prepared at the same date (whenever the closing date is different from Exor's), adjusted, where necessary, to conform with the accounting principles of the Group.

The Economist Group, whose financial year closes on 31 March of each year, has been consolidated using the equity method on the basis of the most recent data available (30 September 2020). At 31 December 2021 there were no significant variations to The Economist Group data used for the purposes of these consolidated financial statements.

Assets Held for Sale and Discontinued Operations

Pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and the sale is highly probable, with the sale expected to be completed within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the consolidated statement of financial position. Non-current assets and disposal groups are not classified as held for sale within the consolidated statement of financial position for the comparative period.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and (i) represents either a separate major line of business or a geographical area of operations, (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or (iii) is a subsidiary acquired exclusively with a view to resell and the disposal involves loss of control.

Classification as a discontinued operation occurs upon disposal or when the asset or disposal group meets the criteria to be classified as held for sale, if earlier. When the asset or disposal group is classified as a discontinued operation, the comparative information is reclassified within the consolidated income statement as if the asset or disposal group had been discontinued from the start of the earliest comparative period presented.

Business combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree, assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard;
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a gain from a bargain purchase;
- non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis;
- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Any changes in fair value after the measurement period are recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under Result from investments. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed of.

Fair value measurement

Some of the Group's assets and liabilities are measured at fair value at the balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or a liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Additional information about fair value, fair value hierarchy, valuation techniques and inputs used in determining the fair value of assets and liabilities is provided in Note 16, Note 31 and, where required, in the individual notes relating to the assets and liabilities whose fair values were determined.

In addition, fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1:quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement dated;
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- level 3: inputs that are not based on observable market data.

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of consideration paid over the fair value of net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually or more frequently if events or circumstances indicate that the asset may be impaired.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

The main intangible assets with a finite useful life are as follows:

Development costs

Development costs for vehicle production projects (trucks, buses, agricultural and construction equipment and engines) are recognized as an asset if and only if both of the following conditions are met: a) development costs can be measured reliably, and b) the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a systematic basis from the start of production of the related product over the product's estimated average life, as follows:

	Trucks and buses	Agricultural and Construction Equipment	Engines
Number of years	4-8	5	8-10

All other development costs which do not meet the above criteria are expensed as incurred.

Players' registration rights

Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.

Other intangible assets

Other intangible assets with a finite useful life are recognized in accordance with IAS 38 – Intangible Assets when it is probable that the use of the asset will generate future economic benefits for the Group and the cost of the asset can be measured reliably. Other intangible assets are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Buildings	Plant, machinery and equipment	Other assets
Depreciation rate	**2.5% - 10%**	**3% - 33%**	**3% - 33%**

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. Assets with finite useful lives are tested for impairment only if impairment indicators are present. At the end of each reporting period the Group assesses whether there is any indication that its finite-lived intangible assets (including capitalized development expenditures) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the income statement immediately.

Financial assets and liabilities

Financial assets primarily include trade receivables, receivables from financing activities, investments in other companies, derivative financial instruments, cash and cash equivalents and debt securities that represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities primarily consist of debt, derivative financial instruments, trade payables and other liabilities.
Receivables from dealer financing activities are typically generated by sales of vehicles and are generally managed under dealer network financing programs. These receivables are interest-bearing with the exception of an initial, limited, non-interest-bearing period. The contractual terms governing the relationships with the dealer networks vary according to market and payment terms, which range from two to twelve months.

Classification and measurement

The classification of a financial asset is dependent on the Group's business model for managing such financial assets and their contractual cash flows. The Group considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVTPL").

Financial asset cash flow business model	Initial measurement(1)	Measurement category(3)
Solely to collect the contractual cash flows represented by principal and interest (Held to Collect)	Fair Value including transaction costs	Amortized Cost(2)
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair Value including transaction costs	Fair value through other comprehensive income ("FVTOCI")
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair Value	Fair value through profit and loss ("FVTPL")

(1) A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.
(2) Receivables with maturities of over one year, which bear no interest or have an interest rate significantly lower than market rates are discounted using market rates.
(3) On initial recognition, the Group may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVTOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Factors considered by the Group in determining the business model for a group of financial assets include:

- past experience on how the cash flows for these assets were collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
- how the asset's performance is evaluated and reported to key management personnel; and
- how risks are assessed and managed and how management is compensated.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities, commercial paper and Certificates of deposits that are readily convertible into cash, with original maturities of three months or less at the date of purchase. Cash and cash equivalents are subject to an insignificant risk of changes in value and consist of balances across various primary national and international money market instruments. Money market funds consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL. Cash at banks and other cash equivalents are measured at amortized cost.

Investments in other companies are measured at fair value. The Group may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in Other income from investments within Result from investments when the Group's right to receive payment is established. Other net gains and losses are recognized in OCI and will not be reclassified to the consolidated income statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value in OCI.

Impairment of financial assets

The IFRS 9 impairment requirements are based on a forward-looking expected credit loss ("ECL") model. ECL is a probability-weighted estimate of the present value of cash shortfalls.

These estimates were assessed on an individual basis, taking into account the ageing of customers' balances, specific credit circumstances and historical experience, and on a collective basis, using loss forecast models that considered a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency.

In accordance with IFRS 9, the simplified approach, which requires recognition of expected lifetime losses, was applied to trade receivables. For receivables from financing activities the Group applied the general approach recording the credit losses either on a 12-month or lifetime basis.

The simplified approach for determining the lifetime ECL allowance is performed in two steps:

- All trade receivables that are in default, as defined below, are individually assessed for impairment; and
- A general reserve is recognized for all other trade receivables (including those not past due) based on historical loss rates.

The Group considers a financial asset to be in default when: (i) the borrower is unlikely to pay its obligations in full and without consideration of compensating guarantees or collateral (if any exist); or (ii) the financial asset is more than 90 days past due.

The Group applies the general approach as determined by IFRS 9 by assessing at each reporting date whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The Group considers receivables to have experienced a significant increase in credit risk when certain quantitative or qualitative indicators have been met or the borrower is more than 30 days past due on its contractual payments.

The "three-stages" for determining and measuring the impairment based on changes in credit quality since initial recognition are summarized below:

Stage	Description	Time period for measurement of ECL
Stage 1	A financial instrument that is not credit impaired on initial recognition	12-month ECL
Stage 2	A financial instrument with a significant increase in credit risk since initial recognition	Lifetime ECL
Stage 3	A financial instrument that is credit-impaired or has defaulted	Lifetime ECL

Considering forward-looking economic information, ECL is determined by projecting the probability of default, exposure at default and loss given default for each future contractual period and for each individual exposure or collective portfolio.
The discount rate used in the ECL calculation is the stated effective interest rate or an approximation thereof. Each reporting period, the assumptions underlying the ECL calculation are reviewed and updated as necessary. Since adoption, there have been no significant changes in estimation techniques or in significant assumptions that led to material changes in the ECL allowance.

The gross carrying amount of a financial asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that a debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities.

Hedge accounting

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities).

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial environment.

In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow method;
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

IFRS 9 aims to simplify hedge accounting and to reflect the effect of an entity's risk management activities in the financial statements, allowing more hedging instruments and hedged items to qualify for hedge accounting.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability attributable to a particular risk that could affect the Consolidated Income Statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the Consolidated Income Statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the Consolidated Income Statement.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the Consolidated Income Statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in Other comprehensive income/(loss). When the hedged forecasted transaction results in the recognition of a non-financial asset, the gains and losses previously deferred in Other comprehensive income/(loss) are reclassified and included in the initial measurement of the cost of the non-financial asset. The effective portion of any gain or loss is recognized in the Consolidated Income Statement at the same time as the economic effect arising from the hedged item that affects the Consolidated Income Statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the Consolidated Income Statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains and is recognized in the Consolidated Income Statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income/(loss) is recognized in the Consolidated Income Statement immediately.

Hedges of a net investment

If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income/(loss). The cumulative gain or loss is reclassified from Other comprehensive income/(loss) to the Consolidated Income Statement upon disposal of the foreign operation.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match closely or exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match closely or perfectly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is measured by comparing the cumulative changes in fair value of the hedging instrument and cumulative change in fair value of the hedged item arising from the designated risk. The primary potential sources of hedge ineffectiveness are mismatches in timing or the critical terms of the hedged item and the hedging instrument.

The hedge ratio is the relationship between the quantity of the derivative and the hedged item. The Group's derivatives have the same underlying quantity as the hedged items, therefore the hedge ratio is expected to be one for one.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the Consolidated Income Statement.

Transfers of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows arising from the asset are no longer held or if it transfers substantially all the risks and rewards of ownership of the financial asset. On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the Consolidated Income Statement.

The Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be either with recourse or without recourse. Certain transfers include deferred payment clauses requiring first loss cover (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), whereby the transferor has priority participation in the losses, or requires a significant exposure to the variability of cash flows arising from the transferred receivables to be retained. These types of transactions do not meet the requirements of IFRS 9 for the derecognition of the assets since the risks and rewards connected with ownership of the financial asset are not substantially transferred, and accordingly the Group continues to recognize these receivables within the Consolidated Statement of Financial Position and recognizes a financial liability for the same amount under Asset-backed financing, which is included within Financial Debt. These types of receivables are classified as held-to-collect, since the business model is consistent with the Group's continuing recognition of the receivables.

The fair value of financial instruments is measured in accordance with a fair value hierarchy that prioritizes the information used to measure fair value into three broad levels. Transfers between the hierarchy levels are recognized at the beginning of the period.

Investments at fair value of Reinsurance companies

Investments at fair value of reinsurance companies represent investments held by PartnerRe and include fixed income securities, short term investments, equities, accrued interest, non-foreign exchange derivatives, other invested assets and funds held by reinsurance companies. PartnerRe classifies the majority of its reinsurance investments as financial assets at fair value through profit or loss (FVTPL). Upon initial recognition these investments are designated as FVTPL because they are managed and their performance is evaluated on a fair value basis. Derivative assets and liabilities are classified as held for trading.
Certain investments are classified as available-for-sale financial assets and are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g., discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement. Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period. Certain other funds held by reinsurance companies are classified as loans and receivables and are measured at amortized cost.

Gains and losses arising from the changes in the fair value of reinsurance investments classified as FVTPL or held for trading are included in the Consolidated Income Statement in the period in which they arise. Net investment income for the reinsurance investments includes interest and dividend income, amortization of premiums and discounts on fixed maturities and short-term investments and investment income on funds held by reinsurance companies, and is net of investment expenses and withholding taxes. Investment income is recognized when earned. Realized gains and losses on the disposal of investments are determined on a first-in, first-out basis. Investment purchases and sales are recorded on a trade-date basis.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first-in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labour and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attribute benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in Other comprehensive income. These remeasurement components are not reclassified in the Consolidated Income Statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the Consolidated Income Statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity.

Share-based compensation plans that are be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Changes in estimates of provisions are reflected in the Consolidated Income Statement in the period in which the change occurs.

Technical reinsurance reserves

Non-life and health technical reinsurance reserves include amounts determined from loss reports on individual treaties (case reserves), additional case reserves when PartnerRe's loss estimate is higher than reported by the cedants (ACRs) and amounts for losses incurred but not yet reported to PartnerRe (IBNR). Such reserves are estimated by Management based upon reports received from ceding companies, supplemented by PartnerRe's own actuarial estimates of reserves for which ceding company reports have not been received, and based on PartnerRe's own historical experience. To the extent that PartnerRe's own historical experience is inadequate for estimating reserves, such estimates may be determined based upon industry experience and Management's judgment. The estimates are continually reviewed and the ultimate liability may be in excess of, or less than, the amounts provided. Any adjustments are reflected in the periods in which they are determined, which may affect PartnerRe's operating results in future periods.

Technical reinsurance reserves for life policies have been established based upon information reported by ceding companies, supplemented by PartnerRe's actuarial estimates of mortality, critical illness, persistency and future investment income, with appropriate provision to reflect uncertainty.

PartnerRe purchases retrocessional contracts to reduce its exposure to risk of losses on reinsurance assumed. Reinsurance recoverable on paid and unpaid losses involves actuarial estimates consistent with those used to establish the associated technical reinsurance reserves.

Reinsurance acquisition costs

Reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred.

Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income.

Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized when control of the vehicles, equipment, services or parts has been transferred and the Group's performance obligations to its customers have been satisfied. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring goods or providing services.

The timing of when the Group transfers the goods or services to the customer may differ from the timing of the customer's payment.

Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, which are determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized.

The Group also enters into contracts with multiple performance obligations. For these contracts, the Group allocates revenue from the transaction price to the distinct goods and services in the contract on a relative standalone selling price basis. To the extent that the Group sells the good or service separately in the same market, the standalone selling price is the observable price at which the Group sells the good or service separately. For all other goods or services, the Group estimates the standalone selling price using a cost-plus-margin approach.

Sales of goods

The Group has determined that the customers from the sale of vehicles, equipment and parts are generally dealers, distributors and retail customers.

Transfer of control, and thus related revenue recognition, generally corresponds to when the vehicles, equipment and parts are made available to the customer. Therefore, the Group recognizes revenue at a point in time, when control is transferred to the customer at a sale price that the Group expects to receive.

For all sales, no significant uncertainty exists surrounding the purchaser's obligation to pay for vehicles, equipment and parts. The Group records appropriate allowance for credit losses and anticipated returns as required. Fixed payment schedules exist for all sales, but payment terms vary by geographic market and product line.

The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid and is recognized as a reduction to revenue at the time of the sale. If a vehicle or equipment contract transaction has multiple performance obligations, the cost of incentives is allocated entirely to the vehicle or equipment as the intent of the incentives is to encourage sales of vehicles or equipment. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change. The Group grants certain sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. Subsequent adjustments to sales incentive programs related to products/vehicles previously sold are recognized as an adjustment to revenues in the period the adjustment is determinable.

The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

With reference to the sales to dealers accompanied by "floor plan" agreements under which the Group offers wholesale financing including "interest-free" financing for a specified period of time (which also varies by geographic market and product line), two separate performance obligations exist. The first performance obligation consists of the sale of the equipment/vehicle to the dealer.

The interest-free financing represents a cash sale incentive recognized as a reduction of net sales. The second performance obligation consists of a credit facility extended to the dealer. The remuneration of this performance obligation is represented by the interest charged to the dealer. This remuneration is recognized over the period of the outstanding exposure.

For parts sales, when the Group provides its customers with a right to return a transferred product, revenue and corresponding cost of sales are recognized for parts that are not expected to be returned. The expected returns are estimated based on an analysis of historical experience. The portion of revenue (and corresponding cost of sales) related to the parts that are expected to be returned is recognized at the end of the return period. The amount received or receivable that is expected to be returned is recognized as a refund liability, representing the obligation to return the customer's consideration. Furthermore, at the time of the initial sale, the Group recognizes a return asset for the right to recover the goods returned by the customer. This asset is initially measured at the former carrying amount of the inventory. At each reporting date, both the refund liability and the return asset are re-measured to record for any revisions to the expected level of returns, as well as any decreases in the value of the returned products.

Rendering of services

Revenues from services provided are primarily comprised of extended warranties and maintenance and repair services and are recognized over the contract period when the costs are incurred, that is when the claims are charged by the dealer. Amounts invoiced to customers for which the Group receives consideration before the performance is satisfied are recognized as contract liability. These services are either separately-priced or included in the selling price of the vehicle. In the second case, revenue for the services is allocated based on the estimated stand-alone selling price. In the event that the costs expected to be incurred to satisfy the remaining performance obligations exceed the transaction price, an estimated contract loss is recognized.

Shipping and other transportation activities performed as an agent are recognized on a net basis, which is netting the related freight cost against the freight revenue.

Rents and other income on assets sold with buy-back commitments

The Group enters into transactions for the sale of vehicles to some customers with an obligation to repurchase ("buy-back commitment") the vehicles at the end of a period ("buy-back period") at the customer's request. For these types of arrangements, at inception, the Group assesses whether a significant economic incentive exists for the customer to exercise the option.

If the Group determines that a significant economic incentive exists for the customer to exercise the buy-back option, the transaction is accounted for as an operating lease. In such case, vehicles are accounted for as Property, plant and equipment because the agreements typically have a long-term buy-back period. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognized in "Other current liabilities" and is comprised of the repurchase value of the vehicle, and the rents to be recognized in the future recorded as contract liability. These rents are determined at the inception of the contract as the difference between the initial sale price and the repurchase price and are recognized as revenue on a straight-line basis over the term of the agreement. At the end of the agreement term, upon exercise of the option, the used vehicles are reclassified from Property, plant and equipment to Inventories. The proceeds from the sale of such vehicles are recognized as Revenues.

If the Group determines that a significant economic incentive does not exist for the customer to exercise the buy-back option, the transaction is treated as a sale with a variable consideration whose variable component is the buy-back provision accrual. The buy-back provision accrual is the difference between the repurchase price and the estimated market value of the used vehicle at the end of the buy-back period and is recorded only when the repurchase price is greater than the estimated market value of the used vehicle. The buy-back provision accrual is estimated and recognized as a reduction of revenues at the time of the sale. Any subsequent change following such periodic reassessment is recognized as a reduction of revenues at that time.

Interest income of financial services activities

Interest income, which is primarily generated from the Group's provision of dealer and retail financing, is recognized using the effective interest method.

Reinsurance Premiums

Non-life and health net premiums written and earned are based upon reports received from ceding companies, supplemented by PartnerRe's own estimates of premiums for which ceding company reports have not been received. The determination of premium estimates requires a review of PartnerRe's experience with cedants, familiarity with each market, an understanding of the characteristics of each line of business and Management's assessment of the impact of various other factors on the volume of business written and ceded to PartnerRe.

Premium estimates are updated as new information is received from cedants and differences between such estimates and actual amounts are recorded in the period in which the estimates are changed or the actual amounts are determined. Net premiums written and earned are presented net of ceded premiums, which represent the cost of retrocessional protection purchased by PartnerRe.

Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts, which is generally one to two years. For U.S. and European wind and certain other risks, premiums are earned commensurate with the seasonality of the underlying exposure.
Reinstatement premiums are recognized as written and earned at the time a loss event occurs, where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms. The accrual of reinstatement premiums is based on Management's estimate of losses and loss expenses associated with the loss event. Unearned premiums represent the portion of premiums written which is applicable to the unexpired risks under contracts in force.

Premiums related to life business are earned over the premium-paying period on the underlying policies.

Cost of sales

Cost of sales comprises expenses incurred in the manufacturing and distribution of the Group's products, expenses directly attributable to the financial services, sports activities and reinsurance acquisition costs as follows:

Manufacturing and Distribution - all directly attributable material and production costs, all overheads directly related to production and/or the performance of services, depreciation of property, plant and equipment and the amortization of intangible assets relating to production and write-downs of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties.

Financial services - interest expenses related to financial services financing as a whole and provisions for risks and write-downs of assets.

Sports activities - includes costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts which are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred. Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income. Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Government grants

Government grants are recognized when there is reasonable assurance that the Group is compliant with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Income taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the Consolidated Income Statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in Other comprehensive income or directly in Equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. Special voting shares are not included in the earnings per share calculation as they are not eligible for dividends and have only limited economic rights. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Use of estimates

The Consolidated Financial Statements are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and related assumptions are based on elements that are known when the financial statements are prepared, on historical experience of the Group and on any other factors that are considered to be relevant.

Particularly in light of the current economic uncertainty, developments may occur which may differ from Group's estimates and assumptions, and therefore might require significant adjustments to the carrying amounts of certain items, which as of the date of these Consolidated Financial Statements cannot be accurately estimated or predicted.

The principal items affected by estimates are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back commitments, sales allowances, product warranties, pension and other post-employment benefits, deferred tax assets and contingent liabilities.

The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly. Due to the currently unforeseeable global consequences of the COVID-19 pandemic, these estimates and assumptions are subject to increased uncertainty. Actual results could differ materially from the estimates and assumptions used in preparation of the financial statements.

The effects of any changes in estimate are recognized in the Consolidated Income Statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the Consolidated Financial Statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future.

These Consolidated Financial Statements include all updates of estimates and assumptions considered necessary by management to fairly state the Group's results of operations, financial position and cash flows. Updated estimates and assumptions to incorporate the expected consequences of the COVID-19 pandemic were also included in the analysis of the recoverability and collectability of financial assets, especially of receivables from financing activities.

Recoverability of goodwill and intangible assets with indefinite useful lives

In accordance with IAS 36 – *Impairment of Assets*, goodwill and intangible assets with indefinite lives are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or cash generating units ("CGUs") within the operating segments. The impairment test is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated.
If indicators of impairment are present, the carrying amount of the assets is reduced to its recoverable amount that is the higher of its fair value less disposal costs and its value in use. In assessing its value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

The assumptions used in the impairment test represent management's best estimate for the period under consideration including in relation to expected cash flows, growth rates, discount rates and future developments in the market where the Group operates.

During the year ended 31 December 2021 no impairment losses were recognized (€505 million impairment losses for the year ended 31 December 2020).

Additional information about the impairment test on goodwill and intangible assets with indefinite useful lives is presented in Note 14 Intangible assets.

Recoverability of non-current assets with definite useful lives

Non-current assets with definite useful lives include property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures of CNH Industrial Group and Ferrari Group. The Group's subsidiaries periodically review the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired. The recoverability of non-current assets with definite useful lives is based on the estimated future cash flows, using the Group's subsidiaries current business plans, of the cash generating units to which the assets relate.

The estimation of future cash flows is based on assumptions which are inherently uncertain in nature and therefore require management judgement.
The business plans of the Group's subsidiaries could change in response to these evolving requirements and emerging technologies or in relation to any future business plans or strategies developed as part of partnership and collaborations, which may result in changes to estimated future cash flows and could affect the recoverability of non-current assets with definite useful lives. Any change in recoverability would be accounted for at the time such change to the business plan occurs.

For the years ended 31 December 2021 and 2020, the impairment tests performed compared the carrying amount of the assets included in the respective CGUs to their value in use. The value in use of the CGUs was determined using a discounted cash flow methodology based primarily on unobservable inputs, including estimated pre-tax future cash flows attributable to the CGUs and a pre-tax discount rate reflecting a current market assessment of the time value of money and the risks specific to the CGU.

During the year ended 31 December 2021 no significant impairment losses to intangible assets with definite useful life and to property, plant and equipment were recognized.
During the year ended 31 December 2020 impairment losses to intangible assets with definite useful lives totalled €692 million and impairment losses to property, plant and equipment totalled €683 million were recognized. The most significant components of these impairment losses were in FCA Group (€914 million).

Additional information about the impairment test on non-current assets with definite useful lives is presented in Note 15 Property, plant and equipment.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment
The Group records assets rented to customers or leased to them under operating lease as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognized as sales at the time of delivery but are accounted for as operating lease if it is probable that the vehicle will be bought back. Income from such operating lease is recognized on a straight-line basis over the term of the lease. Depreciation expense for assets subject to operating lease is recognized on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease commencement date on the basis of published industry information and historical experience and are reviewed quarterly. Realization of the residual values is dependent on the Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating lease. The used vehicle market was carefully monitored to ensure that write-downs were properly determined. However, it cannot be excluded that additional write-downs may be required if market conditions should deteriorate further.

Recoverability of deferred tax assets
Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. The recoverability of deferred tax assets depends on the Group's ability to generate sufficient future taxable income in the period in which it is assumed that the deductible temporary differences reverse and tax losses carried forward can be utilized. In making this assessment the Group considers future taxable income based on the most recent budgets and plans prepared using the same criteria as those for the impairment of assets and goodwill. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance of CNH Industrial Group in its agricultural and construction equipment segments in Brazil. Therefore, changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements.

Additional information about the recoverability of deferred tax assets is presented in Note 11 Tax expense.

Technical Insurance Reserves and Net Insurance Premiums
Technical reinsurance reserves require estimates involving actuarial and statistical projections at a given time to reflect PartnerRe management's expectations of the costs of the ultimate settlement and administration of claims. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these events may be different from the assumptions underlying the reserve estimates. In the event that the business environment and social trends diverge from historical trends, PartnerRe may have to adjust its loss reserves to amounts falling significantly outside its current estimate.

The estimates are regularly reviewed and the ultimate liability may be in excess of, or less than, the amounts provided, for which any adjustments will be reflected in the period in which the need for an adjustment is determined. For reserves relating to the life reinsurance business, PartnerRe makes a number of critical accounting estimates regarding mortality, longevity, morbidity, lapses, surrenders and future investment income and expenses.

Net reinsurance premiums written and earned and acquisition costs involve significant estimation as in most cases cedants seek protection for business that they have not yet written at the time they enter into reinsurance agreements and have to estimate the volume of premiums they will cede to PartnerRe. Reporting delays are inherent in the reinsurance industry and vary in length by reinsurance market (country of cedants) and type of treaty. As reporting delays can vary from a few weeks to a year or sometimes longer, PartnerRe produces accounting estimates to report premiums and acquisition costs until it receives the cedants' actual results. Estimates for premiums and acquisition costs are updated continuously as new information is received from cedants.

The recovery of deferred policy acquisition costs is dependent upon the future profitability of the related business. Deferred policy acquisition costs recoverability testing is performed periodically together with the reserve adequacy test, based on the latest best estimate assumptions by line of business.

Pension and other post-employment benefits

Group companies sponsor pension and other post-employment benefits in various countries, mainly in the United States, the United Kingdom and Germany.

Employee benefit liabilities, related assets, costs and net interest connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net defined benefit liability/asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the rate for expected return on plan assets, the rate of salary increases and the healthcare costs trend rate and takes into consideration the likelihood of potential future events by using certain demographic parameters such as mortality rates and dismissal or retirement rates. The discount rates selected are based on yields or yield curves of high quality corporate bonds in the relevant market. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Rates of salary increases reflect the Group's long-term actual expectations in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters ("re-measurements") are recognized directly in other comprehensive income without reclassification to profit or loss in subsequent years: refer to "Employee benefits" section above for further details.

Significant future changes in the yields of corporate bonds, other actuarial assumptions referred to above and returns on plan assets may significantly impact the net liability/asset.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Sales allowance

The Group grants certain sales incentives to support sales of its products to retail customers. At the later of the time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. The expense for new programs is accrued at the inception of the program. The amounts of incentives to be paid are estimated. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Contingent liabilities

The Group's subsidiaries are subject to various proceedings, claims and governmental investigations on a wide range of topics. Some of these proceedings allege defects in specific products or general design defects. Such proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases include a claim for exemplary or punitive damages. Adverse decisions could require the relevant subsidiary to pay substantial damages or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties and the outcome of the individual matters is not predictable. An accrual is recorded if it is probable that there will be an outflow of funds and when the amount can be reasonably estimated. Since such accruals represent estimates, the final resolution could require the Group to make payments in excess of the amounts accrued or in an amount or range that could not previously be estimated. The subsidiaries of the Group monitor the status of pending legal proceedings and consult with experts on legal and tax matters on a regular basis.

3. Scope of consolidation

The consolidated financial statements include the companies over which Exor exercises control, and from which, directly or indirectly, Exor is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at 31 December 2021 are the following:

Company/Group	Country	Ownership	
		Group	Non-controlling interest
Operating subsidiaries / Segment entities			
CNH Industrial	the Netherlands	27.06 %	72.94 %
Ferrari	the Netherlands	24.17 %	75.83 %
PartnerRe	Bermuda	100 %	— %
Juventus Football Club	Italy	63.77 %	36.23 %
GEDI Gruppo Editoriale	Italy	89.62 %	10.38 %
Exor Seeds	USA	79.96 %	20.04 %
Shang Xia[(a)]	People's Rep.of China	77.30 %	22.70 %
Exor Capital LLP[(b)]	United Kingdom	100.00 %	— %
Other Exor entities			
Exor Nederland N.V.	the Netherlands	100 %	— %
Exor S.A.	Luxembourg	100 %	— %
Exor Investments Limited	United Kingdom	100 %	— %
Exor SN LLC	USA	100 %	— %
Ancom USA Inc.	USA	100 %	— %

(a) Owned through the holding Company Full More Group (Hong Kong).
(b) Formerly Exor Investments (UK) LLP.

At 31 December 2021 the Exor Group includes 275 subsidiaries consolidated line-by-line by the CNH Industrial, Ferrari, PartnerRe, GEDI and Juventus.

Changes in the Scope of Consolidation

2021 Investments held for sale and Discontinued operations

Deconsolidation of former FCA Group

On 17 December 2019, FCA and PSA entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger.

On 14 September 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA extraordinary dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46% stake in Faurecia planned to be distributed to all Stellantis shareholders promptly after closing following approval by the Stellantis board and shareholders.

On 4 January 2021, PSA and FCA extraordinary general shareholders meetings approved the merger and on 16 January 2021, PSA merged with and into FCA. By virtue of the merger, FCA issued 1.742 FCA common shares for each outstanding PSA ordinary share and each PSA ordinary share ceased to exist. Each issued and outstanding common share of FCA remained unchanged as one common share in FCA.

The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination. Following the merger, Exor continues to hold 449,410,092 common shares of Stellantis, corresponding to 14.4% of the outstanding capital.

On 29 January 2021, the extraordinary dividend of approximately €2.9 billion (Exor's share €827 million) was paid to holders of FCA common shares of record as of the close of business on Friday, 15 January 2021.

As part of the merger, Stellantis distributed to its shareholders its 39.34% stake in Faurecia and the proceeds amounting to approximately €308 million generated by the sales of ordinary shares of Faurecia effected in 2020. On 22 March 2021 Exor received 7,653,004 Faurecia ordinary shares and €43 million.

Exor accounted for the former FCA Group applying the line-by-line consolidation method for the period from 1 January 2021 to 16 January 2021 (the date of the completion of the merger). At that date, Exor lost control over FCA and therefore derecognized the former FCA Group net assets at 16 January 2021 and reclassified to the income statement, in the item Profit (loss) from discontinued operations, the amounts previously recognized in other comprehensive income related to the subsidiary.

At the date of completion of the merger, Exor assessed to have significant influence on Stellantis and started applying the equity method according to IAS 28 – Investment in Associates and Joint Ventures. On initial recognition the investment was accounted for at cost, equal to €6,660 million, to be be attributed to Exor's share of Stellantis' net fair value as part of the purchase price allocation, to be completed within one year from the initial recognition. At 31 December 2021 the purchase price allocation process has been completed.

The presentation of the FCA Group is as follows:

- The net results of FCA have been excluded from the Group's continuing operations and are presented net of taxes as a single line item within the Consolidated Income Statement for the years ended 31 December 2021 and 2020. In order to present the financial effects of a discontinued operation, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. However, no profit or loss is recognized for intercompany transactions.
- The assets and liabilities of the FCA Group at 16 January 2021 have been derecognized. The assets and liabilities of FCA Group at 31 December 2020, presented for comparative purposes, have not been reclassified.
- Cash flows arising from FCA have been presented separately as discontinued cash flows from operating, investing and financing activities within the Consolidated Statements of Cash Flows for the years ended 31 December 2021 and 2020. These cash flows represent those arising from transactions with third parties.

PartnerRe Group

On 16 December 2021 Exor and Covéa signed a Definitive Agreement for the sale of PartnerRe, the global reinsurer wholly-owned by Exor. Subject to obtaining approvals from the applicable regulatory and competition authorities, it is expected that the transaction will complete in mid-2022.

At 31 December 2021, the sale within the next twelve months became highly probable and PartnerRe Group operations met the criteria to be classified as a disposal group held for sale. It also met the criteria to be classified as a discontinued operation pursuant to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The presentation of the PartnerRe Group is as follows:

- The net results of PartnerRe have been excluded from the Group's continuing operations and are presented net of taxes as a single line item within the Consolidated Income Statement for the years ended 31 December 2021 and 2020. In order to present the financial effects of the discontinued operation, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operation. However, no profit or loss was recognized for intercompany transactions within the Consolidated Income Statement.
- The assets and liabilities of PartnerRe have been classified as assets held for sale and liabilities held for sale within the Consolidated Statement of Financial Position at 31 December 2021, while the assets and liabilities of PartnerRe Group at 31 December 2020, presented for comparative purposes, have not been reclassified.
- Cash flows arising from PartnerRe Group have been presented separately as discontinued cash flows from operating, investing and financing activities within the Consolidated Statements of Cash Flows for the years ended 31 December 2021 and 2020. These cash flows represent those arising from transactions with third parties.

The following table summarizes the results of FCA Group and PartnerRe Group that were excluded from the Consolidated Income Statement for the year ended 31 December 2020:

	Year ended 31 December				
(€ million)	2020 as reported	FCA	PartnerRe	IC	2020
Net revenues	119,519	(86,676)	(6,459)	408	26,792
Cost of revenues	(103,337)	75,963	5,845	(408)	(21,937)
Selling, general and administrative expenses	(8,211)	5,629	337	—	(2,245)
Research and development costs	(4,678)	2,979	—	—	(1,699)
Other income (expenses), net	(671)	(59)	(4)	—	(734)
Result from investments	174	(179)	4	—	(1)
Net financial expenses	(1,459)	988	81	—	(390)
Profit (loss) before taxes	**1,337**	(1,355)	(196)	**—**	**(214)**
Tax expense	(1,336)	1,332	(12)		(16)
Profit (loss) from continuing operations	**1**	(23)	(208)	**—**	**(230)**
Profit (loss) from discontinued operations, net of tax	—	23	208		231
Profit (loss) for the period	**1**	**—**	**—**	**—**	**1**
Profit (loss) attributable to:					
Owners of the parent	*(30)*	—	—	—	*(30)*
Non-controlling interests	*31*	—	—	—	*31*
Profit (loss) from continuing operations attributable to:					
Owners of the parent	*(30)*	*(7)*	*(177)*	—	*(214)*
Non-controlling interests	*31*	*(16)*	*(31)*	—	*(16)*
Earnings per share (in €)					
Basic earnings per share	(0.13)				(0.13)
Diluted earnings per share	(0.13)				(0.13)
Earnings per share from continuing operations (in €)					
Basic earnings per share	(0.13)				(0.94)
Diluted earnings per share	(0.13)				(0.95)

The following table summarizes the results of FCA Group and PartnerRe Group that were excluded from the Consolidated Statement of Comprehensive Income for the year ended 31 December 2020:

(€ million)	Year ended 31 December 2020 as reported	FCA	PartnerRe	2020
Profit (loss) for the period from continuing operations	1	(23)	(208)	(230)
Profit (loss) for the period from discontinued operations	—	23	208	231
Profit (loss) for the period (A)	**1**	**—**	**—**	**1**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:				
Gains (losses) on remeasurement of defined benefit plans	(143)	109	15	(19)
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees	—	—	—	—
Gains (losses) on financial assets at fair value through other comprehensive income	102	6	—	108
Related tax effect	39	(21)	(3)	15
Items relating to discontinued operations, net of tax		(94)	(12)	(106)
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B1)	**(2)**	**—**	**—**	**(2)**
Items that may be reclassified to the Consolidated Income Statement in subsequent periods:				
Gains (losses) on cash flow hedging instruments	45	22	—	67
Foreign exchange translation gains (losses)	(4,296)	2,694	50	(1,552)
Share of other comprehensive income (loss) of equity method investees	(171)	104	66	(1)
Related tax effect	(13)	(6)		(19)
Items relating to discontinued operations, net of tax		(2,814)	(116)	(2,930)
Total items that may be reclassified to the Consolidated Income Statement in subsequent periods, net of tax (B2)	**(4,435)**	**—**	**—**	**(4,435)**
Total Other Comprehensive Income (Loss), net of tax (B)=(B1)+(B2)	**(4,437)**	**—**	**—**	**(4,437)**
Total Comprehensive Income (A)+(B)	**(4,436)**	**—**	**—**	**(4,436)**
Total Comprehensive Income (Loss) attributable to:				
Owners of the parent	(1,727)	—	—	(1,727)
Non-controlling interests	(2,709)	—	—	(2,709)
Total Comprehensive Income (Loss) attributable to owners of the parent:				
Continuing operations	(1,727)	236	(49)	(1,540)
Discontinued operations	—	(236)	49	(187)

The following table summarizes the cash-flows of FCA Group and PartnerRe Group that were presented as discontinued cash-flows for the year ended 31 December 2020:

	Year ended 31 December			
(€ million)	2020 as reported	FCA	PartnerRe	2020
Cash flows from operating activities:				
Profit from continuing operations	1	(23)	(208)	(230)
Amortisation and depreciation	6,871	(5,143)	(39)	1,689
Gains on disposal of non-current assets	(134)	19	13	(102)
Other non-cash items	1,852	(1,192)	300	960
Dividends received	102	(73)	—	29
Change in provisions	(286)	434	—	148
Change in deferred taxes	557	(894)	12	(325)
Change in inventories, trade and other receivables and payables	5,098	(2,310)	(1,029)	1,759
Cash flows from operating activities – discontinued operations	—	9,182	951	10,133
Total	**14,061**	**—**	**—**	**14,061**
Cash flows used in investing activities:				
Investments in property, plant and equipment and intangible assets	(10,253)	8,600	—	(1,653)
Investments in joint ventures, associates, unconsolidated subsidiaries and financial assets	(412)	63	18	(331)
Consideration paid for the acquisition of GEDI net of cash and cash equivalents acquired	(175)	—	—	(175)
Consideration paid for the acquisition of Full More Group net of cash and cash equivalents acquired	(76)	—	—	(76)
Net change in Investments of Reinsurance companies (PartnerRe Group)	(602)	—	602	—
Proceeds from disposal of investments, tangible, intangible and financial assets	415	(148)	—	267
Net change in financial receivables	886	(396)	—	490
Net change in securities	103	(207)	—	(104)
Other changes	12	3	—	15
Net cash proceeds from disposal of discontinued operations	—	—	—	—
Cash flows used in investing activities – discontinued operations	—	(7,915)	(620)	(8,535)
Total	**(10,102)**	**—**	**—**	**(10,102)**
Cash flows used in financing activities:				
Issuance of notes	7,018	(3,500)	(433)	3,085
Repayment of notes	(2,101)	1,376	—	(725)
Proceeds of other long-term debt	17,388	(15,215)	—	2,173
Repayment of other long-term debt	(10,073)	8,295	—	(1,778)
Net change in short-term debt and other financial assets/liabilities	(1,131)	(43)	—	(1,174)
Capital increase of subsidiaries	32	—	—	32
Exercise of stock options	—	—	—	—
Buyback of treasury shares	(28)	—	—	(28)
Dividends paid	(268)	—	—	(268)
Other changes	(211)	—	3	(208)
Cash flows used in financing activities – discontinued operations	—	9,087	430	9,517
Total	**10,626**	—	—	**10,626**
Translation exchange differences	(1,949)	—	—	(1,949)
Total Change in Cash and Cash Equivalents	**12,636**	**0**	**0**	**12,636**

The following table represents the assets and liabilities of the FCA Group deconsolidated at 16 January 2021:

(€ million)	At 16 January 2021
Assets	
Intangible assets	25,853
Property, plant and equipment	27,874
Investments and other financial assets	3,145
Deferred tax assets	1,075
Inventories	9,626
Trade and other receivables	4,005
Other assets	5,273
Assets held for sale	321
Cash and cash equivalents	22,514
Total Assets	**99,686**
Liabilities	
Provisions for employee benefits	8,776
Other provisions	12,066
Deferred tax liabilities	1,895
Financial debt and other financial liabilities	21,593
Trade payables	20,293
Tax payables	499
Other liabilities	10,896
Liabilities held for sale	207
Total Liabilities	**76,225**

The following table represents the assets and liabilities of the PartnerRe business which were classified as held for sale at 31 December 2021:

(€ million)	Note	31 December 2021
Assets classified as held for sale		
Intangible assets		1,192
Property plant and equipment		66
Investments and other financial assets		1,153
Deferred tax assets		75
Inventories		—
Trade and other receivables		4,476
Investments of reinsurance companies	a	16,821
Other assets		1,062
Assets held for sale		—
Cash and cash equivalents		584
Total Assets held for sale		**25,429**
Liabilities classified as held for sale		
Provisions for employee benefits		136
Other provisions		—
Technical reserves reinsurance companies	b	15,175
Deferred tax liabilities		102
Financial debt and other financial liabilities	c	1,937
Trade payables		658
Tax payables		11
Other liabilities		95
Total Liabilities held for sale		**18,114**

a. Investments of reinsurance companies

Investments of reinsurance companies at 31 December 2021 and 31 December 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Fixed maturities, at fair value	12,425	10,421
Funds held by reinsured companies	500	580
Equities, at fair value	1,547	1,219
Short-term investments, at fair value	180	339
Accrued investment income, at fair value	84	75
Other invested assets	2,086	1,788
Total investments of reinsurance companies	**16,821**	**14,422**

At 31 December 2021 approximately €93 million (€256 million at 31 December 2020) of cash and cash equivalents and €4,841 million (€4,069 million at 31 December 2020) of securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favour of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Net realised and unrealised gains of €404 million and losses of €55 million on investments designated as fair value through profit or loss, were recognized in the Consolidated Income Statement during the years 2021 and 2020, respectively.

b. Technical reserves reinsurance companies

Technical reserves of reinsurance companies at 31 December 2021 and at 31 December 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Unpaid losses and Loss expenses	10,637	9,286
Life and health technical reinsurance reserves	2,329	2,204
Unearned premium reserves	2,209	1,846
Total Technical reinsurance reserves	**15,175**	**13,336**

Unpaid Losses and Loss Expenses

Unpaid losses and loss expenses are categorised into three types of reserves: Case reserve, ACRs and IBNR reserves. Case reserves represent unpaid losses reported by the Company's cedants and recorded by the Company. ACRs are established for particular circumstances where, on the basis of individual loss reports, the Company estimates that the particular loss or collection of losses covered by a treaty may be greater than those advised by the cedant. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves and ACRs.

The reconciliation of the beginning and ending gross and net liability for unpaid losses and loss expenses for the years ended 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Gross liability at the begin of the period	9,286	9,229
Reinsurance recoverable at the begin of the period	(638)	(672)
Net liability at the begin of the period	**8,648**	**8,557**
Net incurred losses	2,911	3,517
Net paid losses	(2,514)	(2,830)
Retroactive reinsurance recoverable	(303)	—
Translation differences and other changes	599	(596)
Net liability at the end of the period	**9,341**	**8,648**
Reinsurance recoverable at the end of the period	1,296	638
Gross liability at the end of the period	**10,637**	**9,286**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves for the six months ended at 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Gross liability at the begin of the period	2,204	2,152
Reinsurance recoverable at the begin of the period	(29)	(14)
Net liability at the begin of the period	**2,175**	**2,138**
Net incurred losses	1,218	1,154
Net paid losses	(1,195)	(1,077)
Translation differences	113	(40)
Net liability at the end of the period	**2,311**	**2,175**
Reinsurance recoverable at the end of the period	18	29
Gross liability at the end of the period	**2,329**	**2,204**

Reserves for unearned premiums

The reconciliation of the beginning and ending reserves for unearned premiums for the years ended 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Reserves at 1 January	1,846	2,166
Net premiums written	6,032	5,516
Net premiums earned	(5,882)	(5,723)
Translation differences	213	(113)
Unearned premium reserves at 31 December	**2,209**	**1,846**

c. Financial debt and other financial liabilities

The composition of financial debt is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Notes	1,675	1,609
Lease liabilities	75	61
Payables represented by securities	179	233
Other financial debt	8	8
Total financial debt	**1,937**	**1,912**
Other financial liabilities	—	3
Total financial debt and other financial liabilities	**1,937**	**1,915**

Notes includes the Senior notes due 2026 issued for €750 million aggregate principal amount at 1.25% for €745 million, the Senior notes due 2029 issued for $500 million aggregate principal amount at 5.5% for €438 million, the Junior subordinate notes due 2050 issued for $500 million aggregate principal amount at 4.5% for €437 million and the Capital Efficient notes (CENts) due 2066 for €55 million.

At 31 December 2021 the main committed credit facilities included the combined credit facility of $400 million with the first $100 million being unsecured and the remainder secured. This facility matures each year on 14 November and unless cancelled by either party automatically renews. Other secured credit facilities for an amount of $350 million. PartnerRe maintains committed secured letter of credit facilities which must be fully secured with cash and or government bonds and or investment grade bonds.

Under the terms of certain reinsurance agreements, irrevocable letters of credit were issued for a total of $102 million on an unsecured basis and $441 million on a secured basis at 31 December 2021 in respect of losses and unearned premium reserves. The committed secured credit facilities maintained by PartnerRe are used for the issuance of letters of credit which must be fully secured with either cash, government bonds and/or investment grade bonds.

The following table represents the results of the discontinued operations.

(€ million)	2021	2020
PartnerRe[(a)]		
Net revenues	6,144	6,459
Expenses	(5,648)	(6,182)
Other income (expenses) and Result of investments	215	1
Net financial expenses	(75)	(81)
Profit (loss) before taxes from discontinued operations	637	197
Tax expense	(32)	12
Adjustments	(4)	—
Total	**600**	**208**
FCA		
Net revenues	—	86,676
Expenses	—	(84,571)
Other income (expenses) and Result of investments	—	238
Net Financial expenses	—	(988)
Tax expense	—	(1,332)
FCA Profit (loss)	—	23
Exor Share of the FCA profit loss	8	—
Reversal of Exor's share in FCA OCI reserve	(490)	—
Other adjustments	(14)	—
Total	**(496)**	**23**
Profit (loss) from discontinued operation, net of tax	**104**	**231**

(a) Amounts presented are not representative of the income statement of PartnerRe on a stand-alone basis.

2021 Change in scope of consolidation

Acquisition of Shang Xia

At the end of December 2020 Exor acquired a 77.30% stake in Shang Xia (through the holding company Full More Group) for a total consideration of €79 million.

The transaction was accounted for in accordance with IFRS 3, by applying the acquisition method on the basis of the financial statements prepared in accordance with IFRS at 31 December 2020 (the acquisition date) and therefore did not have any effect on the 2020 income statement.

In 2021 Exor finalized the purchase price allocation process, identifying a trademark of €48 million and a residual goodwill of €49 million.

Acquisition of Raven Industries

On 30 November 2021, CNH Industrial completed the acquisition of Raven Industries, Inc. ("Raven"), a U.S.-based leader in precision agriculture technology. CNH Industrial acquired 100% of the capital stock of Raven for $58 per share funded with available cash on hand. Cash consideration paid to Raven shareholders and Raven equity award holders totalled $2.1 billion.

The acquisition of Raven has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 – Business Combinations.

The valuation of assets acquired and liabilities assumed was preliminary at 31 December 2021 and will be finalized during the one-year measurement period from the acquisition date. As a result, CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including $1.3 billion and $0.5 billion in preliminary goodwill and intangible assets.

The preliminary assessment will be updated as revised information becomes available, including the development and review of the necessary valuations.

Acquisition of Sampierana

On 30 December 2021, CNH Industrial completed its previously announced purchase of 90% of the capital stock of Sampierana S.p.A ("Sampierana").

The acquisition of the remaining 10% of the capital stock in Sampierana will occur over the next four years through predetermined mechanisms. Sampierana is an Italian company specializing in the development, manufacture and commercialization of earthmoving machines, undercarriages and spare parts.

The acquisition of Sampierana has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.

The valuation of assets acquired and liabilities assumed was preliminary at 31 December 2021 and will be finalized during the one-year measurement period from the acquisition date. As a result, CNH Industrial recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date, including approximately $51 million in preliminary goodwill.

The preliminary assessment will be updated as revised information becomes available, including the development and review of the necessary valuations.

2020 Change in scope of consolidation

Acquisition of GEDI

In 2020 Exor completed the acquisition of the control of GEDI Gruppo Editoriale S.p.A. for a total consideration of €202 million at 31 December 2020 (89.62% of issued share capital).

Exor finalized the process of measuring the fair values assigned to GEDI's assets and liabilities at the acquisition date and identified a bargain purchase of €18 million, which represents the excess of the net assets of GEDI at the acquisition date over the consideration paid. Such amount was booked as a gain in the income statement in the second half of 2020.

4. Segment reporting

Reportable segments reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8, or the disclosure of which is considered useful for the users of the financial statements.

The Exor Group reportable segments coincide with the consolidated data of its principal investments, each of which represents an investment in a major business segment: Stellantis, CNH Industrial, Ferrari, PartnerRe, Juventus and GEDI. The column "Other and adjustments" includes unallocated income and expenses, share of profit in equity investments of EXOR N.V., expenses related to corporate activities and finance income and expense of EXOR N.V. and other Exor entities which are not included within the reportable segments as well as assets and liabilities of the Holdings System entities.

Prior to the merger of PSA with and into FCA, Exor segment reporting included FCA as a reportable segment. Following the merger, the economic data of FCA have been excluded from continuing operations and are presented in a single line item within the Consolidated Income Statement for the years 2021 and 2020, as discontinued operations, while the assets and liabilities of FCA Group at 31 December 2020 have not been reclassified for the comparative consolidated statement of financial position.

As required by IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, PartnerRe was classified and presented as discontinued operations in these Consolidated Financial Statements and therefore the segment reporting disclosures was appropriately adjusted.

The following tables summarize selected financial information by reporting segment for the years ended 31 December 2021 and 2020. Data presented are prepared by each subsidiary for the Exor consolidation process and may differ from data published by each subsidiary in its financial report.

(€ million)	Stellantis[1]	CNH Industrial	Ferrari	PartnerRe[2]	Juventus	GEDI	Associates, other and adjustments	Consolidated
2021								
Segment revenues	—	28,309	4,271	—	446	520	71	**33,617**
Revenues from transactions with other operating segments	—	—	—	—	—	—	—	**—**
Revenues from external customers	—	28,309	4,271	—	446	520	71	**33,617**
Profit (loss) from continuing operations	1,905	1,502	833	—	(215)	(35)	(640)	**3,350**
Profit (loss) from discontinued operations	—	—	—	—	—	—	104	**104**
Profit (loss) attributable to owners of the parent[3]	1,905	398	201	580	(137)	(31)	(1,199)	**1,717**
31 December 2021								
Total assets	8,624	45,129	6,863	25,429	962	675	3,429	**91,111**
Gross debt	—	21,569	2,667	—	239	161	4,314	**28,950**
Cash and cash equivalents	—	6,058	1,344	—	160	14	329	**7,905**
Total equity	8,624	7,440	2,211	7,316	303	193	(1,717)	**24,370**
Issued capital and reserves attributable to owners of the parent[3]	8,624	1,962	533	7,139	194	171	(1,864)	**16,759**

1) Consolidated with the equity method starting from 16 January 2021.
2) At 31 December 2021, PartnerRe Group data have been classified as a discontinued operation pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. See Note 3 Scope of consolidation for further information.
3) Exor share of the result or equity attributable to the owners of the parent of each segment entity.

(€ million)	FCA[1]	CNH Industrial	Ferrari	PartnerRe[2]	Juventus	GEDI	Associates, other and adjustments	Consolidated
2020								
Segment revenues	—	22,749	3,460	—	509	367	(293)	**26,792**
Revenues from transactions with other operating segments	—	(272)	(101)	—	(43)	(3)	419	—
Revenues from external customers	—	22,477	3,359	—	466	364	126	**26,792**
Profit (loss) from continuing operations	—	(608)	609	—	(153)	(13)	(65)	**(230)**
Profit (loss) from discontinued operations	—	—	—	—	—	—	231	**231**
Profit (loss) attributable to owners of the parent[3]	8	(178)	146	181	(98)	(11)	(78)	**(30)**
31 December 2020								
Total assets	100,053	41,199	6,262	22,537	967	660	1,267	**172,945**
Gross debt[4]	21,750	21,805	2,727	1,915	396	143	4,196	**52,932**
Cash and cash equivalents	23,846	7,847	1,363	1,916	38	36	515	**35,561**
Total equity	25,861	5,489	1,789	6,583	125	231	(2,418)	**37,660**
Issued capital and reserves attributable to owners of the parent[3]	7,337	1,431	452	6,025	80	207	(2,442)	**13,090**

1) The economic data of FCA (now Stellantis) for 2020 are presented in the line Profit (loss) from discontinued operation.
2) At 31 December 2021, PartnerRe Group economic data have been classified as a discontinued operation pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. See Note 3 Scope of consolidation for further information.
3) Exor share of the result or equity attributable to the owners of the parent of each segment entity.
4) Gross debt is defined as financial debt and other financial liabilities.

Information by geographical area

The following tables present an analysis of the net revenues of the Group by country, irrespective of the origin of the goods and services for the years ended 31 December 2021 and 2020:

	Years ended 31 December	
(€ million)	**2021**	**2020**
North America	7,810	6,218
Italy	4,132	2,532
France	2,947	2,593
Brazil	2,679	1,693
Germany	2,183	1,828
China	855	909
Other countries	13,011	11,019
Total net revenues	**33,617**	**26,792**

Other countries includes net revenues generated in the Netherlands for the year ended 31 December 2021 amounting to €287 million (€278 million for the year ended 31 December 2020).

The following table presents an analysis of non-current assets of the Group at 31 December 2021 and 2020 by country:

	At 31 December	
(€ million)	**2021**	**2020**
North America	6,764	42,435
Italy	6,725	17,634
France	1,019	1,137
China	439	318
Brazil	246	3,042
Poland	86	619
Bermuda	—	1,141
Other countries	2,926	7,148
Total non-current assets	**18,205**	**73,474**

Other countries includes non-current assets related to the Netherlands of €10 million at 31 December 2021 (€39 million at 31 December 2020).

5. Net revenues

Net revenues for the years ended 31 December 2021 and 2020 are as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Sales of goods	30,381	24,030
Services provided and other revenues	753	803
Revenues from sales of goods and services	**31,134**	**24,833**
Interest income of financial services activities	685	728
Rents and other income on operating leases	271	276
Other	1,527	955
Total net revenues	**33,617**	**26,792**

6. Cost of sales

Cost of revenues for the years ended 31 December 2021 and 2020 are as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Cost of goods	25,648	21,463
Reinsurance acquisition costs	7	—
Interest cost and other financial expenses from financial services companies	324	474
Total cost of sales	**25,979**	**21,937**

7. Research and development costs

Research and development costs for the years ended 31 December 2021 and 2020 are as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Research and development costs expensed	1,424	1,063
Amortisation of capitalised development costs	383	552
Impairment and write-off of costs previously capitalised	16	84
Total research and development costs	**1,823**	**1,699**

Impairment and write-offs of capitalized development costs referred to the CNH Industrial Group (€16 million in 2021 and €84 million in 2020).

8. Other income (expense), net

This line of the income statement consists of miscellaneous items which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of Cost of revenues or Selling, general and administrative costs, net of income arising from operations which is not attributable to the Sale of goods and services. In 2021 Other net expenses amount to €378 million, compared to a net expenses of €734 million for the year ended 31 December 2020.
In 2021 the item related to CNH Industrial Group amounts to €339 million and mainly included €66 million of restructuring costs, €158 million of separation costs in connection with the demerger of the Iveco Group, €48 million for the transaction costs related to the acquisition of Raven Industries and a pre-tax gain of €80 million related to a healthcare plan amendment in the U.S.

In 2020 the item, for the most part related to CNH Industrial Group, mainly included €505 million of impairment loss on goodwill and €56 million of restructuring costs.

The restructuring costs of €72 million (€56 million in 2020) are related to CNH Industrial and GEDI for €66 million and €6 million, respectively (in 2020 €49 million and €7 million, respectively).

9. Results from investments

Result from investments for the years ended 31 December 2021 and 2020 are as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Share of the profit of equity method investees	2,051	32
Impairment losses	(2)	(56)
Other income from investments	8	23
Total result from investments	**2,057**	**(1)**

The following table summarises the share of profits of equity method investees for the years ended 31 December 2021 and 2020:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Joint ventures	70	(9)
Associates[1]	1,981	41
Share of the profit of equity method investees	**2,051**	**32**

1) In 2021 mainly related to Stellantis (€1,905 million).

10. Net financial expenses

Net financial expenses for the years ended 31 December 2021 and 2020 are as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Financial Income:		
Interest and other financial income	50	45
Financial services income	685	728
Gains on disposal of securities	—	—
Total financial income	**735**	**773**
Related to:		
Industrial companies (A)	*50*	*45*
Financial services companies (reported within net revenues)	*685*	*728*
Financial Expenses:		
Interest expenses and other financial expenses	(662)	(657)
Write-downs and losses on financial assets and securities	(42)	(103)
Net interest expenses on employee benefits provisions	(7)	(14)
Total interest and other financial expenses	**(711)**	**(774)**
Net expenses from derivative financial instruments and exchange rate differences	**167**	**(135)**
Total financial expenses	**(544)**	**(909)**
Related to:		
Industrial companies (B)	*(219)*	*(435)*
Financial services companies (reported within cost of revenues)	*(324)*	*(474)*
Net financial expenses relating to industrial companies (A+B)	**(169)**	**(390)**

Interest expenses and other financial expenses may be analysed as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Interest expenses on bonds	457	436
Interest expenses from banks	44	86
Interest on lease liabilities	13	14
Other interest and financial expenses	148	121
Total Interest expense	**662**	**657**

11. Tax expense

Exor N.V. and its subsidiaries have substantial worldwide operations. The Company's subsidiaries incur tax obligations in the jurisdictions in which they operate. Tax expense for the years ended 31 December 2021 and 2020 is as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Current tax	751	339
Deferred tax	(217)	(305)
Tax (benefit) expense relating to prior periods	768	(18)
Total tax expense	**1,302**	**16**

In 2021, Tax expense relating to prior periods includes the effects of a settlement signed by Exor with the Italian Tax Authorities ("Agenzia delle Entrate"). On 18 February 2022, Exor settled a complex tax issue, specifically in respect of the Italian exit tax and paid €746 million, of which €104 million represented by interest.

The issue is related to the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands. At the time of this cross-border merger, the exiting company Exor S.p.A. applied the Participation Exemption (PEX) regulations as set out in Article 87 of the Italian Corporate Income Tax Act. Under this regime, 95% of any capital gains relating to the value of its holdings was exempt and therefore excluded from the holding company's taxable income for the determination of the Exit Tax.

With a subsequent principle of law "Legal Principle 10/2021", published on 11 May 2021, the Agenzia delle Entrate contended that the PEX should not apply to cases in which a holding company transfers its fiscal domicile abroad without maintaining a permanent establishment in Italy.
As a result of the subsequent principle of law published in 2021, a complex matter of interpretation on the application of the PEX regulation back in 2016 has arisen. Exor remains convinced that it acted in accordance with the rules. However, with the objective of avoiding the time and costs of a major tax dispute, it has decided to enter into a settlement agreement with the Agenzia delle Entrate.

At 31 December 2021, the effect of this settlement is a recognition of a liability of €744 million, of which €643 million of income taxes and €101 million of interest (recognized until 31 December 2021).

The reconciliation between the income tax expenses recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in the Netherlands, is as follows:

	Years ended 31 December	
(€ million)	**2021**	**2020**
Theoretical tax expense	**1,167**	**45**
Tax effect on:		
Recognition and utilisation of previously unrecognized deferred tax assets	(8)	1
Permanent differences	(459)	(79)
Deferred tax assets not recognized and write-downs	(60)	56
Differences between foreign tax rates and the theoretical tax rate and tax holidays	(42)	(31)
Taxes relating to prior years	663	(16)
Other differences	(8)	2
Total tax expense, excluding IRAP	**1,253**	**(22)**
Effective tax rate	*26.85 %*	*10.44 %*
IRAP (current and deferred)	**49**	**38**
Total tax expense	**1,302**	**16**

The applicable tax rate used to determine the theoretical income expense was 25% in 2021 and 2020, which is the tax rate applicable in the Netherlands. The increase in the effective tax rate is due to the settlement between Exor and the Italian Tax Authorities and the operations of CNH Industrial and Ferrari, as commented below.

CNH Industrial's effective tax rates for 2021 and 2020 were 16.8% and 7.3%, respectively. The current period effective tax rate was positively impacted by €125 million related to recognizing deferred tax assets associated with the agricultural and construction equipment operations in Brazil, pre-tax earnings in other jurisdictions which allowed previously unrecognized deferred tax assets to be realized, and the impact of additional tax credit and incentive benefits. These positive impacts were partially offset by the negative impacts of the non-deductible expenses associated with the demerger of Iveco Group and the acquisition of Raven Industries. The 2020 effective tax rate reflected the inability to record tax benefits for pre-tax losses in certain jurisdictions and the goodwill impairment charge related to the Construction equipment segment, the effects of which were partially offset by the impact of net discrete tax benefits, which were primarily non-cash and included €36 million related to the recognition of certain deferred tax assets, primarily based on the recent profit history and expected future profitability of consolidated tax reporting groups in certain jurisdictions.

The increase in the effective tax rate of Ferrari from 8.7% in 2020 to 20.1% in 2021 was primarily attributable to the tax benefits introduced in 2020 in Italy which allowed Ferrari a one-time partial step-up of its trademark for tax purposes resulting in a net tax benefit of €75 million and to a lesser extent, the effects of deductions for eligible research and development costs. The net benefit from the step up is included within “permanent and other differences” for 2020 in the tax rate reconciliation above. The Patent Box benefit relating to 2021, 2020 and 2019 is included within “permanent and other differences” in the tax rate reconciliation above.

Deferred tax assets and deferred tax liabilities recognized at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Deferred tax assets	1,165	2,192
Deferred tax liabilities	(358)	(2,256)
Total, net	**807**	**(64)**

The increase of €871 million in net deferred tax assets is mainly due to the deconsolidation of the FCA Group for €820 million and the reclassification of the net deferred tax assets of PartnerRe as Assets and liabilities held for sale for €25 million. Further increase is due to a net increase recognized by CNH Industrial Group in the income statement of €206 million, which was largely driven by the recognition of certain deferred tax assets in Brazil, being mostly offset by net reductions related to tax effects charged to equity, the impact of currency translation and the effect of certain deferred tax liabilities related to the CNH Industrial's 2021 acquisitions.

Deferred tax assets and liabilities at 31 December 2021 and 2020 and the changes during the years then ended are as follows:

(€ million)	At 31 December 2020	Recognized in Income statement	Recognized in Other comprehensive income	Deconsoli-dation of FCA	Transferred to Assets / (Liabilities) held for sale	Translation differences and other changes	At 31 December 2021
Deferred tax assets arising from:							
Provisions	4,232	179	—	(3,375)	(78)	63	1,021
Provision for employee benefits	1,623	4	(22)	(1,423)	(7)	7	182
Intangible assets	159	31	—	(275)	(1)	31	(55)
Inventories	428	10	—	(163)	(12)	(79)	184
Allowances for doubtful accounts	237	1	—	(118)	—	2	122
Measurement of derivative financial instruments	7	34	(12)	(1)	—	4	32
Other	2,239	(56)	(6)	(1,351)	(122)	(49)	655
Total deferred tax assets	**8,925**	**203**	**(40)**	**(6,706)**	**(220)**	**(21)**	**2,141**
Deferred tax liabilities arising from:							
Accelerated depreciation	(2,761)	29	—	2,315	—	(77)	(494)
Capitalisation of development costs	(3,493)	(47)	—	3,033	—	(22)	(529)
Inventories	(105)	(20)	—	2	—	27	(96)
Provision for employee benefits	(74)	4	(55)	114	—	(1)	(12)
Other	(1,919)	15	17	1,585	152	(63)	(213)
Total deferred tax liabilities	**(8,352)**	**(19)**	**(38)**	**7,049**	**152**	**(136)**	**(1,344)**
Deferred tax assets arising on tax loss carry-forwards	**6,346**	**88**	**—**	**(5,391)**	**(94)**	**(68)**	**881**
Unrecognized deferred tax assets	**(6,983)**	**(66)**	**(1)**	**5,868**	**187**	**124**	**(871)**
Total Net deferred tax assets	**(64)**	**206**	**(79)**	**820**	**25**	**(101)**	**807**

(€ million)	At 31 December 2019	Recognized in Income statement	Recognized in Other comprehensive income	Transferred to Assets / (Liabilities) held for sale	Translation differences and other changes	At 31 December 2020
Deferred tax assets arising from:						
Provisions	4,567	(57)	—	—	(278)	4,232
Provision for employee benefits	1,705	46	(10)	—	(118)	1,623
Intangible assets	93	107	—	—	(41)	159
Inventories	436	10	—	—	(18)	428
Allowances for doubtful accounts	252	29	—	—	(44)	237
Impairment of financial assets	232	(18)	—	—	18	232
Measurement of derivative financial instruments	18	2	(12)	—	(1)	7
Other	1,745	342	(2)		(78)	2,007
Total deferred tax assets	**9,048**	**461**	**(24)**	**—**	**(560)**	**8,925**
Deferred tax liabilities arising from:						
Accelerated depreciation	(2,885)	(114)	—	—	238	(2,761)
Capitalisation of development costs	(3,073)	(587)	—	—	167	(3,493)
Inventories	(105)	(15)	—	—	15	(105)
Provision for employee benefits	(95)	(3)	31	—	(7)	(74)
Other	(1,917)	(117)	(2)	—	117	(1,919)
Total deferred tax liabilities	**(8,075)**	**(836)**	**29**	**—**	**530**	**(8,352)**
Deferred tax assets arising on tax loss carry-forwards	**5,901**	**1,111**	**—**	**—**	**(666)**	**6,346**
Unrecognized deferred tax assets	**(6,352)**	**(1,369)**	**21**	**—**	**717**	**(6,983)**
Total Net deferred tax assets	**522**	**(633)**	**26**	**—**	**21**	**(64)**

At 31 December 2021 and 2020 the Group had the following recognized and unrecognized deferred tax assets:

	Deferred tax assets relating to			
(€ million)	Deductible temporary differences	of which not recognized	Tax loss carry forward	of which not recognized
At 31 December 2021	**2,141**	**271**	**881**	**600**
At 31 December 2020	8,925	1,529	6,346	5,454

At 31 December 2021 net deferred tax assets include the amount of €281 million (€892 million at 31 December 2020) in respect of benefits on unused tax loss carryforwards.

The decrease compared to the 31 December 2020 is mainly due to the deconsolidation of the FCA Group, in fact part of the unused tax loss carry-forwards of the FCA Group. In particular, at 31 December 2020 the FCA Group had tax loss carryforwards which can be carried forward indefinitely as follows:

	FCA Group Net Deferred Tax Assets					
(€ million)	Net Deferred Tax Assets Italy	of which recognized	of which not recognized	Net Deferred Tax Assets Brazil	of which recognized	of which not recognized
At 31 December 2020	3,682	253	3,429	1,692	—	1,692

Total deductible and taxable temporary differences and accumulated tax losses at 31 December 2021, together with the amounts for which deferred tax assets have not been recognized, analysed by year of expiration, are as follows:

		Year of expiration					
(€ million)	At 31 December 2021	2022	2023	2024	2025	Beyond 2025	Unlimited / Indeterminable
Deductible temporary differences	**9,702**	4,553	1,284	1,284	1,284	1,284	14
Taxable temporary differences	**(5,926)**	(919)	(1,243)	(1,239)	(1,239)	(1,241)	(44)
Tax losses and tax credits	**3,538**	136	67	49	66	884	2,336
Temporary differences and tax losses for which deferred tax assets have not been recognized	**(2,200)**	(283)	(371)	(354)	(385)	(523)	(285)
Net temporary differences and tax losses	**5,114**	**3,487**	**(263)**	**(261)**	**(274)**	**405**	**2,020**

Deferred tax liabilities have not been recognized on the undistributed earnings of subsidiaries except where it is probable that distribution will occur in the foreseeable future.

At 31 December 2021, undistributed earnings in certain CNH Industrial subsidiaries outside the U.K. totalled approximately €8 billion (€6 billion at 31 December 2020) for which no deferred tax liability has been recorded because the remittance of earnings from certain jurisdictions would incur no tax or such earnings are indefinitely reinvested. CNH Industrial has determined the amount of unrecognized deferred tax liability relating to the €8 billion undistributed earnings is approximately €233 million and related to withholding taxes and incremental local country income taxes in certain jurisdictions. Further, CNH Industrial evaluated the undistributed earnings from its joint ventures in which it owned 50% or less and recorded €10 million of deferred tax liabilities at 31 December 2021. The repatriation of undistributed earnings to the U.K. is generally exempt from U.K. income taxes.

12. Other information by nature

In 2021 personnel costs for the Group's continuing operations amounted to €14,696 million (€15,910 million in 2020). These amounts include costs that were capitalised mainly in connection with product development activities.

In 2021 the Group's continuing operations had an average number of employees of 263,284 (268,979 in 2020).

13. Earnings per share

The following table summarises the composition of earnings per share:

		Years ended 31 December	
		2021	**2020**
Average number of ordinary shares outstanding		**220,077,794**	**226,752,238**
Profit (loss) attributable to owners of the parent	**€ million**	**1,717**	**(30)**
basic earnings per share	**€**	7.803	(0.13)
diluted earnings per share	**€**	7.792	(0.13)
Profit (loss) from continuing operations attributable to owners of the parent	**€ million**	**1,630**	**(214)**
basic earnings per share	**€**	7.409	(0.944)
diluted earnings per share	**€**	7.398	0.946
Profit from discontinued operations attributable to owners of the parent	**€ million**	**87**	**184**
basic earnings per share	**€**	0.394	0.811
diluted earnings per share	**€**	0.383	0.809

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries using their own equity instruments.

14. Intangible assets

Changes in 2021 are the following:

(€ million)	Goodwill	Trademark and Intangible assets with an indefinite useful life	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at 31 December 2020								
Original cost	14,239	3,739	24,889	8,170	6,021	2,781	866	60,705
Accumulated amortisation and impairment	(1,093)	(118)	(14,039)	(5,738)	(4,140)	(1,864)	(395)	(27,387)
Net carrying amount	**13,146**	**3,621**	**10,850**	**2,432**	**1,881**	**917**	**471**	**33,318**
Changes during the year (original cost)								
Additions	—	—	495	347	37	159	158	1,196
Disposals	—	—	(114)	(900)	(55)	(16)	(164)	(1,249)
Deconsolidation of FCA	(10,373)	(3,024)	(21,445)	(2,815)	(1,872)	(3,585)	—	(43,113)
Transfer to assets held for sale	(583)	(214)	—	—	(8)	(1,152)	—	(1,957)
Change in scope of consolidation	1,128	6	(25)	25	4	424	—	1,562
Translation differences	465	71	144	109	36	214	—	1,039
Other changes	(59)	(2)	(7)	(52)	(2,949)	2,987	—	(81)
Total	**(9,422)**	**(3,163)**	**(20,952)**	**(3,285)**	**(4,807)**	**(967)**	**(6)**	**(42,602)**
Changes during the year (accumulated amortisation and impairment)								
Amortisation	—	(1)	(378)	(256)	(65)	(111)	(179)	(990)
Impairment losses	—	—	(17)	—	—	—	(20)	(36)
Disposals	—	—	115	898	55	9	132	1,209
Deconsolidation of FCA	118	65	11,375	2,216	1,622	1,865	—	17,260
Change in scope of consolidation	—	—	22	(22)	—	(1)	—	(1)
Transfer to assets held for sale	—	—	—	—	—	750	—	750
Translation differences	(80)	(4)	(53)	(81)	(35)	(117)	—	(368)
Other changes	20	—	8	51	1,461	(1,440)	—	100
Total	**58**	**59**	**11,073**	**2,806**	**3,037**	**956**	**(66)**	**17,923**
Balance at 31 December 2021								
Original cost	4,817	576	3,937	4,885	1,214	1,814	860	18,103
Accumulated amortisation and impairment	(1,035)	(59)	(2,966)	(2,932)	(1,103)	(908)	(461)	(9,464)
Net carrying amount	**3,783**	**518**	**970**	**1,953**	**111**	**906**	**399**	**8,639**

Changes in 2020 were the following:

(€ million)	Goodwill	Intangible assets with an indefinite useful life	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at 31 December 2019								
Original cost	15,658	3,757	23,453	7,957	5,628	2,855	880	60,187
Accumulated amortisation and impairment	(923)	(121)	(12,700)	(5,391)	(3,827)	(1,773)	(385)	(25,120)
Net carrying amount	**14,735**	**3,636**	**10,753**	**2,566**	**1,801**	**1,082**	**494**	**35,067**
Changes during the year (original cost)								
Additions	—	1	2,842	437	784	289	198	4,551
Disposals	(265)	(8)	(79)	(14)	(135)	(174)	(212)	(887)
Consolidation GEDI	—	298	—	—	85	—	—	383
Transfer to assets held for sale	—	—	—	—	—	11	—	11
Translation differences	(1,212)	(309)	(1,336)	(205)	(362)	(219)	—	(3,643)
Other changes	58	—	9	(5)	21	20	—	103
Total	**(1,419)**	**(18)**	**1,436**	**213**	**393**	**(73)**	**(14)**	**518**
Changes during the year (accumulated amortisation and impairment)								
Amortisation	—	(1)	(1,435)	(390)	(458)	(130)	(164)	(2,578)
Impairment losses	(505)	—	(470)	(117)	(1)	(81)	(23)	(1,197)
Disposals	257	—	53	11	1	12	177	511
Consolidation GEDI	—	(1)	—	—	(76)		—	(77)
Transfer to assets held for sale	—	—	—	—	—	(11)	—	(11)
Translation differences	83	4	532	149	221	141	—	1,130
Other changes	(5)	1	(19)	—	—	(22)	—	(45)
Total	**(170)**	**3**	**(1,339)**	**(347)**	**(313)**	**(91)**	**(10)**	**(2,267)**
Balance at 31 December 2020								
Original cost	14,239	3,739	24,889	8,170	6,021	2,782	866	60,705
Accumulated amortisation and impairment	(1,093)	(118)	(14,039)	(5,738)	(4,140)	(1,864)	(395)	(27,387)
Net carrying amount	**13,146**	**3,621**	**10,850**	**2,432**	**1,881**	**918**	**471**	**33,318**

Goodwill

The analysis of goodwill by segment is as follows:

(€ million)	At 31 December 2021	2020
Goodwill		
Agricultural	*2,704*	*1,418*
Construction	*42*	*—*
Commercial and Specialty Vehicles	*54*	*52*
Powertrain	*5*	*3*
Financial Services	*116*	*107*
CNH Industrial	2,922	1,580
Ferrari	786	786
PartnerRe	—	538
Shang Xia	49	76
Juventus Football Club	2	2
GEDI	6	—
Other	18	33
FCA	—	10,131
Total goodwill	**3,783**	**13,146**

The acquisitions of Raven and Sampierana by CNH Industrial Group during the fourth quarter of 2021 led to an increase in goodwill for Agriculture and Construction of €1.1 billion and €42 million, respectively. Goodwill related to the acquisitions was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. The valuation of assets acquired and liabilities assumed has not yet been finalized at 31 December 2021. Thus, goodwill associated with the acquisitions is subject to adjustment during the measurement period.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently if a triggering event occurs.

Impairment Testing

The impairment tests are performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill, brands and capitalised development expenditures) with the recoverable amount of each CGU or group of CGUs to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in the impairment test represent management's best estimate for the period under consideration and reflect a number of underlying assumptions (for example volumes and sales mix, gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements) that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends over the period considered. Expected cash flows used for the purposes of the impairment tests reflect the current expectations regarding economic conditions and market trends as well as the Group's initiatives for the specific business plan periods. Cash flows reflect the CGU's in their condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes.

Expected future cash flows include a normalised terminal period to estimate the future result beyond the time period explicitly considered in the business plans of the respective Group companies. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity.

Post-tax cash flows are discounted using a post-tax discount rate (WACC) which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

As well as determining the recoverable amount using the income approach, as described above, certain of the Group companies perform additional analysis using a market approach based on multiples of comparable publicly traded companies, such as revenue and EBITDA multiples, and for financial services CGUs, book value, tangible book value and interest margin multiples, and by comparing to market capitalisation. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

CNH Industrial Impairment Testing
During the second quarter of 2020, CNH Industrial considered whether a quantitative interim assessment of goodwill for impairment was required as a result of the significant economic disruption caused by the COVID-19 pandemic. Based on the internal and external sources of information considered through 30 June 2020, including the current and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact on each of the cash-generating units, industry and market considerations, overall financial performance (both current and projected) as well as the amount by which the recoverable amount of CNH Industrial's cash-generating units exceeded their respective carrying values at the date of the last quantitative assessment, CNH Industrial, as part of the qualitative assessment performed, determined these conditions indicated that the carrying value of the Construction cash-generating unit exceeded its recoverable amount.
Based on the assessment, CNH Industrial recognized a goodwill impairment loss of €505 million ($576 million) for the Construction cash-generating unit, representing the total impairment of Construction goodwill. At 31 December 2020, CNH Industrial completed its annual impairment assessment and concluded there was no impairment to goodwill for the other cash-generating units.

At 31 December 2021, the Company completed its annual assessment of goodwill excluding that related to the acquisitions in 2021 and concluded that there was no impairment to goodwill for any of the cash-generating units.

CNH Industrial determines the recoverable amount of the cash-generating units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach with reference to the cash-generating units with the most significant allocated goodwill. Under the income approach, CNH Industrial calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales in the discrete future period, the weighted average cost of capital (discount rate) and terminal value growth rates, and also less significant assumptions such as gross margins, operating costs, income tax rates, capital expenditures and changes in working capital requirements. Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

The following discount rates before taxes at 31 December 2021 and 2020 were selected:

	2021	2020 *
Agricultural	14.5 %	14.2 %
Construction	n.a.	13.9 %
Financial Services	19.7 %	21.1 %

(*) For Agriculture and Financial Services, discount rate at 31 December 2020; for Construction, discount rate at 30 June 2020.

Expected cash flows used under the income approach are developed in conjunction with CNH Industrial budgeting and forecasting processes. CNH Industrial used nine years of expected cash flows for Agriculture, and five years of expected cash flows for Financial Services, as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agriculture cash-generating unit, using earnings before interest, tax, depreciation and amortization multiples, and estimates the recoverable amount of the Financial Services cash-generating unit using book value multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis.

Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analysis in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate was 1.0% in 2021 and 2020 for the Agriculture cash-generating unit, and 1.5% in 2021 and 2020 for Financial Services.

At 31 December 2021 the estimated recoverable amounts, (excluding the balance of the 2021 acquisitions) calculated using the above method, of the Agriculture and Financial Services cash-generating units exceeded the carrying values by approximately 294% and 75%, respectively. Thus, CNH Industrial did not recognize an impairment for these cash-generating units.

At 31 December 2020 the estimated recoverable amounts, calculated using the above method, of the Agricultural and Financial Services cash-generating units exceeded the carrying values by approximately 188% and 46%, respectively. Thus, CNH Industrial did not recognize an impairment for these cash-generating units.

The results obtained for Commercial and Specialty Vehicles confirmed the absence of an impairment loss.

The sum of the recoverable amounts of CNH Industrial's cash generating units was in excess of CNH Industrial's market capitalization at 31 December 2021. CNH Industrial believes that the difference between the recoverable amount and market capitalization is reasonable (in the context of assessing whether any asset impairment exists) when market-based control premiums are taken into consideration.

Finally, the estimates and budget data to which the above-mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which CNH Industrial operates. Impairment assessments inherently involve management judgments regarding a number of assumptions such as those described above. Due to the many variables inherent in the estimation of a cash generating unit's recoverable amount, differences in assumptions could have a material effect on the estimated recoverable amount and could result in a goodwill impairment loss in a future period. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by CNH Industrial.

Ferrari Impairment Testing

The assumptions used in this process represent management's best estimate for the period under consideration. The estimate of the value in use of the CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2022 through 2025 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.0 percent in 2021 (2.0 percent in 2020).
- The expected future cash flows have been estimated in Euro and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 6.84 percent in 2021 (6.83 percent in 2020). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

PartnerRe Impairment Testing
PartnerRe is treated as a single cash generating unit. The recoverable value is based on fair value, using the weighted average of industry accepted valuation methods including price to earnings and price to tangible book value multiples of comparable companies as well as discounted cash flow projections. In the discounted cash flow projection the premium growth was assumed to be 3% for the year ended 31 December 2021 (2020: 3%). The average discount rate applied was 12% for the year ended (2020: 9%). Cash flows are projected for an initial 5 year period plus a terminal valuation. The fair value calculation is categorized as a Level 3 valuation, as per the fair value hierarchy, as it utilises both observable and unobservable inputs. A reasonably possible change in one of the assumptions would not result in the fair value being less than the carrying value.

No impairment losses were identified by PartnerRe Group for the years ended 31 December 2021 and 2020.

A brief summary of the impairment test assumptions is provided below.

(€ million)	**CNH Industrial**	**Ferrari**	**PartnerRe**
Business plan period	4 - 9 years	4 years	5 years
Growth rate	1% - 2%	2%	3%
WACC	14.2%-21.1%	6.84%	12%

Trademark and Other intangible assets with indefinite useful lives
Other intangible assets with indefinite useful lives amounting to €518 million at 31 December 2021 (€3,621 million at 31 December 2020) mainly includes trademarks and other intangible assets of the CNH Industrial Group attributable to the segments Agriculture and Construction.
In 2020 the item also included brands of the FCA Group, in particular the Chrysler, Jeep, Dodge, Ram and Mopar brands relating to the acquisition of FCA US.

These rights are protected legally through registration with government agencies and through their continuous use in commerce. As these rights have no legal, contractual, competitive or economic factors that limit their useful lives, they are classified as intangible assets with indefinite useful lives and are therefore not amortised but are instead tested annually for impairment.

For the purposes of impairment testing, the assets of CNH Industrial Group are attributed to the respective cash-generating units, while, in 2020, brands of FCA Group are tested jointly with the goodwill allocated to the North America segment.

No impairment loss was recognized in 2021.

Development costs and other intangible assets with finite useful lives
Capitalised development costs mainly relate to the CNH Industrial Group and include both internal and external costs that are directly attributable to the internal product development process, primarily consisting of material costs and personnel related expenses relating to engineering, design and development, focused on content enhancement of existing vehicles, new models and powertrain programs.

The amortization of development costs and impairment losses are reported in the income statement as Research and development costs. Amortisation of patents, concessions, licenses and credits and other intangibles are recognized within Cost of revenues and Selling, general and administrative expenses.

Development costs are tested for impairment at the cash-generating unit level.

In 2020, €587 million of impairment losses and asset write-offs were recognized on capitalized development costs of which €504 million related to the FCA Group as described in Note 15 Property, plant and equipment and €83 million related to the CNH Industrial Group, as commented below.

During the second quarter of 2020, CNH Industrial recorded an impairment loss of €15 million ($17 million) related to its Construction dealer network and €57 million ($65 million) related to certain software costs in its Agriculture segment. These impairments are included in Cost of sales in the Consolidated Income Statement. Moreover, during the second quarter of 2020, CNH Industrial recorded an impairment loss of €63 million ($72 million), included in Research and development costs, related to its Agriculture segment.

Further impairment charges of €28 million ($32 million) against development costs and other intangible assets were recognized in the year ended 31 December 2020.

15. Property, plant and equipment

(€ million)	At 31 December 2021	At 31 December 2020
Other tangible assets	7,275	32,994
Right-of-use assets	502	2,175
Total Property, plant and equipment	**7,777**	**35,169**

At 31 December 2021 the Property, plant and equipment decreased primarily due to the deconsolidation of the FCA Group for €27,874 million.

Property, plant and equipment and the related changes during the year ended 31 December 2021 are as follows:

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at 31 December 2020							
Original cost	1,137	10,980	59,625	2,151	5,572	5,059	84,524
Accumulated depreciation and impairment	(33)	(5,307)	(42,208)	(778)	(3,190)	(14)	(51,530)
Net carrying amount	**1,104**	**5,673**	**17,417**	**1,373**	**2,382**	**5,045**	**32,994**
Changes during the year (original cost)							
Additions	17	78	472	586	570	377	**2,100**
Disposals	(3)	(6)	(203)	(330)	(634)	(1)	**(1,178)**
Transfer to assets held for sale	—	(7)	(7)	—	(2)	—	**(16)**
Deconsolidation of FCA	(861)	(7,886)	(49,661)	—	(2,561)	(4,692)	**(65,661)**
Change in scope of consolidation	—	46	92	—	18	4	**160**
Translation differences	12	120	440	—	185	50	**808**
Other changes	—	37	159	(434)	(138)	(301)	**(677)**
Total	**(835)**	**(7,618)**	**(48,708)**	**(178)**	**(2,562)**	**(4,564)**	**(64,464)**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	—	(110)	(626)	(220)	(292)	—	**(1,248)**
Impairment losses	—	(5)	(2)	(4)	(3)	—	**(14)**
Disposals	—	6	199	153	326	—	**684**
Transfer to assets held for sale	—	5	4	—	2	—	**10**
Deconsolidation of FCA	28	3,418	34,063	—	1,927	8	**39,444**
Change in scope of consolidation	2	(7)	(65)	—	(59)	—	**(129)**
Translation differences	—	(65)	(295)	(1)	(57)	—	**(418)**
Other changes	—	18	50	253	94	3	**417**
Total	**30**	**3,260**	**33,328**	**181**	**1,937**	**10**	**38,745**
Balance at 31 December 2021							
Original cost	302	3,362	10,917	1,973	3,010	495	20,060
Accumulated depreciation and impairment	(3)	(2,047)	(8,880)	(597)	(1,253)	(4)	(12,785)
Net carrying amount	**299**	**1,315**	**2,037**	**1,376**	**1,757**	**491**	**7,275**

Property, plant and equipment and the related changes during the year ended 31 December 2020 are as follows:

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at 31 December 2019							
Original cost	1,171	11,243	60,552	2,391	5,693	4,271	85,321
Accumulated depreciation and impairment	(31)	(5,232)	(41,643)	(808)	(3,046)	(13)	(50,773)
Net carrying amount	**1,140**	**6,011**	**18,909**	**1,583**	**2,647**	**4,258**	**34,548**
Changes during the year (original cost)							
Additions	10	678	3,013	580	721	1,901	**6,903**
Disposals	(3)	(47)	(989)	(554)	(161)	(3)	**(1,757)**
Transfer to assets held for sale	—	(14)	(2)	—	—	—	**(16)**
Change in scope of consolidation	6	38	200	—	164	—	**408**
Translation differences	(93)	(883)	(3,847)	(10)	(414)	(380)	**(5,627)**
Other changes	46	(35)	698	(256)	(430)	(730)	**(707)**
Total	**(34)**	**(263)**	**(927)**	**(240)**	**(121)**	**788**	**(797)**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	—	(362)	(3,133)	(242)	(467)	—	**(4,203)**
Impairment losses	(3)	(65)	(451)	(125)	(33)	(5)	**(682)**
Disposals	—	18	960	324	135	2	**1,439**
Transfer to assets held for sale	—	10	2	—	—	—	**12**
Change in scope of consolidation	—	(24)	(186)	—	(150)	—	**(361)**
Translation differences	1	301	2,280	4	213	1	**2,799**
Other changes	—	48	(37)	69	158	1	**239**
Total	**(2)**	**(75)**	**(565)**	**30**	**(144)**	**(1)**	**(757)**
Balance at 31 December 2020							
Original cost	1,137	10,980	59,625	2,151	5,572	5,059	84,524
Accumulated depreciation and impairment	(33)	(5,307)	(42,208)	(778)	(3,190)	(14)	(51,530)
Net carrying amount	**1,104**	**5,673**	**17,417**	**1,373**	**2,382**	**5,045**	**32,994**

In 2021 additions total €2,100 million and mainly refer to the CNH Industrial Group for €1,134 million and the Ferrari Group for €365 million. In 2020 Additions totalled €6,903 million and mainly referred to the FCA Group for €5,600 million, the CNH Industrial Group for €1,014 million and the Ferrari Group for €382 million.

In 2021, translation differences, a net positive of €390 million, primarily reflect the foreign currency translation impacts of the U.S. Dollar to the Euro. In 2020, translation differences, a net negative of €2,828 million, primarily reflected the foreign currency translation impacts of the U.S. Dollar to the Euro and of the Brazilian Real to the Euro.

In 2021 Impairment losses of €14 million mainly include €6 million for the CNH Industrial Group. In 2020 Impairment losses of €682 million mainly included €410 million for the FCA Group and €269 million for the CNH Industrial Group.

Impairment losses CNH Industrial Group

As a result of the significant decline in industry demand and other market conditions due to the economic disruption caused by the COVID-19 pandemic, during the second quarter of 2020 CNH Industrial reviewed its current manufacturing footprint, and reassessed the recoverability of certain assets. As a result, Agriculture and Construction recognized an impairment loss of €94 million and €38 million, respectively, against Property, plant and equipment acquired. Furthermore, during the second quarter of 2020, Commercial and Specialty Vehicles recognized impairment losses of $134 million in connection with new actions identified in order to realize the asset portfolio of vehicles sold under buy-back commitments as a result of the significant deterioration of the used vehicle markets in which the segment operates and the consequent impact on truck residual values. Commercial and Specialty Vehicles also recognized impairment losses of €6 million against Property, plant and equipment acquired. The impairment losses were recognized in Cost of sales.

Commercial and Specialty Vehicles recognized an impairment loss of €2 million on Assets sold with a buy-back commitment for the year ended 31 December 2021 ($144 million for the year ended 31 December 2020). The losses were recognized in Cost of sales.

Other changes mainly include the reclassification of the prior year balances for Advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and put into operation, as well as the reclassification to Inventory of Assets sold with a buy-back commitment ($217 million) that are held for sale at the agreement expiry date.

Impairment losses FCA Group

Non-current assets with definite useful lives included property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures primarily related to the North America and EMEA segments. The FCA Group periodically reviewed the carrying amount of non-current assets with definite useful lives when events or circumstances indicated that an asset may be impaired. The recoverability of non-current assets with definite useful lives was based on the estimated future cash flows, using the FCA Group’s current business plan, of the CGUs to which the assets related.

The global automotive industry has historically experienced significant change as a result of evolving regulatory requirements for fuel efficiency, greenhouse gas emissions and other tailpipe emissions as well as emerging technology changes, such as electrification and autonomous driving. FCA’s business plan could change in response to these evolving requirements and emerging technologies or in relation to any future business plans or strategies developed as part of partnerships and collaborations. As FCA continues to assess the potential impacts of these evolving requirements, emerging technologies or future plans and strategies, and of operationalizing and implementing the strategic targets set out in the business plan, including reallocation of our resources, the recoverability of certain of FCA’s assets or CGUs could be impacted in future periods.

These uncertainties could result in either impairments of, or reductions to the expected useful lives of, these platforms, or both. Any change in recoverability would be accounted for at the time such change to the business plan occurs. For the year ended 31 December 2020, the impairment tests performed compared the carrying amount of the assets included in the respective CGUs to their value-in-use. The value-in-use of the CGUs was determined using a discounted cash flow methodology based on estimated pre-tax future cash flows attributable to the CGUs and a pre-tax discount rate reflecting a current market assessment of the time value of money and the risks specific to the CGUs.

During the year ended 31 December 2020, impairment losses and supplier obligations of €927 million were recognized, across EMEA, LATAM, North America and Maserati, primarily in relation to reduced volume expectations, product renewal activities, change in strategy for the future B-segment platform and the increase in the CAFE fine rate applicable in North America starting with model year 2022 vehicles. The portion related to the tangible assets (€410 million) was recognized in Cost of revenues and €504 million in Research and development costs.

Changes in right-of-use assets are as follows:

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Other assets	Total
Balance at 31 December 2020	**33**	**1,506**	**330**	**306**	**2,175**
Depreciation	—	(93)	(22)	(76)	**(190)**
Additions	—	79	18	93	**189**
Disposals	—	(11)	(2)	(10)	**(23)**
Deconsolidation of FCA	(18)	(1,152)	(295)	(194)	**(1,659)**
Change in scope of consolidation	—	—	—	2	**2**
Translation differences	—	22	3	7	**32**
Other changes	—	(18)	—	(7)	**(25)**
Balance at 31 December 2021	**15**	**333**	**32**	**121**	**502**

(€ million)	Land	Industrial buildings	Plant, machinery and equipment	Other assets	Total
Balance at 1 January 2020	**91**	**1,418**	**391**	**262**	**2,162**
Depreciation	—	(231)	(125)	(204)	(560)
Additions	12	341	100	308	761
Disposal	—	(64)	(5)	(9)	(78)
Change in scope of consolidation	—	47	—	13	60
Translation differences	(3)	(105)	(29)	(16)	(153)
Other changes	(67)	100	(2)	(48)	(17)
Balance at 31 December 2020	**33**	**1,506**	**330**	**306**	**2,175**

At 31 December 2021, right-of-use assets of CNH Industrial refer primarily to the following lease contracts: industrial buildings for €123 million (€253 million at 31 December 2020), plant, machinery and equipment for €11 million (€29 million at 31 December 2020) and other assets for €34 million (€81 million at 31 December 2020). Short-term and low-value leases are not recorded in the statement of financial position; CNH Industrial recognizes lease expense (€8 million and €10 million in 2021 and 2020, respectively) in the income statement for these leases on a straight-line basis over the lease term.

At 31 December 2021 the real estate mortgaged charge securing for a loan from the *Istituto per il Credito Sportivo* to Juventus for the construction of the new stadium and for the renovation of premises in the east section, amounts to a maximum amount of €140 million.

At 31 December 2021 the Group has contractual commitments for the acquisition of property, plant and equipment amounting to €84 million (€1,213 million at 31 December 2020, of which €1,009 million related to the FCA Group).

16. Investments and other financial assets

Investments and other financial assets at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Equity method investments	10,214	3,528
Investments at FVTOCI	1,077	531
Other investments	644	325
Total investments	**11,935**	**4,384**
Financial receivables	96	175
Debt securities	540	492
Derivative assets	175	830
Other financial assets	—	293
Total other investments and other financial assets	**12,746**	**6,174**

Investments

Changes in investments in 2021 and 2020 are set out below:

€ million	At 31 December 2020	Revaluations/ (Write-downs)	Acquisition and capitalizations	Fair value re-measurements	Translation differences	Change in scope of consolidation	Disposals and other changes	At 31 December 2021
Investments in joint ventures	2,233	70	22	—	(15)	(1,965)	12	357
Investments in associates	1,295	2,181	934	—	396	5,434	(383)	9,857
Equity method investments	**3,528**	**2,251**	**956**	**—**	**381**	**3,469**	**(371)**	**10,214**
Investments at FVTOCI	531	—	578	(28)	23	(32)	5	**1,077**
Other investments	325	186	213	—	28	(110)	2	**644**
Total investments	**4,384**	**2,437**	**1,747**	**(28)**	**432**	**3,327**	**(364)**	**11,935**

The increase is mainly due to the entry of the investment Stellantis accounted for in accordance with the equity method (€8,624 million), the acquisition of the 24% interest in Christian Louboutin (€562 million) and the accounting for Faurecia shares received from Stellantis, partially offset by the derecognition of investments and other financial assets following the deconsolidation of FCA Group (€3,145 million).

At the date of completion of the merger of PSA with and into FCA, the surviving entity, renamed Stellantis, was accounted for by the equity method, since Exor assessed to have significant influence. On initial recognition the investment was accounted for at cost, equal to €6,660 million, attributable to Exor's share of Stellantis's net fair value as part of the purchase price allocation. The application of the equity method at 31 December 2021 determined a carrying amount of €8,624 million. At 31 December 2021 the purchase price allocation process has been completed.

On 13 April 2021 Exor closed the transaction for the acquisition of the 24% interest in Christian Louboutin, for a total consideration of €541 million. At 31 December 2021 the investment was accounted for using the equity method, in accordance with IAS 28, on the basis of the consolidated financial information prepared in accordance with IFRS at that date. The 2021 Consolidated Income Statement includes the share of the result for the period 1 May to 31 December 2021. The application of the equity method determined a carrying amount at 31 December 2021 of €562 million. At 31 December 2021 the purchase price allocation processed has been completed.

Investments in joint ventures

Investments in joint ventures at 31 December 2021 and 2020 are as follows:

(€ million, except percentages)		At 31 December 2021	2020
Investments in joint ventures			
New Holland HFT Japan Inc.	50.00 %	73	66
Turk Traktor Ve Ziraat Makineleri A.S. (Turk Traktor")	37.50 %	43	56
CNH de Mexico SA de CV	50.00 %	31	26
Naveco (Nanjing Iveco Motor Co.) Ltd. ("Naveco")	50.00 %	—	54
FCA Bank	50.00 %	—	1,738
Tofas - Turk Otomobil Fabrikasi A.S. ("Tofas")	37.90 %	—	181
Other		209	112
Total Investments in joint ventures		**357**	**2,233**

During the first half of 2021, CNH Industrial and SAIC Group completed the regulatory filings required for the finalization of the sale of a 30.1% of Naveco (Nanjing Iveco Motor Co.) to SAIC Group which occurred in the third quarter of 2021. The sale resulted in the discontinuation of the equity method of accounting and the recognition of a pre-tax and after-tax gain of €7 million, which is included in the item "Gains/(losses) on disposal of investments". The remaining 19.9% interest in Naveco is now measured at fair value through profit or loss.

Summarized financial information is as follows:

	At 31 December		
	2021	2020	
(€ million)	Turk Traktor Ve Ziraat Makineleri	Naveco Ltd	Turk Traktor Ve Ziraat Makineleri
Cash and cash equivalents	123	176	203
Non-current assets	72	259	101
Current assets	182	245	170
Total assets	**377**	**680**	**474**
Debt	77	87	144
Other liabilities	185	485	179
Total liabilities	**261**	**572**	**324**
Total equity	**116**	**108**	**151**

	2021	2020	
(€ million)	Turk Traktor Ve Ziraat Makineleri	Naveco Ltd	Turk Traktor Ve Ziraat Makineleri
Net revenues	1,053	489	719
Depreciation and amortisation	15	31	17
Net financial income (expenses)	(9)	(2)	(6)
Profit (loss) before taxes	145	(88)	91
Income tax (expenses)	(28)	(28)	(9)
Profit (loss) from continuing operations	**117**	**(116)**	**82**
Profit (loss) from discontinued operations	**—**	**—**	**—**
Profit (loss)	**117**	**(116)**	**82**
Total Other Comprehensive income, net of tax	**—**	**—**	**—**
Total Comprehensive income	**117**	**(116)**	**82**

This summarized financial information may be reconciled to the carrying amount of the % interest held in the associate as follows:

	2021	2020	
(€ million)	Turk Traktor Ve Ziraat Makineleri	Naveco Ltd	Turk Traktor Ve Ziraat Makineleri
Total equity	**116**	**108**	**151**
CNH Group's interest (%)	37.5	50.0	37.5
Pro-quota equity	**43**	**54**	**56**
Adjustments made by using the equity method	—	—	—
Carrying amount	**43**	**54**	**56**

At 31 December 2020 investments in joint ventures included also the FCA Group's joint venture FCA Bank S.p.A., Tofas-Turk Otomobil Fabrikasi A.S. and GAC Fiat Chrysler Automobiles Co.

FCA Bank is a joint venture with Crédit Agricole Consumer Finance S.A. ("CACF") which operates in Europe, primarily in Italy, France, Germany, the UK and Spain. FCA Bank provides retail and dealer financing and long-term rental services in the automotive sector, directly or through its subsidiaries as a partner of the Group's mass-market vehicle brands and for Maserati vehicles. On 19 July 2019, FCA and Crédit Agricole Consumer Finance agreed to extend the term of the agreement until 31 December 2024. The agreement will be automatically renewed unless notice of non-renewal is provided no later than three years before the end of the term. A notice of non-renewal would trigger certain put and call rights.

The financial statements of FCA Bank as at and for the year ended 31 December 2020 had not been authorized for issuance at the date of issuance of the 2020 FCA Consolidated Financial Statements. The most recent publicly available financial information is included in the tables below. The most recently available information was used to estimate FCA's share of FCA Bank net income and net equity.
The following tables include summarised financial information relating to FCA Bank:

	At 30 June	At 31 December
(€ million)	2020	2019
Financial assets	24,721	26,583
Of which Cash and cash equivalents	*620*	*585*
Other assets	5,253	5,123
Financial liabilities	25,145	27,029
Other liabilities	1,454	1,506
Equity (100%)	3,375	3,171
Net assets attributable to owners of the parent	3,317	3,116
Group's share of net assets	1,659	1,558
Elimination of unrealised profits and other adjustments	79	(57)
Carrying amount of interest in FCA Bank[1]	1,738	1,501

1) Amounts at 31 December 2020 and 2019 respectively.

(€ million)	Six months ended 30 June 2020	Year ended 31 December 2019
Interest and similar income	441	930
Interest and similar expenses	116	237
Income tax expense	75	171
Profit from continuing operations	**632**	**1,338**
Net profit	**225**	**467**
Net profit attributable to owners of the parent (A)	**222**	**460**
Other comprehensive income (loss) attributable to owners of the parent (B)	(21)	7
Total Comprehensive income attributable to owners of the parent (A + B)	201	467
Group's share of net profit[1]	**247**	**229**

1) Amounts for the years ended 31 December 2020 and 2019 respectively.

The following table sets forth information relating to the Group’s joint ventures.

	JV Partner	Activity	Listing	Fair Value at 31 December (€ million)	
				2021	2020
Turk Traktor	KOC Holding	Tractor production and import and distribution of agricultural equipment in Turkey	Istanbul Stock Exchange	48	188
Tofas	Koc Holding	Production of light and commercial vehicles in Turkey	Istanbul Stock Exchange	—	764

Investments in associates

Investments in associates at 31 December 2021 and 2020 are as follows:

(€ million, except percentages)		At 31 December 2021	2020
Investments in associates			
Stellantis	14.35 %	8,624	—
Christian Louboutin	24.03 %	562	—
The Economist	43.40 %	317	299
CNH Capital Europe	49.90 %	186	192
Almacantar[1]	35.70 %	—	403
Other		168	401
Total Investments in associates		**9,857**	**1,295**

1) The balance at 31 December 2021, in compliance with IFRS 5 has been reclassified in the Consolidated Statement of Financial Position to the line Assets held for sale.

Summarized financial information relating to Stellantis, material associate of the Group, is as follows:

(€ million)	At 31 December 2021	At 31 December 2020[1]
Non-current assets	96,971	37,734
Current assets	74,795	37,551
Total assets	**171,766**	**75,285**
Non-current liabilities	50,602	19,952
Current liabilities	64,857	31,460
Total liabilities	**125,028**	**51,412**
Total Equity	**46,738**	**23,873**

1) Data of PSA Group at 1 January 2021 before the merger with FCA Group and after the reclassification made to align previously reported data of PSA to the presentation adopted by Stellantis.

(€ million)	FY 2021	FY 2020[1]
Net revenues	149,419	47,656
Profit (loss) before taxes	14,392	2,916
Profit (loss) from continuing operations	13,218	2,338
Profit (loss) from discontinued operations	990	(315)
Profit (loss)	**14,208**	**2,023**
Total Other comprehensive income, net of tax	3,826	(809)
Total Comprehensive income	**18,034**	**1,214**

1) Data of PSA Group before the merger with FCA Group and after the reclassification made to align previously reported assets and liabilities of PSA to the presentation adopted by Stellantis.

Exor's interest in the Stellantis Group at 31 December 2021 is as follows:

€ million	At 31 December 2021
Exor's Interest (%)	14.35
Share of the profit (loss) for the period 17 January - 31 December 2021	1,905
Dividend received[1]	550
Carrying amount	8,624
Market value	7,499

1) Eliminated from the income statement following the application of the equity method. Includes €363 million corresponding to 7,653,004 ordinary shares of Faurecia, distributed as a part of the merger of PSA with and into FCA, €144 million as ordinary dividend and €43 million as cash from the distribution of Faurecia.

Investments at FVTOCI

Investments at FVTOCI include:

– The fair value, for a total of €224 million, of the approximately 6.6% investment held by CNH Industrial in Nikola Corporation ("Nikola"), made in the context of the strategic partnership with Nikola to industrialize fuel-cell and battery electric Heavy-Duty trucks. During the second quarter of 2020, Nikola completed a business combination with VectoIQ Acquisition Corp., a publicly-traded special purpose acquisition company. Under the terms and conditions of the business combination, the former shareholders of Nikola received 1.901 shares of VectoIQ for each share held in Nikola and became shareholders of VectoIQ, which, in turn, changed its name to “Nikola Corporation”. The combined company’s shares continued to list on NASDAQ under the new ticker symbol “NKLA”. Before the completion of the business combination, CNH Industrial increased its investment in Nikola to $250 million. The market price of Nikola shares as of 31 December 2021 was $9.87, determining a value of €224 million for the 25,661,448 shares held by CNH Industrial through its fully-owned subsidiary Iveco S.p.A. During the year ended 31 December 2021, CNH Industrial recorded in Other comprehensive income a pre-tax loss of €117 million (€118 million after-tax) from the remeasurement at fair value of the investment in Nikola.

- The fair value of the 7,653,004 Faurecia ordinary shares received from Stellantis, as part of the merger agreement, for a total of €320 million. In 2021 Exor recorded in Other comprehensive income a pre-tax loss of €43 million from the remeasurement at fair value of the investment in Faurecia.
- The fair value of the Via Transportation shares for a total of €449 million. In 2021 Exor increased the investment for €158 million and recorded in Other comprehensive income a pre-tax gain of €128 million from the remeasurement at fair value of the investment in Via Transportation.

Other investments

Other investments at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Investments at FVTPL	634	246
Unconsolidated subsidiaries	10	79
Total other investments	**644**	**325**

Financial receivables

Non-current financial receivables mainly consist of amounts placed on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Debt securities

Debt securities primarily relate to bonds which are issued by leading counterparties and listed on active markets as well as mutual funds and other non-current securities.

Other securities at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Debt securities at FVTPL	398	248
Debt securities at amortised cost	120	157
Debt securities at FVTOCI	22	87
Total Debt securities	**540**	**492**

Derivative assets

Derivative assets represent the fair value of derivative financial instruments analysed in Note 27 Other financial assets and other financial liabilities.

17. Inventories

Inventories at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Raw materials	2,050	13,109
Work-in progress	1,078	995
Finished goods	3,823	218
Total inventories	**6,951**	**14,322**

At 31 December 2021 the inventories decreased primarily due to the deconsolidation of the FCA Group for €9,626 million and included assets of the CNH Industrial Group which are no longer subject to operating lease arrangements or buy-back commitments and were held for sale for a total amount of €75 million (€176 million at 31 December 2020).

At 31 December 2021, the amount of Inventories of the CNH Industrial Group measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) is €968 million (€1,115 million at 31 December 2020).

In 2021 the amount of inventory write-downs recognized as an expense was €33 million (€746 million in 2020), while amounts recognized as income from the reversal of write-downs on items sold during the year are not significant.

18. Trade and other receivables

Trade and other receivables at 31 December 2021 and 31 December 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Trade receivables	725	2,274
Receivables from financing activities	17,689	18,455
Receivables from reinsurance activities	—	3,373
Total trade and other receivables	**18,415**	**24,102**

At 31 December 2021 the trade and other receivables decreased primarily due to the deconsolidation of the FCA Group for €4,005 million.

Trade receivables

The analysis of trade receivables by due date, at 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Due within one year	725	2,273
Due between one and five years	—	1
Due beyond five years	—	—
Total trade receivables	**725**	**2,274**

The following table shows the expected credit loss (ECL) allowance for trade receivables measured at amortised cost at 31 December 2021 and 2020:

(€ million)	At 31 December 2021			At 31 December 2020		
	Current and less than 90 days past due	**90 days or more past due**	**Total**	**Current and less than 90 days past due**	**90 days or more past due**	**Total**
Gross amount	617	126	**743**	2,219	381	**2,600**
ECL allowance	(55)	(31)	**(86)**	(81)	(257)	**(338)**
Carrying amount	**562**	**95**	**657**	**2,138**	**124**	**2,262**

The movement in the allowance for expected credit losses for trade receivables is as follows:

(€ million)	**2021**	**2020**
At 1 January	**338**	**323**
Provision for expected credit losses	5	59
Change in scope of consolidation	(212)	(45)
Use and other changes	(45)	1
At 31 December	**86**	**338**

Receivables from financing activities

Receivables from financing activities at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Retail		
Retail financing	9,547	8,586
Finance leases	503	458
Total Retail	**10,050**	**9,044**
Wholesale		
Dealer financing	7,560	8,990
Total Wholesale	**7,560**	**8,990**
Other	**79**	**421**
Total receivables from financing activities	**17,689**	**18,455**

The analysis of receivables from financing activities by due date, for the years ended 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Due within one year	10,235	11,832
Due between one and five years	7,018	6,317
Due beyond five years	436	306
Total receivables from financing activities	**17,689**	**18,455**

The detail of the receivables from financing activities is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
CNH Industrial	16,545	15,099
Ferrari	1,144	940
FCA	—	2,416
Total receivables from financing activities	**17,689**	**18,455**

Receivables from financing activities mainly refer to CNH Industrial that accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

CNH Industrial provides and administers financing for retail purchases of new and used equipment and vehicles sold through its dealer network. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates vary depending on prevailing market interest rates and certain incentive programs offered by Industrial Activities.

Wholesale receivables arise primarily from the sale of goods to dealers and distributors and, to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have “interest-free” periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer.

During the “interest-free” period, Financial Services is compensated by Industrial Activities based on market interest rates. After the expiration of any “interest-free” period, interest is charged to dealers on outstanding balances until CNH Industrial receives payment in full. The “interest-free” periods are determined based on the type of equipment sold and the time of year of the sale. CNH Industrial evaluates and assesses dealers on an ongoing basis as to their credit worthiness. CNH Industrial may be obligated to repurchase the dealer’s equipment upon cancellation or termination of the dealer’s contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2021 and 2020 relating to the termination of dealer contracts.

CNH Industrial assesses and monitors the credit quality of its financing receivables based on whether a receivable is classified as performing or non-Performing. Financing receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent loans for which CNH Industrial has ceased accruing finance income. These receivables are generally 90 days past due. Finance income for non-performing receivables is recognized on a cash basis. Accrued interest is charged-off to interest income. Interest income charged-off was not material for the year ended 31 December 2021. Interest accrual is resumed if the receivable becomes contractually current and collection becomes probable. Previously suspended income is recognized at that time.

The ageing of Receivables from financing activities of CNH Industrial at 31 December 2021 and 31 December 2020 is as follows:

	At 31 December 2021					
€ million	**Total current**	**31-60 Days Past Due**	**61-90 Days Past Due**	**Total Performing**	**Non-Performing**	**Total**
Retail						
North America	5,845	10	—	**5,855**	—	**5,855**
Europe	71	—	—	**71**	—	**71**
South America	1,836		—	**1,836**	—	**1,836**
Rest of World	1,130	12	7	**1,150**	5	**1,155**
Total Retail	**8,882**	**22**	**7**	**8,911**	**5**	**8,917**
Wholesale						
North America	2,065	—	—	**2,065**	—	**2,065**
Europe	4,454	—	—	**4,454**	—	**4,454**
South America	553	—	—	**553**	19	**572**
Rest of World	456	2	—	**458**	—	**458**
Total Wholesale	**7,529**	**2**	**—**	**7,531**	**19**	**7,550**
Other	—	—	—	**—**	—	**79**
Total CNH Industrial	**—**	**—**	**—**	**—**	**—**	**16,545**

€ million	At 31 December 2020 Total current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total
Retail						
North America	4,991	20	—	**5,011**	—	**5,011**
Europe	81	—	—	**81**	—	**81**
South America	1,536	3	1	**1,540**	10	**1,550**
Rest of World	947	6	3	**956**	2	**958**
Total Retail	**7,555**	**29**	**4**	**7,588**	**12**	**7,600**
Wholesale						
North America	2,218	—	—	**2,218**	25	**2,243**
Europe	4,280	—	—	**4,280**	—	**4,280**
South America	438	—	—	**438**	34	**472**
Rest of World	442	2	—	**444**	—	**444**
Total Wholesale	**7,378**	**2**	**—**	**7,380**	**59**	**7,439**
Other	—	—	—	**—**	—	**60**
Total CNH Industrial	**—**	**—**	**—**	**—**	**—**	**15,099**

Receivables from financing activities have significant concentrations of credit risk in the agriculture, construction and truck business sectors. On a geographic basis, there is not a disproportionate concentration of credit risk in any area. CNH Industrial typically retains as collateral a security interest in the equipment associated with retail notes, wholesale notes and finance leases.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data; an account is typically considered in default when it is 90 days past due.

CNH Industrial utilizes three categories for receivables from financing activities that reflect their credit risk and how the loan provision is determined.

Internal risk grade	IFRS 9 classification	Definition	Basis for recognition of expected credit loss provision
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

Charge-off of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. CNH Industrial continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognized as income.

Allowance for Credit Losses

CNH Industrial's allowance for credit losses is segregated into two portfolio segments: retail and wholesale. A portfolio segment is the level at which CNH Industrial develops a systematic methodology for determining its allowance for credit losses. Further, CNH Industrial evaluates its retail and wholesale portfolio segments by class of receivable: North America, Europe, South America and Rest of World regions. Typically, CNH Industrial's receivables within a geographic region have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, CNH Industrial considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data.

In calculating the expected credit losses, CNH Industrial's calculations depend on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which CNH Industrial has determined it is probable that it will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history. Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgment.

	Year ended 31 December 2021							
	Retail				**Wholesale**			
(€ million)	**Stage 1 12 months**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	71	21	156	**248**	21	1	120	**142**
Provision (benefit)	(12)	3	25	**17**	2	—	13	**14**
Charge-off net of recoveries	(3)	—	(37)	**(41)**	—	—	—	**—**
Transfers	(8)	(3)	11	**—**	1	(1)	(8)	**(8)**
Foreign currency translation and other	5	—	(3)	**2**	2	—	5	**7**
Ending balance	**53**	**21**	**152**	**226**	**26**	**—**	**129**	**155**
Receivables								
Ending balance	**8,683**	**169**	**65**	**8,917**	**7,366**	**50**	**133**	**7,550**

At 31 December 2021, the allowance for credit losses includes a reduction in retail reserves primarily due to the improved outlook for the agricultural industry and a reduced expected impact on credit conditions from the COVID-19 pandemic. CNH Industrial continues to monitor the situation and will update the macroeconomic factors and qualitative factors in future periods, as warranted.

Allowance for credit losses activity for the year ended 31 December 2020 is as follows:

(€ million)	Year ended 31 December 2020							
	Retail				Wholesale			
	Stage 1 12 months	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	61	4	196	**261**	31	1	109	**141**
Provision (benefit)	37	1	28	**66**	(6)	—	22	**16**
Charge-off net of recoveries	(7)	—	(39)	**(46)**	—	—	(12)	**(12)**
Transfers	(9)	18	(9)	**—**	(2)	—	2	**—**
Foreign currency translation and other	(9)	(2)	(20)	**(31)**	(2)	—	(1)	**(3)**
Ending balance	**73**	**21**	**156**	**250**	**21**	**1**	**120**	**142**
Receivables								
Ending balance	**7,343**	**222**	**35**	**7,600**	**7,187**	**76**	**176**	**7,439**

Finance lease receivables mainly relate to vehicles of commercial and Specialty Vehicles, Agriculture and Construction leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables varies depending on prevailing market interest rates.

The item may be analysed as follows stated gross of an allowance of €79 million at 31 December 2021 (€92 million at 31 December 2020):

(€ million)	At 31 December	
	2021	2020
Less than one year	114	141
One to two years	87	64
Two to three years	64	63
Three to four years	56	33
Four to five years	32	29
More than five years	13	20
Total undiscounted receivables for future minimum lease payments	**366**	**350**
Unearned finance income	**(37)**	**(32)**
Present value of future minimum lease payments	**329**	**318**

Troubled Debt Restructuring

A restructuring of a receivable constitutes a troubled debt restructuring ("TDR") when the lender grants a concession it would not otherwise consider to a borrower that is experiencing financial difficulties. As a collateral-based lender, CNH Industrial typically will repossess collateral in lieu of restructuring receivables. As such, for retail receivables, concessions are typically provided based on bankruptcy court proceedings. For wholesale receivables, concessions granted may include extended contract maturities, inclusion of interest-only periods, modification of a contractual interest rate to a below market interest rate and waiving of interest and principal.

TDRs are reviewed along with other receivables as part of management's ongoing evaluation of the adequacy of the allowance for credit losses. The allowance for credit losses attributable to TDRs is based on the most probable source of repayment, which is normally the liquidation of the collateral. In determining collateral value, CNH Industrial estimates the current fair market value of the equipment collateral and considers credit enhancements such as additional collateral and third-party guarantees.

Before removing a receivable from TDR classification, a review of the borrower is conducted. If concerns exist about the future ability of the borrower to meet its obligations based on a credit review, the TDR classification is not removed from the receivable.

At 31 December 2021, CNH Industrial had 173 retail and finance lease contracts classified as TDRs in North America where a court has determined the concession. The pre-modification value of these contracts was €4 million and the post-modification value was €4 million. Additionally, CNH Industrial had 332 accounts with a balance of €19 million in North America undergoing bankruptcy proceedings where a concession has not yet been determined.

At 31 December 2020, CNH Industrial had 253 retail and finance lease contracts classified as TDRs in North America where a court has determined the concession. The pre-modification value of these contracts was €7 million and the post-modification value was €7 million. Additionally, CNH Industrial had 362 accounts with a balance of €21 million in North America undergoing bankruptcy proceedings where a concession has not yet been determined. As the outcome of the bankruptcy cases is determined by a court based on available assets, subsequent re-defaults are unusual and were not material for retail and finance lease contracts that were modified in a TDR during the previous twelve months ended 31 December 2021 and 2020.

At 31 December 2021 and 2020, CNH Industrial's wholesale TDRs were immaterial.

Transfers of financial receivables

The CNH Industrial Group transfers a number of its financial receivables to securitization programs or factoring transactions.

A securitization transaction entails the sale of a portfolio of receivables to a securitization vehicle. This structured entity finances the purchase of the receivables by issuing asset-backed securities (i.e. securities whose repayment and interest flow depend upon the cash flow generated by the portfolio). Asset-backed securities are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller.

The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with IFRS 10 – Consolidated Financial Statements, all securitization vehicles are included in the scope of consolidation because the subscription of the junior asset-backed securities by the seller implies its control in substance over the structured entity.

Furthermore, factoring transactions may be either with recourse or without recourse; certain without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or require a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IFRS 9 – Financial Instruments for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, the Group continues to recognize the receivables transferred by this means in its consolidated statement of financial position and recognizes a financial liability of the same amount under Asset-backed financing (see Note 26 Financial Debt and other financial liabilities). The gains and losses arising from the transfer of these assets are only recognized when the assets are derecognized.

At 31 December 2021 and 2020, the carrying amount of such transferred financial assets not derecognized and the related liability and the respective fair values were as follows:

(€ million)	At 31 December 2021 Receivables from financing activities transferred	 Other financial assets transferred	 Total	At 31 December 2020 Receivables from financing activities transferred	 Other financial assets transferred	 Total
Carrying amount of assets	11,072	954	12,026	10,786	1,069	11,855
Carrying amount of the related liabilities	(8,792)	(969)	(9,761)	(8,656)	(1,060)	(9,716)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:						
Fair value of the assets	11,118	954	12,072	10,857	1,069	11,926
Fair value of the liabilities	(8,700)	(968)	(9,668)	(8,662)	(1,059)	(9,721)
Net position	**2,418**	**(14)**	**2,404**	**2,195**	**10**	**2,205**

Other financial assets transferred also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

CNH Industrial has discounted receivables and bills without recourse having due dates beyond 31 December 2021 amounting to €170 million (€286 million at 31 December 2020, with due dates beyond that date), which refer to trade receivables and other receivables for €157 million (€275 million at 31 December 2020), and receivables from financing activities for €12 million (€11 million at 31 December 2020).

In 2020 the FCA Group, consolidated line-by-line, transferred certain of its financial, trade and tax receivables, mainly through factoring transactions. The carrying amount of transferred financial assets not derecognized and the related liabilities at 31 December 2020 was as follows:

(€ million)	Trade receivables	Receivables from financing activities	Total
At 31 December 2020			
Carrying amount of the assets transferred and not derecognized	6	35	**41**
Carrying amount of the related liabilities	6	35	**41**

19. Investments of reinsurance companies

Investments of reinsurance companies at 31 December 2021 and 31 December 2020 are as follows:

(€ million)	At 31 December 2021	 2020
Fixed maturities, at fair value	—	10,421
Funds held by reinsured companies	—	580
Equities, at fair value	—	1,219
Short-term investments, at fair value	—	339
Accrued investment income, at fair value	—	75
Other invested assets	—	1,788
Total investments of reinsurance companies	**—**	**14,422**

The amounts at 31 December 2021, in compliance with IFRS 5, have been reclassified in the Consolidated Statement of Financial Position at the line Liabilities held for sale.

20. Cash and cash equivalents

Cash and cash equivalents at 31 December 2021 and at 31 December 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Cash at banks	6,997	18,701
Money market securities and other cash equivalents	15	16,133
Restricted cash	893	727
Total cash and cash equivalents	**7,905**	**35,561**

Cash and cash equivalents include cash at bank and other easily marketable securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

At 31 December 2021 restricted cash includes €756 million of CNH Industrial Group mainly related to bank deposits that may be used exclusively for the repayment of the debt relating to securitizations classified as Asset-backed financing.

The Ferrari Group may be subject to restrictions which limit its ability to use cash in relation to its interest in Ferrari International Cars Trading (Shanghai) Co. Ltd. In particular, cash held in China is subject to certain repatriation restrictions and may only be repatriated as a repayment of payables or debt, or through a payment of dividends or capital distributions. The Ferrari Group does not believe that such transfer restrictions have any adverse impacts on its ability to meet liquidity requirements. Cash held in China by Ferrari Group at 31 December 2021 amounted to €90 million (€56 million at 31 December 2020).

Cash collected from the settlement of receivables under securitization programs of Ferrari Group is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the related funding. Such cash amounted to €48 million at 31 December 2021 (€37 million at 31 December 2020).

At 31 December 2021 the cash and cash equivalents decreased primarily due to the deconsolidation of the FCA Group for €22,514 million.

21. Equity

Share capital

On 13 December 2021, 124,717,132 Special Voting Shares A were issued to Giovanni Agnelli BV under the Exor loyalty voting scheme. At 31 December 2021 Giovanni Agnelli BV owns 85.44% of the voting rights on Exor's outstanding capital

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.

At 31 December 2021 the total issued capital of EXOR N.V. was equal to Euro 7,398,685, divided into no. 241,000,000 shares each with a nominal value of Euro 0.01 and no.124,717,132 Special Voting Shares A each with a nominal value of Euro 0.04.

AGM resolution

The Exor Annual General Meeting of 27 May 2021 adopted the 2020 Annual Report and approved the payment of a dividend of €0.43 on each issued and outstanding ordinary share, for a total of €100 million. The Annual General Meeting also approved the extension of the authorization for the purchase and disposal of Exor's ordinary shares on the market for 18 months from the date of the Shareholders' resolution, up to a maximum number of shares not to exceed the limit set by law, with a maximum disbursement of €500 million.

Treasury stock

At 31 December 2021, 9,291,244 Exor ordinary shares with a nominal value of €0.01 per share are held as treasury stock (9,993,244 at 31 December 2020). The movements in treasury stock are related to the shares utilized under the Company's stock option plans.

Other comprehensive income

Other comprehensive income for the years ended 31 December 2021 and 2020 is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Items that will not be reclassified to the Consolidated Income Statement in subsequent periods:		
Gains (losses) on remeasurement of defined benefit plans	154	(19)
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees	252	—
Gains (losses) on financial assets at FVTOCI	(28)	108
Items relating to discontinued operations	197	(106)
Total items that will not be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B1)	**575**	**(17)**
Items that may be reclassified to the Consolidated Income Statements in subsequent periods:		
Gains (losses) on cash flow hedging instruments arising during the period	—	109
Gains (losses) on cash flow hedging instruments reclassified to the income Statement	—	(42)
Gains (losses) on cash flow hedging instruments	**—**	**67**
Foreign exchange translation gains (losses) arising during the period	1,061	(1,552)
Foreign exchange translation gains (losses) reclassified to the income Statement	11	—
Foreign exchange translation gains (losses)	**1,072**	**(1,552)**
Share of other comprehensive income of equity method investees arising during the period	288	28
Share of other comprehensive income (loss) of equity method investees reclassified to the income statement	(27)	(29)
Share of other comprehensive income (loss) of equity method investees	**261**	**(1)**
Items relating to discontinued operations	2,193	(2,930)
Total Items that may be reclassified to the Consolidated Income Statement in subsequent periods, before tax effect (B2)	**3,526**	**(4,416)**
Total Other Comprehensive Income, before tax effect (B1)+(B2)=(B)	**4,101**	**(4,433)**
Tax effect	(20)	26
Tax effect - discontinued operations	7	(30)
Total Other Comprehensive Income (Loss), net of tax	**4,088**	**(4,437)**

With reference to the defined benefit plans of the Group, the gains and losses arising from the remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling.

The tax effect relating to other comprehensive income for the years ended 31 December 2021 and 2020 is as follows:

(€ million)	At 31 December					
	2021			2020		
	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	406	(20)	386	(19)	39	20
Gains (losses) on financial assets at FVTOCI	(28)	—	(28)	108	—	108
Gains (losses) on cash flow hedging instruments	—	—	—	67	(13)	54
Foreign exchange translation gains (losses)	1,072	—	1,072	(1,552)	—	(1,552)
Share of other comprehensive income (loss) of equity method investees	261	—	261	(1)	—	(1)
Items relating to discontinued operations	2,390	7	2,397	(3,036)	(30)	(3,066)
Total Other Comprehensive Income (Loss)	**4,101**	**(13)**	**4,088**	**(4,433)**	**(4)**	**(4,437)**

Non-controlling interests

Non-controlling interests at 31 December 2021 and 2020 is as follows:

(€ million)	Attributable to non-controlling interests		
	%	Net Result	Equity
At 31 December 2021			
FCA	71.46 %	—	—
CNH Industrial	72.94 %	1,104	5,501
Ferrari	75.83 %	632	1,678
PartnerRe[1]	—	17	177
GEDI Gruppo Editoriale	10.38 %	(3)	22
Shang Xia Trading	22.70 %	(3)	—
Juventus	36.23 %	(78)	110
Exor Seeds	20.04 %	68	123
Total		**1,737**	**7,611**
At 31 December 2020			
FCA	71,46%	14	18,448
CNH Industrial	72,90%	(426)	4,123
Ferrari	75,95%	463	1,360
PartnerRe[1]	—	31	522
GEDI Gruppo Editoriale	10.38 %	(1)	24
Shang Xia Trading	22.70 %	—	(1)
Juventus	36.23 %	(56)	45
Exor Seeds	23.66 %	6	49
Total		**31**	**24,570**

(1) Related to preferred shares.

The carrying value of the preferred shares of PartnerRe, recognized in non-controlling interests, at 31 December 2020 was €522 million or $640 million.

22. Share-based compensation

The subsidiaries of the Group have various stock option plans which amongst others include the award of performance share units ("PSU") and restricted share units ("RSU"). The PSU and RSU represent the right to receive one common share of the relevant entity. PSU awards have financial performance targets whilst the RSU awards have a service condition only. The total number of shares that will be issued may therefore vary from the original award. During the year ended 31 December 2021 and 2020 the Group recognized share-based compensation expense as follows:

Exor

2012 Long-term incentive plans

The plan, denominated "Company Performance Stock Options", vested 1,019,200 options of which 450,000 to the Chairman and Chief Executive Officer of the company and 569,200 to other beneficiaries; this allows them to purchase a corresponding number of Exor ordinary shares at a price per share of €16.59 and €16.62, respectively. The options were exercisable until the end of 2021. At the end of 2020, the options outstanding, vested and not exercised, were 450,000 granted to the Chairman and Chief Executive Officer of the Company and 252,000 to other beneficiaries. During 2021, all the options outstanding at 31 December 2020 have been exercised.

Stock Option Plan Exor 2016

The Stock Option Plan Exor 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock options outstanding at 31 December 2021, of which 1,173,679 exercisable, is 2,937,135 (average exercise price of €32.38 per share).

Changes during 2021 and 2020 were as follows:

	2021		2020	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Outstanding at the beginning of the year	**2,937,135**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding at the end of the year	**2,937,135**	**32.38**	2,937,135	32.38
Exercisable at the end of the year	**1,173,679**	**0**	586,839	0

The cost of the plan is as follows:

(€ thousand)	2021		2020	
	Options outstanding	Cost	Options outstanding	Cost
Chairman and Chief Executive Officer of Exor N.V.	2,013,950	1,474	2,013,950	3,596
Key employees	530,727	395	530,727	1,027
Key employees of companies in the Holdings System	392,458	297	392,458	725
Total	**2,937,135**	**2,166**	**2,937,135**	**5,348**

The cost for the year recorded in the stock option reserve amounts to €2,166 thousand (€5,348 thousand in 2020) including €1,474 thousand (€3,596 thousand in 2020) classified as compensation to the Chairman and Chief Executive Officer.

All the Exor share-based incentive plans are serviced exclusively by treasury stock without any new share issues and therefore do not have any dilutive effect on issued capital.

CNH Industrial

CNH Industrial’s equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan (“CNH Industrial EIP”) and CNH Industrial N.V. Directors’ Compensation Plan (“CNH Industrial DCP”).

As part of CNH Industrial's demerger of the Iveco Group completed on 3 January 2022 (the "Demerger"), any awards outstanding under the CNH Industrial EIP, and held by directors, officers and other employees vesting in 2022 were accelerated in December 2021 and the related equity incentives were issued by CNH Industrial in CNH Industrial stock. As a result of the Demerger, remaining outstanding awards vesting in 2023 and 2024 were converted to the entity the participant is employed with post spin. As such, for Iveco Group employees, the underlying stock awards under the CNH Industrial EIP vesting in 2023 and 2024 were converted at the effective date of the Demerger, subject to its terms, to Common Shares of Iveco Group N.V. The conversion of the CNH Industrial EIP includes appropriate adjustment mechanisms to ensure that the value of the unvested awards granted to all the beneficiaries under such plan remain unchanged pre and post demerger for employees in both the Iveco Group N.V. and CNH Industrial N.V.

Performance Share Units

2017-2019 Long-Term Incentive Plan

In December 2017, CNH Industrial cancelled all Performance Share Units ("PSU’s") issued in 2014, 2015 and 2016 and issued a grant of PSU’s to key executive officers and select employees, with financial performance goals covering the three-year period from 1 January 2017 to 31 December 2019. The performance goal was a market condition with a payout schedule ranging from 0% to 130%. In 2018 and 2019, prorated share amounts covering performance through this same period were issued to select new employees entering the plan. In 2018 and 2019, 0.6 million and 0.4 million additional PSU's were granted. On 28 February 2020 all PSU’s associated with these grants failed to meet their performance goals and were therefore forfeited. CNH Industrial still incurred the expense associated with these awards but the awards themselves were never issued to their recipients.

2021-2023 Long-Term Incentive Plan

In February 2020, the Board of Directors approved the 2020-2024 Long-Term Incentive Plan under the EIP. In December 2020, CNH Industrial issued a new grant of PSUs to its key executive officers and select employees with the financial performance goals covering a three-year period culminating with a cliff vest date of 28 February 2024. Two internal financial metrics, Industrial ROIC (the ratio of Adjusted EBIT (after-tax) over Average Industrial Invested Capital) and Adjusted EPS (the net income (loss) excluding any non-recurring items (after-tax), divided by the weighted average outstanding number of common shares on a fully diluted basis), weighted 50% each, and a multiplier-based on CNH Industrial’s percentile ranking of Total Shareholder Return among a comparator group, will determine the total PSUs earned. The internal financial metrics have a payout factor of up to 200% and the market based TSR determinant has a payout factor of 125%. These metrics are considered performance vesting conditions. As such, compensation cost will be accrued based on whether it is considered probable that the performance conditions will be satisfied. At 31 December 2020 CNH Industrial issued 7 million PSU's. The total number of shares that will eventually be issued may vary from the original estimate due to forfeiture or the level of achievement of the performance goals.

The fair value of the December 2020 PSU award group was calculated by using the CNH Industrial stock price on the grant date adjusted for the present value of future dividends that would not be received during the vesting period. The weighted average fair value of the awards that were issued in 2020 is $10.83 per share. The December 2020 PSU awards were issued on 4 December 2020 to key executive officers and select employees and on 14 December 2020 to the Chair of CNH Industrial.

During 2021, CNH Industrial issued an additional 3 million PSUs to key executive officers and select employees. The weighted average fair value of the awards that were issued in 2021 was $13.15 per share.

The following table reflects the activity of PSUs under the 2020-2024 Long-Term Incentive Plan for the year ended 31 December 2021 and 2020.

	2021		2020	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**6,931,030**	**10.83**	**4,883,479**	**7.82**
Granted	3,035,985	13.15	6,931,030	10.83
Forfeited/cancelled	(545,790)	10.83	(4,883,479)	7.82
Vested	—	—	—	—
Outstanding shares unvested at the end of the year	**9,421,225**	**11.55**	**6,931,030**	**10.83**

Restricted Share Units

In 2019, 2020 and 2021 CNH Industrial issued approximately 0.8 million, 8 million, and 1 million Restricted Share Units ("RSUs") to key executive officers and select employees with a weighted average fair value of $9.95, $10.90 and $14.42 per share, respectively. The fair value of the award is measured using the CNH Industrial N.V. stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period. The RSUs vest upon a time-based service requirement.

2017-2019 Long-Term Incentive Plan

On 3 April 2019, 536 thousand RSUs were issued to select key executive officers with a weighted average fair value of $10.18 measured using the stock price on the grant date adjusted for the present value of future dividends that would not be received during the vesting period. The grant had a cliff vest date of 1 February 2021 for all awards except for 32 thousand RSUs, which vested on 30 June 2020. Of the remaining 490 thousand RSUs, 162 thousand were forfeited in the second quarter of 2020. The remaining 296 thousand RSUs vested on 1 February 2021.

2021-2023 Long-Term Incentive Plan

On 4 December 2020, CNH Industrial issued two separate RSU grants to key executive officers and select employees. Under the first RSU grant, 1.7 million RSUs were awarded to select employees with a weighted average fair value of $11.43. These awards vested on 31 December 2020. Under the second RSU grant, 5 million RSUs were awarded to select employees and are set to vest in three equal instalments over a three-year period. The first tranche which consisted of 1.7 million RSUs is set to vest on 28 February 2022. The second and third tranches are set to vest on 28 February 2023 and 28 February 2024, respectively. The weighted average fair values for the December 2020 three tranche award group are $11.23, $11.02, and $10.82, respectively.

On 14 December 2020, CNH Industrial issued 120 thousand RSUs to the Chair of CNH Industrial, of which 17 thousand vested on 31 December 2020. The weighted average fair value for these awards is $10.96. The remaining 103 thousand RSUs vest in three equal instalments on 28 February 2022, 2023, and 2024, respectively. The fair values for these awards are $10.76, $10.55 and $10.35, respectively.

During 2021, CNH Industrial issued an additional 1.5 million RSUs to select employees and key executive officers. Of the awards that were issued, 1.2 million RSUs are set to vest in three equal instalments over a three-year period. The first tranche, which consists of 0.4 million RSUs, was set to vest on 30 April 2022. The second and third tranches are set to vest on 30 April 2023 and 30 April 2024, respectively. The weighted average fair value of these awards are $14.08 per share for the first tranche, $13.89 per share for the second tranche, and $13.71 per share for the third tranche. The remaining awards issued in 2021 had a cumulative weighted average fair value of $16.71. In 2021, CNH Industrial, in anticipation of the Demerger, accelerated the vesting of awards with a vest date of 30 April 2022 to 1 December 2021, excluding shares awarded to the CEO and Chairperson. As a result CNH Industrial recorded $6 million of expense due to the acceleration of these awards. The weighted average fair value of the shares vested during 2021 was $11.59 per share.

The following table reflects the activity of RSUs under the 2020-2024 Long-Term Incentive Plan for the year ended 31 December 2021 and 2020.

	2021		2020	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**5,443,197**	**10.95**	**1,842,667**	**11.69**
Granted	1,464,305	14.42	7,727,755	10.90
Forfeited	(396,086)	11.88	(380,221)	10.79
Vested	(2,141,337)	11.59	(3,747,004)	11.22
Outstanding shares unvested at the end of the year	**4,370,079**	**11.72**	**5,443,197**	**10.95**

CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")

There were 0.2 million common shares authorized for issuance under the CNH Industrial DCP. No stock options were issued under this plan in 2021 or 2020 and at 31 December 2021, no stock options were outstanding under the CNH Industrial DCP.

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the CNH Industrial's equity awards:

	Years ended 31 December	
(€ million)	2021	2020
Total expense	84	33
Unrecognized expense	164	112
Weighted average remaining period over which expense will be recognized (years)	2.1	2.8

Ferrari

The Group has several equity incentive plans under which a combination of performance share units ("PSUs") and retention restricted share units ("RSUs"), which each represent the right to receive one Ferrari common share, have been awarded to the Executive Chairman, the Chief Executive Officer ("CEO"), members of the Ferrari Leadership Team ("FLT"), formerly Senior Management Team ("SMT") and other key employees of the Group.

Equity Incentive Plan 2016 - 2020

In the first quarter of 2021, 212,243 PSU awards vested (representing 100 percent of the target PSU awards) as a result of Ferrari's third place ranking in Total Shareholder Return ("TSR") within the defined Peer Group for the performance period from 2016 to 2020, and 31,120 RSU awards vested upon achievement of the related service conditions. As a result, 243,363 common shares, which were previously held in treasury, were assigned to participants of the plan in the first quarter of 2021. There are no further awards outstanding for the Equity Incentive Plan 2016-2020.

Equity incentive plan 2019-2021

Under the Equity Incentive Plan 2019-2021, approximately 174 thousand PSUs and 111 thousand RSUs, which each represent the right to receive one Ferrari common share, were awarded to the Executive Chairman, the former CEO, members of the FLT and other key employees of the Group (Equity Incentive Plan 2019-2021).

PSU	
Performance conditions	TSR Target - 50 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific peer group of eight;
	EBITDA Target - 30 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the business plan
	Innovation Target - 20 percent vest based on the achievement of defined objectives for technological innovation and the development of the new model pipeline over the performance period
Performance Period	2019 to 2021
Vesting Dates	The awards vest in 2022, except for the awards to the former CEO which vest in three tranches of 12 percent, 12 percent and 76 percent in 2020, 2021 and 2022, respectively
Vested	17,572 in 2020, 80,510 in the first quarter 2021, 86,331 in the first quarter of 2022
RSU	
Vesting Dates	The awards vest in 2022, except for those awarded to the former CEO, which vest in three equal tranches in 2020, 2021 and 2022
Vested	18,892 in 2020, 32,694 in the first quarter of 2021, 75,857 in the first quarter of 2022

Equity Incentive Plan 2020-2022

Under a new equity incentive plan approved in 2020 ("Equity Incentive Plan 2020-2022") Ferrari awarded approximately 60 thousand 2020-2022 PSUs and approximately 48 thousand 2020-2022 RSUs to the Executive Chairman, members of the SMT and other key employees of the Group. The PSUs and RSUs cover the three-year performance and service periods from 2020 to 2022.

PSU	
Performance conditions	TSR Target - 50 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific peer group of eight;
	EBITDA Target - 30 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the business plan
	Innovation Target - 20 percent vest based on the achievement of defined objectives for technological innovation and the development of the new model pipeline over the performance period
Performance Period	2020 to 2022
Vesting Dates	The awards vest in 2023 and the total number of shares assigned upon vesting depends on the level of achievement of the targets
RSU	
Vesting Dates	The awards vest in 2023, subject to the recipient's continued employment with the Company at the time of vesting

Equity Incentive Plan 2021-2023

Under the Equity Incentive Plan 2021-2023 approved in 2021, the Company awarded approximately 50 thousand 2021-2023 PSUs and approximately 41 thousand 2021-2023 RSUs to the Executive Chairman, members of the FLT and other key employees of the Group. The PSUs and RSUs cover the three-year performance and service periods from 2021 to 2023.

PSU	
Performance conditions	TSR Target - 50 percent vest based on the achievement of the TSR ranking of Ferrari compared to an industry specific peer group of eight;
	EBITDA Target - 30 percent vest based on the achievement of an EBITDA target determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the business plan
	Innovation Target - 20 percent vest based on the achievement of defined objectives for technological innovation and the development of the new model pipeline over the performance period. Each target is settled independently of the other targets.
Performance Period	2021 to 2023
Vesting Dates	The awards vest in 2024 and the total number of shares assigned upon vesting depends on the level of achievement of the targets
RSU	
Vesting Dates	The awards vest in 2024, subject to the recipient's continued employment with the Company at the time of vesting

Supplementary information relating to the equity 2021-2023 incentive plans is summarized below.

TSR Target

The number of PSUs with a TSR Target that vest under the equity incentive plans is based on the Company's TSR performance over the relevant performance period compared to an industry-specific peer group as summarized below.

Ferrari TSR Ranking	**1**	**2**	**3**	**4**	**5**	**>5**
% of Target Awards that Vest[1]	150 %	120 %	100 %	75 %	50 %	0

The defined peer groups (including Ferrari) for the TSR Target are presented below.

Equity Incentive Plan 2021-2023	Ferrari	Burberry	Hermes	LVMH
	Moncler	Richemont	Kering	Aston Martin

EBITDA Target

The number of PSUs with an EBITDA Target that vest under the Equity Incentive Plan 2021-2023 is determined by comparing Adjusted EBITDA to the Adjusted EBITDA targets derived from the Group's business plan, as summarized below.

Actual Adjusted EBITDA Compared to Business Plan	**% of Awards that Vest**
+10%	140%
+5%	120%
Business Plan Target	100%
-5%	80%
<-5%	0

Fair values and key assumptions

The fair value of the PSU awards used for accounting purposes was measured at the grant date using a Monte Carlo Simulation model. The fair value of the RSU awards was measured using the share price at the grant date adjusted for the present value of future distributions which employees will not receive during the vesting period.

The fair value of the PSUs and RSUs that were awarded under the equity incentive plans, which is determined based on actuarial calculations that apply certain assumptions and take into consideration the specific characteristics of the awards granted, is summarized in the following table.

Equity Incentive plan	2019-2021	2020-2022	2021-2023
PSUs	€110.57-€111.64	€136.06	€130.42
RSUs	€119.54-€120.56	€139.39	€171.86

The Key assumption utilized to calculate the grant-date fair values of the PSUs that were awarded under the equity incentive plans are summarized below:

Equity Incentive Plan	2019-2021	2020-2022	2021-2023
Key assumptions			
Grant date share price	€122.60	€142.95	€175.80
Expected volatility	26.50 %	26.6 %	27.0 %
Dividend yield	0.83 %	0.8 %	0.75 %
Risk-free rate	0 %	0 %	0 %

The expected volatility was based on the observed volatility of the new peer group. The risk-free rate was based on the iBoxx sovereign Eurozone yield.

Outstanding share awards

Changes in the outstanding number of PSU and RSU share awards under all the Ferrari equity incentive plans are as follows:

	Outstanding PSU Awards	Outstanding RSU Awards
Balance at 31 December 2020	**414,839**	**159,063**
Granted[1]	49,861	41,460
Forfeited	(19,775)	(13,048)
Vested	(292,753)	(63,814)
Balance at 31 December 2021	**152,172**	**123,661**

1. Granted under the Equity Incentive Plan 2021-2023.

Share-based compensation expense

The following table sets forth information related to the income statement expense recognized and to be recognized in relation to the PSU and RSU awards:

	Years ended 31 December	
(€ million)	2021	2020
Total expense	12	17
Unrecognized expense	11	13

In 2021 the Group also recognized share-based compensation expense of €2.2 million as part of commercial agreements with certain suppliers.

23. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Present value of defined benefit obligations:		
Pension plans	2,155	26,732
Healthcare and life insurance plans	255	2,573
Other post-employment benefits	321	1,104
Total present value of defined benefit obligations	**2,730**	**30,409**
Fair value of plan assets on pension plan	(1,626)	(21,879)
Fair value of plan assets of healthcare and life insurance plans	(115)	(118)
Asset ceiling	17	27
Total net defined benefits plan	**1,007**	**8,439**
of which:		
Net defined benefit liability (A)	*1,039*	*9,212*
(Defined benefit plan assets)	*(32)*	*(773)*
Other provisions for employees (B)	**553**	**1,459**
Total provisions for employee benefits (A) + (B)	**1,592**	**10,671**

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates.

The Group provides post-employment benefits under defined contribution and defined benefit plans.
The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, healthcare plans, life insurance plans, and other post-employment benefits.
Moreover, the Group provides post-employment benefits, such as pension or healthcare benefits, to its employees under defined contribution plans. In this case, the Group pays contributions to the publicly or privately administered insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfils all of its obligations. The Group recognises the cost for defined contribution plans over the period in which the employee renders service. In 2021 this cost amounts to €541 million (€1,803 million in 2020, of which €1,308 million related to the FCA Group).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. Liabilities arising from these plans are usually funded by contributions made by the Group and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

To the extent that a fund is over funded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus. In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years.

In the fourth quarter of 2020, CNH Industrial signed group annuity contracts to transfer the outstanding pension benefit obligations related to certain retirees and beneficiaries within the U.S. plans. In connection with these transactions, €449 million of plan obligations were transferred along with €448 million of plan assets; the related non-cash settlement impact recognized in the income statement in the fourth quarter of 2020 was immaterial.

The expected benefit payments for pension plans are as follows:

(€ million)	2022	2023	2024	2025	2026	2027-2031
Expected benefit payments	22	20	19	20	18	79

Changes in pension plans are the following:

	At 31 December							
(€ million)	**2021**				**2020**			
	Defined benefit obligation	**Fair value of plan assets**	**Asset ceiling**	**(Net asset) Net liability obligation**	**Defined benefit obligation**	**Fair value of plan assets**	**Asset ceiling**	**(Net asset) Net liability obligation**
Amounts at 1 January	**26,732**	**(21,879)**	**27**	**4,880**	**27,823**	**(22,734)**	**33**	**5,122**
Included in the income statement	31	2	—	**33**	544	(116)	—	**428**
Included in Other comprehensive income:								
Actuarial (gains) losses from:								
- demographic assumptions	(11)	—	—	**(11)**	11	—	—	**11**
- financial assumptions	(54)	—	—	**(54)**	2,053	—	—	**2,053**
- other	(36)	—	8	**(28)**	(7)	—	(4)	**(11)**
Return on assets	—	(65)	—	**(65)**	—	(2,098)	—	**(2,098)**
Change in the effect of limiting net assets	—	—	—	**—**	—	—	—	**—**
Exchange differences	123	(103)	1	**21**	(2,087)	1,680	(2)	**(409)**
Other changes:								
Contribution by employer	—	(51)	—	**(51)**	—	(181)	—	**(181)**
Contribution by plan participants	6	(6)	—	**—**	8	(8)	—	**—**
Benefits paid	(89)	68	—	**(21)**	(1,613)	1,577	—	**(36)**
Deconsolidation of FCA	(24,361)	20,258	(17)	**(4,120)**	—	—	—	**(36)**
Transfer to Liabilities held for sale	(187)	151	—	**(36)**	—	—	—	**—**
Other changes	—	—	(2)	**(1)**	—	1	—	**1**
Amounts at 31 December	**2,155**	**(1,626)**	**17**	**546**	**26,732**	**(21,879)**	**27**	**4,880**

Amounts recognized in the Consolidated Income Statement were as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Current service cost	27	202
Interest expenses	19	810
Interest income	(15)	(677)
Other administrative costs	2	85
Past service costs (income) and (gains) losses arising from settlements	—	8
Total recognized in the Consolidated Income Statement	**33**	**428**

The fair value of plan assets by class is as follows:

	At 31 December			
(€ million)	**2021**		**2020**	
	Amount	**of which have a quoted market price in an active market**	**Amount**	**of which have a quoted market price in an active market**
Cash and cash equivalents	**30**	**15**	**862**	**807**
US equity securities	—	—	1,220	1,219
Non-US equity securities	—	—	670	670
Commingled fund	—	—	1,480	506
Equity instruments	**—**	**—**	**3,370**	**2,395**
Government securities	35	8	2,861	840
Corporate bonds (including convertible and high-yield bonds)	16	—	5,813	—
Other fixed income securities	—	—	1,488	185
Fixed income securities	**51**	**8**	**10,162**	**1,025**
Private equity funds	—	—	2,332	—
Commingled funds	—	—	70	66
Mutual funds	1,360	—	1,386	—
Real estate funds	—	—	1,173	3
Hedge funds	—	—	2,199	62
Investment funds	**1,360**	**—**	**7,160**	**131**
Insurance contracts and other	**185**	**—**	**325**	**—**
Total fair value of plan assets	**1,626**	**23**	**21,879**	**4,358**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalisation. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximise absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimise the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimising the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimise pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed.
The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of CNH Industrial, or properties occupied by Group companies.

The PartnerRe Group's plan assets are related to insured funds and cash. The partially insured funds comprise the accumulated pension plan contributions and investment returns thereon. The funds are held in a partially insured scheme, under the pension provider (AXA) participating in a single investment pool. The coverage ratio applied to the assets as at 31 December 2020 was 112% based on the performance of the assets.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalisation, or counterparty. Interest rate risk is mitigated by partial asset-liability matching.

The fixed income target asset allocation partially matches the bond-like and long-dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

	At 31 December	
(in %)	**2021**	**2020**
CNH Industrial		
Discount rate	1.63	1.12
Future salary increase rate	2.12	2.07
Average duration (years)	15	15

CNH Industrial reviews annually mortality assumptions and demographic characteristics of its U.S. pension plan participants.

In 2021, CNH Industrial adopted the updated mortality improvement scale issued by the SOA ("MP-2021"). The adoption of the new mortality assumptions resulted in a total increase of €1.1 million to the Company's benefit obligations at 31 December 2021, of which €0.4 million and €0.7 million were related to pension plans and healthcare plans, respectively.

In 2020, CNH Industrial adopted the no-collar variant of the Pri-2012 base table for the US pension plans subsequent to the settlement of a portion of the outstanding pension obligation through purchase of annuity contracts. Additionally, CNH Industrial adopted the updated mortality improvement scale issued by the SOA ("MP-2020"). Management believes the new mortality assumptions most appropriately represent its plans' experience and characteristics. The adoption of the new mortality assumptions resulted in a total increase of €6.4 million to CNH Industrial's benefit obligations at 31 December 2020, of which an increase of €7 million, and a decrease of €0.6 million were related to pension plans and healthcare plans, respectively.

The effect of an increase or decrease in the assumed discount rate, holding all other assumptions constant, would be as follows:

	At 31 December			
(€ million)	2021		2020	
	Increase	Decrease	Increase	Decrease
CNH Industrial [1]	(277)	350	(353)	(460)

(1) The effect of an increase or decrease of 1.0% in the assumed discount rate was considered.

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. Weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled at the measurement date. The benefit cash flow-matching approach involves analysing the Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to a number of employees and retirees in the U.S. and Canada.

These plans generally cover a number of employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. These benefits may be subject to deductibles, co-payment provisions and other limitations, and the Group has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. These plans are not required to be funded. However, beginning in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

In 2021, CNH Industrial communicated plan changes for the US retiree medical plan. The plan changes resulted in a reduction of the plan liability by €88 million, recognized immediately in profit or loss as a pre-tax plan amendment gain of the same amount.

The expected benefits for healthcare and life insurance plans are the following:

	2022	2023	2024	2025	2026	2027-2031
Expected benefit payments	14	14	13	13	13	62

Changes in healthcare and life insurance plans are as follows:

	At 31 December					
(€ million)	2021			2020		
	Defined benefit obligation	**Fair value of plan assets**	**(Net asset) Net liability obligation**	**Defined benefit obligation**	**Fair value of plan assets**	**(Net asset) Net liability obligation**
Present value of obligations at 1 January	**2,573**	**(118)**	**2,455**	**2,656**	**(135)**	**2,521**
Included in income statement	**(76)**	**(2)**	**(78)**	**108**	**(3)**	**105**
Included in Other comprehensive income:						
Actuarial (gains) losses from:						
- demographic assumptions	1	—	**1**	(25)	—	**(25)**
- financial assumptions	(12)	—	**(12)**	197	—	**197**
- other	(6)	—	**(6)**	1	—	**1**
Return on assets	—	(6)	**(6)**	—	(11)	**(11)**
Exchange differences	52	(9)	**43**	(216)	11	**(205)**
Other:						
Contribution by employer	—	13	**13**	—	13	**13**
Contribution by plan participants	5	—	**5**	4	—	**4**
Benefits paid	(30)	8	**(22)**	(151)	7	**(144)**
Deconsolidation of FCA	(2,230)	—	**(2,230)**	—	—	**—**
Transfer to liabilities held for sale	—	—	**—**	—	—	**—**
Other changes	(22)	(1)	**(23)**	(1)	—	**(1)**
Present value of obligation at 31 December	**255**	**(115)**	**140**	**2,573**	**(118)**	**2,455**

Amounts recognized in the Consolidated Income Statement were as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Current service cost	3	25
Interest expenses	5	82
Interest income	(2)	(3)
Past service costs (income) and (gains) losses arising from settlements/curtailments	(85)	1
Total recognized in the Consolidated Income Statement	**(78)**	**105**

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

(€ million)	At 31 December			
	2021		2020	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**3**		**2**	
US equity securities	42	—	50	17
Non-US equity securities	—	—	—	—
Equity instruments	**42**	**—**	**50**	**17**
Government securities	64	64	28	25
Corporate bonds (including convertible and high-yield bonds)	6	—	38	4
Other fixed income	—	—	—	—
Debt instruments	**70**	**64**	**66**	**29**
Insurance contracts and other	**—**	**—**	**—**	**—**
Total fair value of plan assets	**115**	**64**	**118**	**46**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

(in %)	At 31 December	
	2021	2020
CNH Industrial		
Discount rate	2.54	2.12
Future salary increase rate	n/a	n/a
Weighted average initial healthcare cost trend rate	4.18	4.39
Weighted average ultimate healthcare cost trend rate	3.58	3.95
Average duration (years)	9	10
FCA		
Discount rate	—	2.7
Future salary increase rate	—	1.3-1.5
Weighted average ultimate healthcare cost trend rate	—	4.0
Average duration (years)	—	13-17

Assumed discount rates are used in measurements of pension, healthcare and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. The Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's dollars. The discount rates for the U.S., European, U.K. and Canadian obligations are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled on the measurement date, 31 December. The benefit cash flow-matching approach involves analysing the Group's projected cash flows against a high-quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria. The discount rates for the Group's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The assumed healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on the Group's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Healthcare Financing Administration.

The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilisation changes, an ageing population, and a changing mix of medical services.

The Group uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows. Historically, the service and net interest costs were determined using a single weighted-average discount rate based on hypothetical AA yield curves used to measure the benefit obligation at the beginning of the period.

For the CNH Industrial Group, the effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €16 million and decrease of €19 million, respectively, in the defined healthcare benefit obligations at 31 December 2021.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €181 million at 31 December 2021 and €744 million at 31 December 2020), consisting of the residual obligation for the benefit accrued to employees of Italian companies until 31 December 2007, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

	At 31 December	
(€ million)	**2021**	**2020**
Present value of obligation at 1 January	**1,104**	**1,110**
Included in income statement:		
Current service cost	8	15
Interest (income) expenses	—	8
Past service costs (income) and (gains) losses arising from settlements	—	—
Included in Other comprehensive income:		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(20)
- financial assumptions	(1)	16
- other	5	(4)
Exchange differences	1	(7)
Other changes:		
Benefits paid	(29)	(56)
Deconsolidation of FCA Group	(766)	—
Other changes	1	42
Present value of obligation at 31 December	**321**	**1,104**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and mortality rates.

The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments.
Retirement or employee leaving rates are developed to reflect actual and projected Group experience and the legal requirements for retirement in Italy.

As for the Ferrari Group, at 31 December 2021 the weighted average discount rates that reflect the estimated timing and amount of the scheme future benefit payments was 0.9% (0.4% in 2020). The average duration of the Italian leaving entitlement was approximately 8 years.

Other provisions for employees

Other provisions for employees primarily include long-term disability benefits, supplemental unemployment benefits, variable and other deferred compensation, as well as bonuses granted for tenure at the Group.

24. Other provisions

Changes in Other provisions during the 2021 are as follows:

(€ million)	At 31 December 2020	Charge	Utilisation	Decon-solidation of FCA	Transfer to liabilities held for sale	Translation differences	Other changes	At 31 December 2021
Warranty recall campaigns and technical assistance	6,634	757	(724)	(5,731)	—	88	(44)	980
Restructuring provisions	168	41	(50)	(87)	—	1	2	75
Investment provisions	12	—	—	—	—	—	(7)	5
Other charges and risks	8,362	3,523	(3,336)	(6,248)	—	126	(103)	2,324
Total other provisions	**15,176**	**4,321**	**(4,110)**	**(12,066)**	**—**	**216**	**(153)**	**3,384**

At 31 December 2021 the item Other provisions decreases primarily due to the deconsolidation of the FCA Group for €12,066 million.

The warranty recall campaigns and technical assistance provision represent management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

At 31 December 2021, the restructuring provision includes the estimated amount of benefits payable to employees by CNH Industrial Group on termination in connection with restructuring plans amounting to €39 million (€37 million at 31 December 2020), and other costs totalling €7 million (€27 million at 31 December 2020).

The provision for other charges and risks represents the amounts provided by the individual companies of the Group in connection mainly with sales incentives and contractual, commercial and tax risks and disputes.

The detail is as follows:

	At 31 December	
(€ million)	2021	2020
Marketing and sales incentives programs	1,376	5,157
Legal proceedings and other disputes	224	779
Commercial risks	330	1,029
Environmental risks	42	56
Other provisions for risks and charges	353	1,342
Total other risks	**2,324**	**8,362**

In particular, the provision refers to:

- marketing and sales incentives program: relating to the estimated amount of sales consideration to be reversed to the Group's dealer networks if the dealers achieve a specific cumulative level of sales transactions during the calendar year;

- legal proceedings and other disputes: relating to including legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes), legal proceedings involving claims with active and former employees and legal proceedings involving different tax authorities;
- commercial risks: relating to sale of products and services such as onerous maintenance contracts and as a result of certain regulatory emission requirements;
- Environmental risks: this provision represents management's best estimate of the Group's probable environmental obligations. amounts included in the estimate comprise direct costs to be incurred in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters;
- other provisions for risks and charges which includes environmental risks, indemnities, provisions for disputes with suppliers, provision for product liabilities, contract related disputes or other disputes not subject to legal proceedings.

25. Technical reserves reinsurance companies

Technical reserves of reinsurance companies at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Unpaid losses and Loss expenses	—	9,286
Life and health technical reinsurance reserves	—	2,204
Unearned premium reserves	—	1,846
Total Technical reinsurance reserves	**—**	**13,336**

In compliance with IFRS 5 the balance at 31 December 2021 of Technical reinsurance reserves has been transferred to Asset and Liabilities held for sale, the information and reconciliation of the beginning and ending liabilities are disclosed in Note 3 Scope of consolidation at point b.

26. Financial debt and other financial liabilities

Total financial debt and other financial liabilities at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Financial debt	28,684	52,101
Other financial liabilities	266	831
Total financial debt and other financial liabilities	**28,950**	**52,932**

At 31 December 2021 the financial debt and other financial liabilities decreased primarily due to the deconsolidation of the FCA Group for €21,593 million and the reclassification of the financial debt and other financial liabilities of PartnerRe Group for €1,937 million, at liabilities held for sale, in compliance with IFRS 5.

The composition of financial debt is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Notes	13,283	23,865
Borrowings from banks	2,880	13,108
Asset-backed financing	10,661	10,518
Lease liabilities	504	2,253
Payables represented by securities	1,081	1,696
Other financial debt	275	661
Total financial debt	**28,684**	**52,101**

The composition of financial debt by entity is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Exor	4,235	4,030
CNH Industrial	21,414	21,746
Ferrari	2,630	2,725
PartnerRe[1]	—	1,912
Juventus	239	396
GEDI	161	143
Shang Xia	5	10
FCA	—	21,139
Total financial debt	**28,684**	**52,101**

1) The balance at 31 December 2021, in compliance with IFRS 5 have been reclassified in the Consolidated Statement of Financial Position at the line Liabilities held for sale.

Notes

The composition of notes at 31 December 2021 and 2020 is as follows:

Issuer	Currency	Face value outstanding (in million)	Coupon	Maturity	At 31 December 2021	2020
					Outstanding amount (in € million)	
Exor						
Exor	€	602	2.125%	Dec 2022	602	749
Exor	€	500	2.50%	Oct 2024	503	653
Exor	€	100	5.25%	Jan 2025	104	104
Exor	€	450	2.875%	Dec 2025	451	451
Exor	$	170	4.398% 6 months	May 2026	151	139
Exor	€	500	1.75%	Jan 2028	502	502
Exor	€	200	3.125'%	Feb 2038	202	201
Exor	€	500	2.25%	Apr 2030	500	499
Exor	€	500	0.875%	Jan 2031	498	—
Exor	Yen	10,000	2.80% 6 months	May 2031	77	80
Exor	€	500	1.75%	Oct 2034	479	477
Total Exor Notes					**4,069**	**3,855**
Medium Term Note Programme (MTNP)						
CNH Industrial Group	€	4,327	0,00% - 3.875%	Sep 21 - Jul 2039	3,644	4,328
FCA N.V.	€	4,750	3.375% - 4.5%	July 2023 - July 2028	—	4,757
Fiat Chrysler Finance Europe SENC	€	2,350	4.750%	March 2021 - July 2022	—	2,350
Total Medium Term Notes					**3,644**	**11,435**
Other Notes						
CNH Industrial Group	$	3,831	0.00% - 4.875%	Apr 2021 - Nov 2027	3,382	3,367
CNH Industrial Group	AUD	175	2.10%	Dec 22	272	110
CNH Industrial Group	CAD	300	1.5%	Oct 2024	208	—
CNH Industrial Group	ARS	701	36.00%	Aug 21	—	7
Ferrari Group	€	1,485	1.5%	March 2023 - May 2025	1,487	1,883
PartnerRe Group[1]	$	1,062	3.7%-6.44%	July 2029 - Dec 2066	—	863
PartnerRe Group[2]	€	750	1.25%	Sep 26	—	745
Juventus	€	175	3.35%	Feb 24	179	178
FCA N.V.	$	3,000	4.5% - 5.25%	Apr 2020 - Apr 2023	—	1,223
Total Other Notes					**5,529**	**8,376**
Hedging effect and amortised cost valuation					**41**	**199**
Total Notes					**13,283**	**23,865**

1. The balance at 31 December 2021 of €930 million was reclassified in the Consolidated Statement of Financial Position in the line Liabilities held for sale.
2. The balance at 31 December 2021 of €745 million was reclassified in the Consolidated Statement of Financial Position in the line Liabilities held for sale.

The new notes issued and notes repaid during the 2021 were as follows:

New Issues	Currency	Nominal Amount (in million)	Coupon	Issue Date	Maturity
Company					
CNH Industrial Capital LLC	Usd	600	1.45 %	May 2021	July 2026
CNH Industrial Capital Australia Pty	Aud	200	1.750 %	July 2021	2024
CNH Industrial Capital Australia Pty	Aud	50	1.750 %	September 2021	2024
CNH Industrial Capital Canada Ltd	Cad	300	1.500 %	September 2021	2024
Exor	Eur	500	0.875 %	19 Jan 2021	19 Jan 2031

Repayments	Name of Notes	Currency	Amount (in million)	Repayment date
Company				
Ferrari	2021 Bond	Eur	501	18 Jan 2021
CNH Industrial Finance Europe S.A.	Euro MTM Notes	Eur	316	March 2021[1]
CNH Industrial Finance Europe S.A.	Euro MTM Notes	Eur	367	27 Sep 2021
CNH Industrial Capital LLC	Other notes	Usd	900	1 Apr 2021 - 15 Oct 2021
CNH Industrial Capital Argentina SA	Other notes	Ars	701	31 Aug 2021
Exor	Exor N.V. 2.50%	Eur	150	20 January 2021[1]
Exor	Exor N.V. 2.125%	Eur	148	20 January 2021[1]

1. Repurchased.

The partial repurchases of the Exor 2.5% and 2.125% bonds and the subsequent partial cancellation determined one-off losses of €21 million recognized in the Net financial expenses.

Medium Term Note Programmes

The Medium Term Note Programmes CNH Industrial are for a maximum of €10 billion. At 31 December 2021 notes outstanding under this programme for CNH Industrial were €3.6 billion (€4.3 billion at 31 December 2020).

The notes of CNH Industrial are in Euro and have been issued by CNH Industrial Finance Europe S.A and are guaranteed by CNH Industrial N.V.

Notes issued under the Medium Note Programme are generally listed on either the Irish or Swiss stock exchanges.

At 31 December 2020 the Medium Term Note Programmes of FCA were for a maximum of €20 billion and notes outstanding under this programme for FCA were €7.1 billion. Notes have been issued in Euro and are guaranteed by FCA N.V.

Other Notes

At 31 December 2021 other notes include the following:

- Notes issued by CNH Capital LLC for a total nominal value of $2.7 billion, by CNH Industrial N.V. for a total nominal value of $1.1 billion, for $0.3 million by CNH Industrial Capital Australia Pty and for $0.2 million by CNH Industrial Capital Canada Ltd.
- Notes issued by Ferrari in 2017 and 2020 for a principal amount of €385 million and €650 million, respectively which mature in 2023 and 2025, respectively. These notes are listed on the Irish stock exchange.

At 31 December 2020 other notes included the following:

- Notes issued by FCA in 2015 in two tranches each of $1.5 billion due in April 2020 and April 2023 respectively. These notes rank pari passu in right of payment with respect to all of FCA's existing and future senior unsecured indebtedness and senior in right of payment to any of FCA's future subordinated indebtedness and existing indebtedness, which is by its terms subordinated in right of payment to these notes. On 15 April 2020, FCA repaid in full at maturity $1.5 billion of the 4.5 percent unsecured notes issued on 15 April 2015.

- Notes issued by CNH Capital LLC for a total nominal value of $2.5 billion, by CNH Industrial N.V. for a total nominal value of $1.1 billion and for $0.2 million by CNH Industrial Capital Australia Pty.
- Notes issued by Ferrari in 2017, 2019 and 2020 for a principal amount of €385 million, €500 million and €650 million, respectively which mature in 2023, 2021 and 2025, respectively. These notes are listed on the Irish stock exchange.
- $500 million senior notes issued by PartnerRe Finance B LLC and €750 million of senior secured notes issued by PartnerRe Ireland Finance DAC maturing in July 2029 and September 2026, respectively. These notes are senior unsecured obligations of the respective issuer and are guaranteed by PartnerRe.
- $500 million and $63 million junior subordinated capital efficient notes issued by PartnerRe Finance B LLC and PartnerRe Finance II Inc. These notes mature in 2050 and 2066 and since 2016 are redeemable at the option of the issuer. The notes are ranked as junior subordinated unsecured obligations of PartnerRe Finance II Inc and are guaranteed by PartnerRe.

Borrowings from banks

Borrowings from banks at 31 December 2021 amount to €2,880 million (€13,108 million at 31 December 2020). The composition is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Exor	150	—
CNH Industrial	2,490	2,824
Ferrari	154	29
Juventus	14	21
GEDI	71	41
FCA	—	10,193
Total Borrowings from banks	**2,880**	**13,108**

Exor

At 31 December 2021 Exor has a €150 million term loan with maturity 2024.

CNH Industrial

CNH Industrial's borrowings consists primarily of borrowings from banks which are at various terms and rates.
In March 2019, CNH Industrial signed a five-year committed revolving credit facility for €4 billion ($4.5 billion at 31 March 2019 exchange rate) due to mature in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. CNH Industrial exercised the first of the two extension options at 28 February 2020 and the second extension option at 26 February 2021. The facility is now due to mature in March 2026 for €3,950.5 million; the remaining €49.5 million will mature in March 2025.

Available committed unsecured facilities expiring after twelve months amounted to approximately $5.2 billion at 31 December 2021 ($6.1 billion at 31 December 2020). Total committed secured facilities expiring after twelve months amounted to approximately $3.9 billion at 31 December 2021 ($3.9 billion at 31 December 2020), of which $2.8 billion at 31 December 2021 ($3.7 billion at 31 December 2020).

Ferrari

Bank borrowings of Ferrari include an amortized term loan of €63 million borrowed in June by Ferrari S.p.A. for a tenor of 36 months and bearing fixed interest at 0.118% and loans secured by FFF Inc, to support financial services operations comprising €62 million (€28 million at 31 December 2020) drawn down under a US$ denominated credit facility for up to $100 million (drawn down for $70 million at 31 December 2021) for a tenor of 24 months and bearing interest at LIBOR plus 75 basis points.
In March 2021 Ferrari cancelled a credit line of €100 million and simultaneously replaced it with a new credit line for €150 million with a tenor of 23 months. In April 2021, Ferrari replaced an uncommitted credit line of $50 million, which was terminated, with a new committed credit line for $100 million with a tenor of 24 months bearing interest at LIBOR plus 75 basis points. At 31 December 2021 the line had been drawn down for $70 million (€62 million), representing the only committed credit line that has been drawn down by Ferrari.

The new credit line replaces the funding previously provided by one of securitization programs in the US for funding of up to $110 million that expired in April 2021 and was interest-bearing at LIBOR plus 115 basis points, as noted above. In October 2021 an undrawn committed credit line previously negotiated in April 2020 for €100 million expired.

In December 2019, Ferrari negotiated a €350 million unsecured committed revolving credit facility (the "RCF"), which is intended for general corporate and working capital purposes. The RCF has a 5 year-tenor with two further one-year extension options, exercisable on the first and second anniversary of the signing date on the Company's request and the approval of each participating bank. In December 2020 and in December 2021 the first and the second one-year extension options were exercised by the Company and approved by all participating banks. At 31 December 2021 the RCF was undrawn.

At 31 December 2021 Ferrari had total committed credit lines available and undrawn amounting to €676 million (€700 million at 31 December 2020).

Juventus

Bank borrowings of Juventus at 31 December 2021 mainly relate to €14 million drawn down under revocable credit lines (€21 million at 31 December 2020).

GEDI

Bank borrowings of GEDI at 31 December 2021 include the loan finalized on 30 December 2020 for a duration of 4 years and drawn down for the total amount of €71 million on 5 January 2021. After signing the loan agreement GEDI entered into a hedging contract with the same banks that reduced the overall minimum interest rate on the loan from the previous 1.2% to 0.987%.

Undrawn Credit Facilities

The principal undrawn committed credit facilities of the Group at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ billion)	**2021**	**2020**
Exor	0.4	0.5
CNH Industrial	4.0	4.4
Ferrari	0.7	0.7
Juventus	0.3	0.3
PartnerRe[1]	—	0.8
FCA Group	—	7.3

1. In compliance with IFRS 5 PartnerRe assets and liabilities at 31 December 2021 have been classified at Assets and Liabilities held for sale.

At 31 December 2021 the main committed credit facilities are as follows:

- CNH Industrial €4 billion revolving credit facility expiring in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. CNH Industrial exercised the first of the two extension options at 28 February 2020 and the second extension option at 26 February 2021. The facility is now due to mature in March 2026 for €3,950.5 million, the remaining €49.5 million will mature in March 2025. The Credit facility replaces the existing five-year €1.75 billion credit facility due to mature in 2021. The facility is guaranteed by CNH Industrial N.V. with cross guarantees from each of the borrowers.
- Ferrari €350 million unsecured committed revolving credit facility, negotiated in 2019, with 5 year-tenure with two further one-year extension options exercisable on the first and second year from the signing date, and the additional committed credit lines of €350 million secured in April 2020 with tenures ranging from 18 to 24 months. The mentioned credit facilities were undrawn at 31 December 2020.

At 31 December 2020 the main committed credit facilities were as follows:

- CNH Industrial €4 billion revolving credit facility expiring in 2024 with two extension options of 1-year each, exercisable on the first and second anniversary of the signing date. CNH Industrial exercised the first of the two extension options at 28 February 2020 and the second extension option at 26 February 2021. The facility is now due to mature in March 2026. for €3,950 million, the remaining €49.5 million will mature in March 2025. The Credit facility replaces the existing five-year €1.75 billion credit facility due to mature in 2021. The facility is guaranteed by CNH Industrial N.V. with cross guarantees from each of the borrowers.
- Ferrari €350 million unsecured committed revolving credit facility, negotiated in 2019, with 5 year-tenure with two further one-year extension options exercisable on the first and second year from the signing date, and the additional committed credit lines of €350 million secured in April 2020 with tenures ranging from 18 to 24 months. The mentioned credit facilities were undrawn at 31 December 2020.
- PartnerRe $400 million credit facility with the first $100 million being unsecured and the remainder secured. This facility matures each year on 14 November and unless cancelled by either party automatically renews. Other secured credit facilities for an amount of $350 million. PartnerRe maintains committed secured letter of credit facilities which must be fully secured with cash and or government bonds and or investment grade bonds.
- At 31 December 2020, FCA undrawn committed credit lines totalled €7.3 billion including the €6.25 billion syndicated revolving credit facility and €1.1 billion of other revolving lines of credit.

Covenants

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

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

At 31 December 2021 and 2020 the Group was in compliance with all covenants under its debt agreements.

Asset-backed financing

Asset-backed financing represents the amount of financing received through factoring transactions which do not meet the asset derecognition requirements and which are recognized as assets for the same amount in the Consolidated Statement of Financial Position. The composition of Asset-backed financing is as follows:

	At 31 December	
(€ million)	**2021**	**2020**
CNH Industrial	9,761	9,716
Ferrari	900	761
FCA	—	41
Total asset-backed financing	**10,661**	**10,518**

Cash collected from the settlement of receivables or lines of credit pledged as collateral for asset-backed financing is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding.

Lease liabilities

Lease liabilities included in the Statement of financial position:

(€ million)	At 31 December 2021	2020
Exor	5	3
CNH Industrial	371	355
Ferrari	56	62
Juventus	22	27
GEDI	44	42
Shang Xia	5	10
PartnerRe[1]	—	61
FCA	—	1,693
Total Lease Liabilities	**504**	**2,253**

1. In compliance with IFRS 5 the balance at 31 December 2021 of €75 million has been reclassified to Liabilities held for sale

Maturity analysis of lease liabilities – contractual undiscounted cash flows:

(€ million)	At 31 December 2021			
	Due within one year	**Due between one and five years**	**Due beyond five years**	**Total**
Contractual undiscounted cash flows	135	264	105	**504**

Payables represented by securities

At 31 December 2021 payables represented by securities amount to €1,081 million (€1,696 million at 31 December 2020).

On 15 May 2018 Exor established its first Euro-Commercial Paper Program (ECP Program) allowing it to issue short-term notes with maturity of up to 364 days and a maximum amount outstanding of €500 million.
The program enables Exor to achieve greater diversification of its funding sources in the capital markets and enhance its liquidity management. In 2021 Exor repaid the outstanding amount of €160 million nominal value of commercial paper.

With the purpose of further diversifying its funding structure, CNH Industrial has established various commercial paper programs. CNH Industrial Financial Services S.A. in Europe issued commercial paper under a program which had an amount of €73 million outstanding at 31 December 2021 (€91 million at 31 December 2020).

Financial debt by due date

An analysis of financial debt by due date at 31 December 2021 and 2020 is as follows:

(€ million)	At 31 December							
	2021				2020			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Notes	1,328	7,640	4,316	**13,283**	2,886	13,473	7,506	**23,865**
Borrowings from banks	1,707	1,094	79	**2,880**	3,508	9,478	122	**13,108**
Asset-backed financing	6,451	4,119	91	**10,661**	6,582	3,860	76	**10,518**
Payables represented by securities	524	535	21	**1,081**	1,165	230	301	**1,696**
Lease liabilities	136	264	104	**504**	479	956	818	**2,253**
Other financial debt	246	26	3	**275**	658	—	3	**661**
Total financial debt	**10,392**	**13,679**	**4,613**	**28,684**	**15,278**	**27,997**	**8,826**	**52,101**

27. Other financial assets and other financial liabilities

The fair value of the Group's derivative financial assets and liabilities at 31 December 2021 and 2020 is as follows:

(€ million)	At 31 December			
	2021		2020	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges:				
Interest rate risk – Interest rate swaps	29	(5)	55	(1)
Currency risks	—	—	—	—
Total Fair value hedges	**29**	**(5)**	**55**	**(1)**
Cash flow hedges:				
Currency risks – Forward contracts, Currency swaps and Currency options	11	(48)	241	(192)
Interest rate risk – Interest rate swaps	35	(16)	8	(264)
Interest rate and currency risk – Combined interest rate and currency swap	—	(28)	138	(60)
Commodity price risk – Commodity swaps	—	(1)	97	(8)
Other	—	—	—	—
Total Cash flow hedges	**46**	**(93)**	**484**	**(524)**
Derivatives not designated as hedging instruments				
Currency risks	90	(108)	246	(84)
Interest rates	10	(14)	3	(175)
Interest rate and currency risk – Combined interest rate and currency swap	—	—	9	—
Equity		(46)		(47)
Total derivatives not designated as hedging instruments	**100**	**(168)**	**258**	**(306)**
Collateral deposits	**—**	**—**	**33**	**—**
Total other financial assets and other financial liabilities	**175**	**(266)**	**830**	**(831)**

The analysis of outstanding notional amounts of derivative financial instruments by due date, at 31 December 2021 and 2020 is as follows:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
At 31 December 2021				
Currency risk management	8,500	365	—	**8,864**
Interest rate risk management	1,621	4,076	892	**6,589**
Interest rate and currency risk management	—	—	—	**—**
Commodity price risk management	8	—	83	**91**
Total notional amount	**10,128**	**4,441**	**975**	**15,544**
At 31 December 2020				
Currency risk management	18,480	712	—	**19,192**
Interest rate risk management	1,593	4,308	1,956	**7,857**
Interest rate and currency risk management	6	16	978	**1,000**
Commodity price risk management	1,161	86	83	**1,330**
Total notional amount	**21,240**	**5,122**	**3,017**	**29,379**

Fair value hedges

The gains and losses arising from the valuation of outstanding interest rate derivatives (for managing interest rate risk) and currency derivatives (for managing currency risk) are recognized in accordance with fair value hedge accounting.

Gains and losses arising from respective hedged items at 31 December 2021 and 2020 are as follows:

	At 31 December	
(€ million)	**2021**	**2020**
Currency risk		
Net gains (losses) on qualifying hedges	—	(205)
Fair value changes in hedged items	—	205
Interest rate risk		
Net gains (losses) on qualifying hedges	(41)	87
Fair value changes in hedged items	41	(87)
Net gains (losses) on fair value hedges recognized in the income statement	**0**	**0**

Cash flow hedges

The effects recognized in the Consolidated Income Statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and cash flows that are exposed to interest rate risk and sales exposed to the fluctuations in the Euro/USD exchange rate.

With respect to cash flow hedges, the Group reclassified losses of €55 million in 2021 (gains of €203 million in 2020), net of the tax effect, from Other comprehensive income to the Consolidated Income Statement. These amounts are reported in the Consolidated Income Statement as follows:

(€ million)	At 31 December 2021	2020
Currency risk		
Increase (Decrease) in net revenues	2	42
Decrease (Increase) in cost of sales	(10)	163
Result from investments	(22)	23
Financial income (expenses)	(3)	103
Interest rate risk		
Decrease (Increase) in cost of sales	3	(5)
Financial income (expenses)	41	(11)
Other - cost of sales	1	—
Commodity price risk		
Decrease (Increase) in cost of sales	—	(87)
Taxes - income (expenses)	—	(4)
Ineffectiveness – overhedges	(66)	(21)
Net gains (losses) on cash flow hedges recognized in the income statement	**(55)**	**203**

Derivatives for trading

At 31 December 2021 and 2020 derivatives for trading primarily consisted of derivative contracts entered for hedging purposes not qualifying for hedge accounting and one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and a related hedging derivative, which converts the exposure to floating rate (the total value of the embedded derivative is offset by the value of the hedging derivative).

28. Trade payables

The analysis of trade payables by due date at 31 December 2021 and 2020 is as follows:

(€ million)	At 31 December 2021	2020
Due within one year	7,002	26,770
Due between one and five years	35	26
Due beyond five years	3	—
Total payables	**7,040**	**26,796**

At 31 December 2021 the trade payables decreased primarily due to the deconsolidation of the FCA Group for € 20,293 million.

29. Other liabilities

Other liabilities at 31 December 2021 and 2020 are as follows:

(€ million)	At 31 December 2021	2020
Payable for buy-back agreements	1,012	2,286
Indirect tax payables	665	1,318
Payables to personnel	415	1,220
Social security payables	209	458
Amounts due to customers for contract work	8	104
Accrued expenses and deferred income	2,171	5,082
Other	1,507	2,744
Total other liabilities	**5,987**	**13,212**

At 31 December 2021 the other liabilities decreased primarily due to the deconsolidation of the FCA Group for €10,896 million.

Payables for buy-back agreements refers to buy-back agreements entered into by the Group and includes the price received for the product recognized as an advance at the date of the sale and subsequently the repurchase price and the remaining lease instalments yet to be recognized.

Accrued expenses and deferred income include the remaining portion of government grants that will be recognized as income in the Consolidated Income Statement over the same periods as the related costs which they are intended to offset.

The analysis of other liabilities (excluding accrued expenses and deferred income) by due date at 31 December 2021 and 2020 is as follows:

(€ million)	At 31 December 2021				2020			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding accrued expenses and deferred income)	2,951	317	130	**3,398**	7,088	941	101	**8,130**

30. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the CNH Industrial Group

At 31 December 2021, Financial Services has various agreements to extend credit for the following financing arrangements:

(€ million)	At 31 December 2021 Total Credit Limit	Utilized	Not utilized
Facility			
Wholesale and dealer financing	6,665	2,406	4,259

At 31 December 2021 the CNH Industrial Group provided guarantees on the debt or commitments of third parties and performance guarantees mainly in the interest of a joint venture related to commercial commitments of defence vehicles amounting to €465 million (€501 million at 31 December 2020).

Guarantees granted by the PartnerRe Group

At 31 December 2021 approximately €93 million of cash and cash equivalents (€256 million at 31 December 2020) and €4,841 million of securities (€4,069 million at 31 December 2020) were deposited, pledged or held in escrow accounts in favour of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Commitments of the Ferrari Group arising from contractual arrangements

Arrangements with key suppliers

From time to time, in the ordinary course of business, the Ferrari Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and /or services with fixed and determinable price provisions.

Arrangements with sponsors

Certain of the Ferrari Group's sponsorship contracts include terms whereby the Ferrari Group is obligated to purchase a minimum quantity of goods and/or services from its sponsors.
Future minimum purchase obligations under these arrangements at 31 December 2021 were as follows for the Ferrari Group's continuing operations:

	(€ million)
Due within one year	80
Due between one and three years	60
Due between three and five years	15
Due beyond five years	1
Total	**156**

Commitments of Juventus

The commitments of Juventus included guarantees received from leading credit institutions of €40 million (€56 million at 31 December 2020) issued to guarantee the payables arising from the acquisition of players' registration rights (€33 million) and other commitments (€7 million).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, Exor Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damages. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results. The Group's reinsurance subsidiaries, and the insurance and reinsurance industry in general, are subject to litigation and arbitration in the normal course of their business operations.
In addition to claims litigation, the Group may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity. While the outcome of business litigation cannot be predicted with certainty, the Group will dispute all allegations against the Group and/or its subsidiaries that management believes are without merit.

Contingent liabilities of the CNH Industrial Group

At 31 December 2021, contingent liabilities estimated by the CNH Industrial Group amount to approximately €41 million (approximately €27 million at 31 December 2020), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time.
Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Consolidated Financial Statements.

Follow-up on Damages Claims

In 2011 Iveco S.p.A. ("Iveco") and its competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union (in the period 1997-2011) in relation to Medium & Heavy trucks. On 19 July 2016, the Commission announced a settlement with Iveco ("the Decision"). Following the Decision, CNH Industrial, Iveco and Iveco Magirus AG ("IMAG") have been named as defendants in proceedings across Europe.

The consummation of the Iveco Group demerger will not allow CNH Industrial to be excluded from current and future follow on proceedings originating from the Decision because under EU competition law a company cannot use corporate reorganizations to avoid liability for private damage claims. In the event one or more of these judicial proceedings would result in a decision against CNH Industrial ordering it to compensate such claimants as a result of the conduct that was the subject matter of the Decision, and Iveco and IMAG does not comply with such decisions, as a result of various intercompany arrangements, then CNH Industrial will ultimately have recourse against Iveco and IMAG for the reimbursement of the damages effectively paid to such claimants. The extent and outcome of these claims cannot be predicted at this time.

FPT Emissions Investigation

On 22 July 2020, a number of CNH Industrial's offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany and Turin, Italy in relation to alleged noncompliance of two engine models produced by FPT Industrial S.p.A. ("FPT"), which is now part of the Iveco Group N.V., installed in certain Ducato (a vehicle distributed by Stellantis) and Iveco Daily vehicles. FPT is providing its full cooperation to properly address the requests received. FPT, other companies of Iveco Group, and in certain instances CNH Industrial and other third parties have received various requests for compensation by German and Austrian customers on various contractual and tort grounds, including requests for damages resulting from the termination of the purchase contracts, or in the form of requests for an alleged lower residual value of their vehicles as a consequence of the alleged non-compliance with type approval regulations regarding emissions. In certain instances, other customers have brought judicial claims on the same legal and factual bases. Although, at the date hereof, CNH Industrial has been informed by the Iveco Group that it has no evidence of any wrongdoing, it cannot predict at this time the extent and outcome of these requests and directly or indirectly related legal proceedings, including customer claims or potential class actions alleging emissions non-compliance.

Contingent liabilities of the Ferrari Group

Takata airbag inflator recalls

On 4 May 2016, the United States National Highway Traffic Safety Administration (“NHTSA”) published a Consent Order Amendment (the “Amended Consent Order”) to the 3 November 2015 Takata Consent Order regarding a defect which may arise in the non-desiccated Takata passenger airbag inflators mounted on certain Ferrari cars. As a result of such Amended Consent Order, Ferrari filed a Part 573 Defect Information Report on 23 May 2016 with the NHTSA and initiated a global recall relating to certain cars produced between 2008 and 2011.

In December 2016, the NHTSA issued a Third Amendment to the Coordinated Remedy Order (“ACRO”) which included the list of Ferrari vehicles sold in the United States up to model year 2017 to be recalled. As a consequence of the ACRO, Ferrari decided to extend the Takata global recall campaign to all vehicles worldwide mounting non-desiccated Takata passenger airbag inflators. In January 2017 Ferrari, in accordance with the Amended Consent Order and the ACRO, filed with the NHTSA a Part 573 Defect Information Report to include model year 2012 Zone A vehicles. In January 2018, Ferrari, in accordance with the Amended Consent Order and the ACRO, also filed with the NHTSA a Part 573 Defect Information Report to include model year 2013 Zone A vehicles. In January 2019, Ferrari, in accordance with the Amended Consent Order and the ACRO, filed with the NHTSA a Part 573 Defect Information Report to include model year 2014 - 2018 vehicles. In January 2020, Ferrari, in accordance with the Amended Consent Order and the ACRO, filed with the NHTSA a Part 573 Defect Information Report to include vehicles that had received the so-called “like-for-like” repair. As a result of the ACRO and the decision to extend the worldwide Takata airbag inflator recall, Ferrari recognized provisions of €37 million in 2016 for the estimated charges for Takata airbag inflators recalls to cover the cost of the worldwide global Takata recall due to uncertainty of recoverability of the costs from Takata. At 31 December 2021 the provision amounted to approximately €3 million, reflecting the current best estimate for future costs related to the entire recall campaign to be carried out by Ferrari.

Legal proceedings and disputes

The provision for legal proceedings and disputes represents management’s best estimate of the expenditures expected to be required to settle or otherwise resolve legal proceedings and disputes. This class of claims relate to allegations by contractual counterparties that the Group has violated the terms of the arrangements, including by terminating the applicable relationships. Judgments in these proceedings may be issued in 2021 or beyond, although any such judgment may remain subject to judicial review. While the outcome of such proceedings is uncertain, any losses in excess of the provisions recorded are not expected to be material to the Ferrari Group’s financial condition or results of operations.

Contingent liabilities of the Juventus Group

Audit by Consob

By letter dated 12 July 2021, Consob (Italian Supervising Authority) initiated an inspection of Juventus pursuant to Article 115, paragraph 1, letter c) of Legislative Decree no. 58/1998 concerning the acquisition of documentation and information relating to the item "Income from players' registration rights" recorded in the financial statements at 30 June 2020 and 30 June 2021.

Juventus responded to the Authority's requests and provided due and full cooperation during the aforementioned audits. At present, the Company has not received any notice of the initiation of proceedings by the said Authority.

Requests for information from sports Authorities

In a letter dated 4 October 2021, Co.Vi.So.C. (an Italian sport Authority), on the basis of press reports, requested Juventus to provide information about the requests for inquiries regarding the separate and consolidated financial statements of Juventus received in 2021 from inspection bodies and, in particular, information about the expected response time and the elements of assessment regarding the facts subject to the said requests for inquiries; subsequently, in a letter dated 29 November 2021, Co.Vi.So.C. requested Juventus to provide further information, in particular with regard to the news published in the press concerning the criminal proceedings described in the following section.

On 24 November 2021, the *Procura Federale* (Federal Prosecutor's Office) of the F.I.G.C. (*Federazione Italiana Giuoco Calcio*) made a request to Juventus for documentation concerning the transfer of the rights to the performances of various football players, in the framework of proceedings opened by the same Prosecutor's Office. Juventus provided these documents and all the information requested.

On 21 February 2022, Juventus received, together with 10 other Italian football companies and respective senior managers, a “*Comunicazione di conclusione delle indagini*” (Communication of termination of investigations) from the Federal Prosecutor’s Office before the F.I.G.C. with regard to the valuation of the effects of certain transfers of players’ rights on the financial statements and the accounting of gains, following the “*segnalazione*” (report) by Co.Vi.So.C., for the postulated breach of article 31, paragraph 1, and articles 6 and 4 of the “*Codice di Giustizia Sportiva*” (Sport Justice Code). The communication served, concerning certain transfers completed in the financial years 2018/19, 2019/20 and 2020/21, does not constitute the exercise of the disciplinary action by the Federal Prosecutor’s Office. Juventus had access to the records and articulate its defences in accordance with the terms set forth in the code and trusts it will be in a position to demonstrate the correctness of its conduct.

Criminal proceedings pending before the Turin Judicial Authority

On 26 November 2021 and 1 December 2021, search and seizure orders were served on Juventus, through the Officers of the "*Guardia di Finanza of the Nucleo di Polizia Economico-Finanziaria"* of Turin.

In the same date, Juventus was informed of the existence of an investigation by the Public Prosecutor's Office of the Court of Turin, against itself and some of its current and former representatives, concerning the item "Income from players' registration rights" recorded in the financial statements at 30 June 2019, 2020 and 2021 for the offences referred to in Article 2622 of the Italian Civil Code (False corporate communications by listed companies) and art. 8 of Legislative Decree no. 74/2000 (Issue of invoices or other documents for non-existent transactions) and, as far as the Company is concerned, for the offence envisaged by articles 5 (Liability of the body) and 25-ter (Corporate offences) of Legislative Decree no. 231/2001.

The investigation launched by the Public Prosecutor's Office at the Court of Turin is ongoing and to date, no notice of conclusion of the preliminary investigations pursuant to art. 415-bis of the Code of Criminal Procedure has been served. Juventus is cooperating with the investigators and trusts that it will clarify any aspect of interest to them, believing that it has operated in compliance with the laws and regulations governing the preparation of financial reports, in accordance with accounting principles and in line with international football industry practice and market conditions.

Contingent liabilities of the PartnerRe Group

At 31 December 2021, PartnerRe was not a party to any litigation or arbitration that it believes could have a material effect on the financial condition, results of operations or liquidity of PartnerRe.

31. Fair value measurement by hierarchy

Fair value measurements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the entire measurement:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 — Unobservable inputs for the asset or liability.

This hierarchy requires the use of observable market data when available.

Assets and liabilities measured at fair value on a recurring basis

The following table shows the fair value hierarchy the assets and liabilities measured at fair value on a recurring basis at 31 December 2021 and 31 December 2020:

(€ million)	Level 1	Level 2	Level 3	Total
Debt securities and equity investments measured at fair value through other comprehensive income	**567**	**23**	**509**	**1,099**
Debt securities and equity instruments measured at FVTPL	**33**	**—**	**974**	**1,007**
Derivative financial assets	**—**	**175**	**—**	**175**
Collateral deposits	**—**	**—**	**—**	**—**
Investments of reinsurance companies measured at FVTPL	**—**	**—**	**—**	**—**
Money market securities	**16**	**—**	**—**	**16**
Total Assets at 31 December 2021	**616**	**198**	**1,483**	**2,297**
Derivative financial liabilities	**—**	**(220)**	**(46)**	**(266)**
Total Liabilities at 31 December 2021	**—**	**(220)**	**(46)**	**(266)**
Debt securities and equity instruments measured at FVTOCI	386	33	190	**609**
Debt securities and equity instruments measured at FVTPL	305	—	482	**787**
Derivative financial assets	—	797	—	**797**
Collateral deposits	32	—	—	**32**
Receivables from financing activities and other financial receivables	—	—	476	**476**
Trade receivables	—	12	—	**12**
Other receivables	—	—	69	**69**
Investments of reinsurance companies measured at FVTPL	14	10,619	3,079	**13,712**
Money market securities	8,636	—	—	**8,636**
Total Assets at 31 December 2020	**9,373**	**11,461**	**4,296**	**25,130**
Derivative financial liabilities	(34)	(751)	(46)	**(831)**
Total Liabilities at 31 December 2020	**(34)**	**(751)**	**(46)**	**(831)**

Investments classified as Level 3 include, among others: inactively traded fixed maturities including U.S. State, territory and municipal bonds, unlisted or private equities, fund investments, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of derivative financial assets and liabilities, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, as described below.

The following table provides the reconciliation of the changes in items measured at fair value classified within Level 3 for the year 2021:

(€ million)	At 1 January 2021	Gains (losses) recognized: In the income statement	Gains (losses) recognized: In other comprehensive income	Increase (decrease)	Change in scope of consolidation	Net transfers into/(out of) Level 3	At 31 December 2021
Debt securities and equity instruments measured at FVTOCI	190		130	193	(4)	—	**509**
Debt securities and equity instruments measured at FVTPL	482	245	—	237	10	—	**974**
Derivative financial assets	—	—	—	—	—	—	**—**
Receivables from financing activities	476	—	—	(4)	(472)	—	**—**
Other receivables	69	—	—	—	(69)	—	**—**
Investments of reinsurance companies measured at FVTPL	3,079	374	—	136	(3,585)	(4)	**—**
Total Assets	**4,296**	**619**	**130**	**562**	**(4,120)**	**(4)**	**1,483**
Derivative financial liabilities	(46)	—	—	—	—	—	**(46)**
Total Liabilities	**(46)**	**—**	**—**	**—**	**—**	**—**	**(46)**

Assets and liabilities not measured at fair value on a recurring basis

The following tables present the carrying amount and the fair value of financial assets and liabilities not measured at fair value on a recurring basis and the classification in the fair value level:

(€ million)	At 31 December 2021		At 31 December 2020	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Dealer financing receivables	7,560	7,554	8,518	8,506
Retail financing receivables	9,547	9,692	8,586	8,727
Finance lease receivables	503	504	458	483
Other	126	123	420	420
Total assets	**17,736**	**17,873**	**17,982**	**18,136**
Financial liabilities				
Notes	(13,283)	(13,853)	(23,517)	(21,800)
Borrowing from banks, payables represented by securities and other financial debt	(4,236)	(4,151)	(15,813)	(16,043)
Asset-backed financing	(10,661)	(10,568)	(10,518)	(10,522)
Lease liabilities	(504)	(504)	(2,253)	(2,243)
Total liabilities	**(28,684)**	**(29,076)**	**(52,101)**	**(50,608)**

(€ million)	At 31 December 2021				At 31 December 2020			
	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3	Fair value
Financial assets								
Dealer financing receivables	—	11	7,543	7,554	—	14	8,492	8,506
Retail financing receivables	—	879	8,813	9,692	—	700	8,027	8,727
Finance lease receivables	—	254	250	504	—	226	257	483
Other	—	1	122	123	—	—	420	420
Total assets	**—**	**1,145**	**16,728**	**17,873**	**—**	**940**	**17,196**	**18,136**
Financial liabilities								
Notes	(10,355)	(5,286)	—	(13,853)	(20,733)	(1,067)	—	(21,800)
Borrowing from banks, payables represented by securities and other financial debt	(198)	(4,022)	(117)	(4,151)	(364)	(14,982)	(697)	(16,043)
Asset-backed financing	—	(10,568)	—	(10,568)	—	(10,522)	—	(10,522)
Lease liabilities	(22)	(56)	(501)	(504)	(27)	(62)	(2,154)	(2,243)
Total liabilities	**(10,575)**	**(19,932)**	**(618)**	**(29,076)**	**(21,124)**	**(26,633)**	**(2,851)**	**(50,608)**

The fair value of receivables from financing activities is based on the discounted values of their relative cash flow at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which close or last trade pricing is available are classified in Level 1 of the fair value hierarchy. Notes for which such prices are not available are valued at the last available price or based on quotes received from third parties and are classified in Level 2 of the fair value hierarchy.

The fair value of asset-backed financing, borrowing from banks, payables represented by securities and other financial debt, classified principally in Level 2, has been estimated based on discounted cash flow analysis using the current market interest rates at year-end adjusted for the Group non-performance risk over the remaining term of the financial liabilities. The fair value of the debt that requires significant adjustment using unobservable inputs is classified in Level 3.

The fair value of lease liabilities principally classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

Other financial asset

The carrying amount of debt securities measured at amortized cost, cash at banks, restricted cash, other cash equivalents, trade receivables, other current receivables and financial assets, trade payables and other current liabilities included in the condensed consolidated statement of financial position approximates their fair value, due to the short maturity of these items.

32. Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the Exor Group are Giovanni Agnelli, the CNH Industrial Group, the Ferrari Group, the PartnerRe Group, the GEDI Group, the Juventus Group and their respective unconsolidated subsidiaries, associates or joint ventures, the Stellantis Group, The Economist Group, the Welltec Group, the Christian Louboutin Group and their subsidiaries. In addition, members of the board of directors of Exor and its parent Giovanni Agnelli and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

In accordance with IAS 24, transactions with related parties also include compensation payable to directors, statutory auditors and executives with strategic responsibilities.

The effects of transactions with related parties recognized in the consolidated income statement of the Group for the years 2021 and 2020 are as follows:

	Years ended 31 December							
(€ million)	2021				2020			
	Net revenues	**Cost of sales**	**Selling, general and other (income) expenses**	**Financial income (expenses)**	**Net revenues**	**Cost of sales**	**Selling, general and other (income) expenses**	**Financial income (expenses)**
Total joint ventures	701	357	—	(1)	793	349	—	—
Total associates	719	308	93	(42)	567	421	—	1
Total other related parties	17	—	5	—	—	—	10	—
Total unconsolidated subsidiaries	—	1	2	—	—	—	2	—
Total related parties	**1,437**	**666**	**100**	**(43)**	**1,360**	**770**	**12**	**1**

Non-financial assets and liabilities originating from related party transactions at 31 December 2021 and 31 December 2020 are as follows:

(€ million)	At 31 December 2021				At 31 December 2020			
	Trade receivables	**Trade payables**	**Other assets**	**Other liabilities**	**Trade receivables**	**Trade payables**	**Other assets**	**Other liabilities**
Total joint ventures	4	84		250	323	492	3	29
Total associates	62	90	1	6	23	65	9	—
Total other related parties	1	5		9	3	1	—	1
Total unconsolidated subsidiaries	—	3	—	—	5	16	—	—
Total related parties	**67**	**182**	**1**	**265**	**354**	**574**	**12**	**30**

The data at 31 December 2020 includes the non-financial assets and liabilities originating from related party transactions of the FCA Group deconsolidated on 16 January 2021.

Financial assets and liabilities originating from related party transactions at 31 December 2021 and 31 December 2020 are as follows:

(€ million)	At 31 December 2021		At 31 December 2020	
	Receivables from financing activities	**Financial debt**	**Receivables from financing activities**	**Financial debt**
Total joint ventures	—	—	277	68
Total associates	3	3	36	4
Total other related parties	—	—	8	—
Total unconsolidated subsidiaries	—	1	12	27
Total related parties	**3**	**4**	**333**	**99**

The data at 31 December 2020 includes the financial assets and liabilities originating from related party transactions of the FCA Group deconsolidated on 16 January 2021.

Commitments and guarantees pledged in favour of related parties of the CNH Industrial Group
At 31 December 2021 the CNH Industrial Group had provided guarantees on commitments of its joint ventures, mainly related to Iveco - Oto Melara Società Consortile, for an amount of €229 million (€118 million at 31 December 2020).

Compensation to directors, statutory auditors and key executives of Exor
In 2021 compensation to the directors and statutory auditors of Exor, for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

(€ thousand)	Exor	Subsidiaries	Total
Total compensation 2021	**3,489**	**1,482**	**4,971**
Total compensation 2020	4,743	3,528	8,271

This amount includes the notional compensation cost arising from long-term share-based compensation and stock grants awarded to the directors. 2020 figures included the amounts paid by FCA and its subsidiaries.
There are no key executives in Exor.

33. Explanatory notes to the consolidated statement of cash flows

Reconciliation of liabilities arising from financing activities for the years ended 31 December 2021 and 2020 is as follows:

(€ million)	Note	2021	2020
At 1 January			
Financial debt	**26**	**52,101**	**43,031**
Derivatives liabilities (assets) and collateral, net	**27**	**1**	**254**
Total Liabilities from financing activities		**52,102**	**43,285**
Cash flows		(1,334)	1,548
Cash flows of discontinued operations		(32)	10,199
Foreign exchange effects		1,003	(2,757)
Fair value changes		(24)	(147)
Changes in scope of consolidation		8	158
Deconsolidation of FCA Group		(21,070)	—
Transfer to (Assets)/Liabilities held for sale		(1,935)	—
Other changes		57	(184)
Total change		**(23,327)**	**8,817**
At 31 December			
Total Liabilities from financing activities		**28,775**	**52,102**
Derivatives liabilities (assets) and collateral, net	**27**	**(91)**	**(1)**
Total financial debt	**26**	**28,684**	**52,101**

During the year ended 31 December 2021 the Group paid interest of €619 million and received interest of €566 million. During the year ended 31 December 2020 the Group paid interest of €1,469 million and received interest of €744 million. Amounts indicated are also inclusive of interest rate differentials paid or received on interest rate derivatives.

During the year ended 31 December 2021 the Group made income tax payments, net of refunds, totalling €511 million. During the year ended 31 December 2020 the Group made income tax payments, net of refunds, totalling €333 million.

34. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk related to its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- market risk (primarily relating to exchange rates and interest rates).

These risks could significantly affect the Group’s financial position and results and for this reason, the Group systematically identifies and monitors these risks in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following paragraphs does not have any predictive value. In particular, the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction, which may result from any changes that are assumed to take place.

The credit concentration risk differs in relation to the activities carried out by the segments and sales markets in which the Group operates; in all cases, however, the risk is mitigated by the large number of counterparties and customers. Considered from a global point of view, however, there is a concentration of credit risk in trade receivables and receivables from financing activities, in particular dealer financing and finance leases in the European Union market and in North America, as well as in Latin America for Agriculture, Construction and Commercial and Specialty Vehicles segments of CNH Industrial Group.

Credit risk

The maximum credit risk to which the Group is theoretically exposed at 31 December 2021 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on debt or commitments to third parties as discussed in Note 30 Guarantees granted, commitments and contingent liabilities.

Dealers and final customers are generally subject to specific assessments of their credit worthiness under a detailed scoring system. In addition to carrying out this evaluation process, the Group may also obtain financial and non-financial guarantees for risks arising from credit granted for the sale of commercial vehicles, agricultural equipment and construction equipment. These guarantees are further secured, where possible, by retention of title clauses or specific guarantees on financed vehicle sales to the distribution network and on vehicles under finance leasing agreements.

For further information regarding the exposure to credit risk and ECLs of trade receivables, other receivables and financial receivables at 31 December 2021, refer to Note 18 Trade and other receivables.

Considering the specificity of the business, credit risk is particularly relevant for PartnerRe, which has exposure primarily as a holder of fixed maturity securities and, to a lesser extent, through its corporate loan portfolio within other invested assets. PartnerRe controls this exposure by emphasizing investment grade credit quality in the fixed maturity securities it purchases. At December 31, 2021 and 2020, approximately 60% and 73%, respectively, of PartnerRe's fixed maturity portfolio was rated AA (or equivalent rating) or better.

At 31 December 2021 and 2020, approximately 73% and 85%, respectively, of PartnerRe's fixed maturity and short-term investments were rated A or better and 3% and 5%, respectively, were rated below investment grade or not rated. PartnerRe believes this high quality concentration reduces its exposure to credit risk on fixed maturity investments to an acceptable level. At 31 December 2021, other than the U.S. government and U.S. government sponsored enterprises, PartnerRe's fixed maturity investment portfolio was not exposed to any significant credit concentration risk on its investments. At 31 December 2020, other than the U.S. and Canadian governments and U.S. government sponsored enterprises, PartnerRe's fixed maturity investment portfolio was not exposed to any significant credit concentration risk on its investments. At 31 December 2020, PartnerRe held fixed maturity investments in the Canadian government of $776 million (€632 million). At 31 December 2021 and 2020, the single largest corporate issuer accounted for less than 2% and 3%, respectively, and the top 10 corporate issuers accounted for less than 13% and 23%, respectively, of PartnerRe's total corporate fixed maturity securities.
PartnerRe holds cash and cash equivalents in several banks and ensures that there are no significant concentrations of credit risk in any one bank.

PartnerRe is subject to the credit risk of its cedants in the event of their insolvency or their failure to honour the value of the funds held balances due to PartnerRe for any other reason. However, PartnerRe's credit risk in some jurisdictions is mitigated by a mandatory right of offset of amounts payable by PartnerRe to a cedant against amounts due to PartnerRe. In certain other jurisdictions PartnerRe is able to mitigate this risk, depending on the nature of the funds held arrangements, to the extent that PartnerRe has the contractual ability to offset any shortfall in the payment of the funds held balances with amounts owed by PartnerRe to cedants for losses payable and other amounts contractually due.

Reinsurance balances receivable from PartnerRe's cedants at 31 December 2021 and 2020 were $3,063 million (€2,704 million) and $3,119 million (€2,541 million), respectively, including balances both currently due and accrued. PartnerRe believes that credit risk related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process and monitoring of aged receivable balances. In addition, as the majority of its reinsurance agreements permit PartnerRe the right to offset reinsurance balances receivable from clients against losses payable to them, PartnerRe believes that the credit risk in this area is substantially reduced. Provisions are made for amounts considered potentially uncollectible and the allowance for uncollectible premiums receivable at 31 December 2021 and 2020 was $10 million (€9 million) and $9 million (€7 million), respectively.

At 31 December 2021 and 2020, the balance of reinsurance recoverable on paid and unpaid losses was $1,787 million (€1,578 million) and $901 million (€734 million) respectively. At 31 December 2021 and 2020, 30% and 43%, respectively, of PartnerRe's reinsurance recoverable on unpaid losses were due from reinsurers with an A- or better rating from Standard & Poor's, and the remaining 70% and 57%, respectively, was collateralized.

Liquidity risk

Liquidity risk represents the risk that the Group is unable to obtain the funds needed to carry out its operations and meet its obligations. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of challenging economic conditions in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate special attention to the management of liquidity risk. Additionally, as part of the activities, the Group regularly carries out funding operations on the various financial markets which may take on different technical forms and which are aimed at ensuring that it has an adequate level of current and future liquidity.

Measures taken to generate financial resources through operations and to maintain an adequate level of available liquidity are an important factor in ensuring normal operating conditions and addressing strategic challenges. The Group therefore plan to meet its requirements to settle liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans and making recourse to the bond market and other forms of funding.

The two main factors that determine its liquidity situation are the funds generated by or used in operating and investing activities and the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details of the repayment structure of the Group's financial assets and liabilities are provided in Note 18 Trade and other receivables, Note 26 Financial debt and other financial liabilities, Note 27 Other financial assets and other financial liabilities, Note 28 Trade payables and Note 29 Other liabilities.

Considering the specificity of the business, liquidity is a measure of PartnerRe's ability to access sufficient cash flows to meet the short-term and long-term cash requirements of its business operations.

PartnerRe aims to be a reliable and financially secure partner to its cedants. This means that PartnerRe must maintain sufficient liquidity at all times so that it can support its cedants by settling claims quickly. PartnerRe generates cash flows primarily from its underwriting and investment operations. Management believes that a profitable, well-run reinsurance organization will generate sufficient cash from premium receipts and investment income to pay claims, acquisition costs and other expenses in most years. To the extent that underwriting cash flows are not sufficient to cover operating cash outflows in any year, PartnerRe may utilize cash flows generated from investments and may ultimately liquidate assets from its investment portfolio. Management ensures that its liquidity requirements are supported by maintaining a high quality, well balanced and liquid investment grade investment portfolio, and by matching within certain risk tolerance limits the duration and currency of its investments with that of its net reinsurance liabilities.

Contractual obligations at 31 December 2021 and 2020 were as follows:

(€ million)	**Total**	**< 1 year**	**1 – 3 years**	**3 – 5 years**	**>5 years**
Technical reinsurance reserves	13,670	3,930	3,887	1,913	3,940

Exor Group believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfil its obligations to repay its debt at the natural due date.

Financial markets risk

Due to the nature of its business, the Exor Group is exposed to a variety of financial market risks, including foreign currency exchange rate risk and interest rate risk.

The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's result, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group regularly assesses its exposure to foreign currency and interest rate risk and manage those risks through the use of derivative financial instruments in accordance with its established risk management policies.
The policies adopted by the Group permit derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities, and not for speculative purposes.

Derivative financial instruments designated as fair value hedges are utilized mainly to hedge:

– the currency risk on financial instruments denominated in foreign currency;
– the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, forward contracts, interest rate swaps and combined interest rate and currency financial instruments.

Derivative financial instruments as cash flow hedges are utilized for the purpose of pre-determining:

– the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
– the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans.

The exchange rate exposure on forecasted commercial flows is hedged by foreign currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 28 Other financial assets and other financial liabilities.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity.

Where one of the subsidiaries of the Group incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company;

The principal exchange rates to which the Group is exposed are the following:

– EUR/USD, in relation to the production/purchases of Agriculture and Construction in the euro area and to sales in dollars made by Commercial and Specialty Vehicles;
– USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
– AUD/USD, mainly in relation to sales made by Agriculture and Construction in Australia;
– EUR/GBP, predominately in relation to sales on the U.K. market EUR/USD, USD/BRL and EUR/BRL, AUD/USD, EUR/GBP.

Trade flows of CNH Industrial exposed to changes in these exchange rates in 2021 made up approximately 77% of the exposure to currency risk from trade transactions.
It is the policy of CNH Industrial to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months with additional flexibility to reach 0% or 100% (including risk beyond that date where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Certain subsidiaries may hold trade receivables or payables denominated in a currency different from the subsidiary's functional currency. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency.

Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the policy of the Group to hedge fully, whenever possible, the exposure resulting from receivables, payables, and securities denominated in foreign currencies different from the subsidiary's functional currency.

The Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in place at 31 December 2021.

There were no substantial changes in 2021 in the nature or structure of exposure to currency risk or in the Group hedging policies.

For CNH Industrial Group, the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at 31 December 2021 resulting from a hypothetical change of 10% in the exchange rates amounts to approximately \$531 million corresponding to €469 million (\$512 million corresponding to €417 million at 31 December 2020).

For Ferrari Group, the potential loss in fair value of derivative financial instruments held for foreign currency exchange rate risk management (currency swaps/forwards) at 31 December 2021 resulting from a 10% change in the exchange rates would have been approximately €98 million (€103 million at 31 December 2020).

Receivables, payables and future trade flows whose hedging transactions have been analysed were not included in this analysis. It is reasonable to assume that changes in market exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies sell receivables from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of financing, including the sale of receivables, or the return on investments of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g., securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing/funding obtained, changes in the current level of interest rates can affect the profit/(loss).

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements,

Interest rate benchmark reform

Certain existing benchmark InterBank Offered Rates (IBORs) such as USD LIBOR will be reformed by the authority and gradually replaced with alternative benchmark rates. Despite the uncertainty around the timing and precise nature of these changes, the existing benchmark interest rates are still applied as reference rates.

To transition existing contracts and agreements that reference USD LIBOR to an alternative benchmark rate (SOFR), adjustments for term differences and credit differences might need to be applied to the alternative benchmark rate, to enable the two benchmark rates to be economically equivalent on transition.

CNH Industrial has issued US dollar-denominated fixed rate debt which it fair value hedges using sterling fixed to US dollar fixed to USD LIBOR interest rate swaps. At December 31, 2021, the notional amount of hedging instruments directly affected by the reform of benchmark interest rates is \$1,228 million (€1,084 million).

CNH Industrial is managing the Group's USD LIBOR transition plan. The greatest change will be amendments to the contractual terms of the USD LIBOR-referenced fixed-rate debt and the corresponding update of the hedge designation.

In calculating the change in fair value attributable to the hedged risk of fixed-rate debt, the Group has made the following assumptions that reflect its current expectations:

- the fixed-rate debt will move to SOFR at the beginning of 2022 (or at July 2023 if the new consultations are confirmed) and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument;
- no other changes to the terms of the fixed-rate debt are anticipated; and
- CNH Industrial does not expect any material impact deriving from the replacement of benchmark interest rate.

Sensitivity analysis

CNH Industrial Group, the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2021, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates would have been approximately $21 million (€19 million) approximately $16 million (€13 million) at 31 December 2020.

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

For CNH Industrial Group, a hypothetical 10% change in short-term interest rates at 31 December 2021, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $8 million corresponding to approximately €7 million ($1 million at 31 December 2020, approximately €1 million).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rate levels across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

At 31 December 2021 and 2020, PartnerRe estimates that the hypothetical case of an immediate 100 basis points decrease in global credit spreads would result in an increase in the fair value of investments exposed to credit spread risk of $539 million (€476 million) and $391 million (€345 million) respectively whereas an immediate 100 basis points increase would result in a decrease in the fair value of investments exposed to credit risk of $518 million (€457 million) and $491 million (€400 million) respectively.

Equity price risk

PartnerRe invests a portion of its capital funds in public equity securities. At 31 December 2021 and 2020, the fair market value of these securities was $1,592 million (€1,406 million) and $1,398 million (€1,139 million), respectively, excluding funds holding fixed income securities of $160 million (€141 million) and $98 million (€80 million) at 31 December 2021 and 2020, respectively. These equity investments are primarily mutual funds and are exposed to equity price risk, defined as the potential for loss in market value due to a decline in equity prices. PartnerRe believes that the effects of diversification and the relatively small size of its investments in equities relative to total invested assets mitigate its exposure to equity price risk. At 31 December 2021, PartnerRe estimates that a 10% and 20% movement in the relevant index would result in a change in the fair value of PartnerRe’s public equity portfolio, total invested assets and shareholders’ equity by $154 million (€136 million) and $308 million (€271 million), respectively and $106 million (€86 million) and $213 million €174 million), respectively at 31 December 2020.

Credit spread risk

PartnerRe’s fixed income portfolio, including the fixed maturity portfolio and corporate loan portfolio, is exposed to interest rate risk. Fluctuations in interest rates have a direct impact on the market valuation of these securities. PartnerRe manages interest rate risk by constructing fixed maturity and corporate loan portfolios in which the economic impact of a general interest rate shift on invested assets is comparable to the offsetting impact on the liabilities. This process mitigates the overall net interest rate risk on an economic basis.

PartnerRe’s liabilities are carried at their nominal value, and are not adjusted for changes in interest rates, with the exception of certain policy benefits for life and annuity contracts and deposit liabilities that are interest rate sensitive. However, substantially all of PartnerRe’s invested assets are carried at fair value, which reflects such changes. As a result, an increase in interest rates will result in a decrease in the fair value of PartnerRe’s investments and a corresponding decrease, net of applicable taxes, in the PartnerRe’s shareholders’ equity. A decrease in interest rates would have the opposite effect.

At 31 December 2021 and 2020, the fair value of PartnerRe's investments exposed to interest rate risk was $16,214 million (€14,316 million) and $15,994 million (€13,034 million), respectively.

At 31 December 2021 and 2020, the fair value of investments exposed to credit spread risk was $11,708 million (€10,337 million) and $12,970 million (€10,570 million), respectively. This represents a portion of investments exposed to interest rate risk as discussed above as it excludes certain government securities that are not considered to be sensitive to credit spread risk.

35. Audit Fees

The following table reports fees paid to the independent auditor Ernst & Young, or entities in their network for audit and other services to the Group, for the years ended 31 December 2021 and 2020:

€ thousands		Years ended 31 December	
		2021	**2020**
Audit	Parent - Exor N.V.	185	185
	Subsidiaries	50,293	35,654
Other services	Parent - Exor N.V.	45	85
	Subsidiaries	6,991	1,553
TOTAL		**57,514**	**37,477**

Audit fees of Ernst & Young Accountants LLP amounted to €758.5 thousand (€822 thousand in 2020). No other services were performed by Ernst & Young Accountants LLP.

36. Subsequent events

Exor has evaluated subsequent events through 24 March 2022, which is the date the financial statements at 31 December 2021 were authorised for issuance, and identified the following:

- Effective 1 January 2022 the Commercial and Specialty Vehicles, Powertrain and related Financial Services businesses were separated from CNH Industrial. Iveco Group became a public listed company independent from CNH Industrial and, from 3 January 2022, its common shares are traded on Euronext Milan. Each holder of common shares in the share capital of CNH Industrial received one common share of Iveco Group for every five CNH Industrial common shares held. Exor, which continues to be the shareholder of reference in both entities following completion of the spin-off process, holding 366,927,900 common shares CNH Industrial, received 73,385,580 Iveco Group common shares (a 27.06% stake) and the same number of special voting shares. As the demerger is a “business combination involving entities or businesses under common control”, it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17 – Distributions of Non-cash Assets to Owners. Accordingly, in Exor's 2022 Consolidated Financial Statements, the opening position at 1 January 2022 for items in the statement of financial position (relative to CNH Industrial post-demerger and Iveco Group), will be equivalent to the carrying amounts of CNH Industrial pre-demerger at 31 December 2021.
- As of 3 January 2022, after an uninterrupted period of 24 months during which its shares in Juventus were maintained registered in the special list, in accordance with the company's voting rights regulations, Exor increased voting rights in Juventus and currently holds 77.874% of the voting rights.
- On 18 February 2022 Exor N.V. settled with the Italian Tax Authorities (“Agenzia delle Entrate”) a complex tax issue, specifically related to the exit tax due by the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today’s Exor domiciled fiscally in the Netherlands. Exor remains convinced that it acted in accordance with the rules; however, with the objective of avoiding the time and the costs of a major tax dispute, it has decided to enter into a settlement agreement with the Agenzia delle Entrate and paid €746 million, of which €104 million represented by interest. The effect of the settlement, which was paid in full on 18 February 2022, has been reflected in the Company’s 2021 accounts, to the extent applicable.

- On 20 December 2021, GEDI Group received notification of a preventive sequestration order following an investigation initiated in 2018. In this context GEDI Group requested a supporting letter from its majority shareholder. On 3 March 2022, Exor issued a supporting letter, undertaking to make available to the GEDI Group the financial resources that will be necessary to enable it to meet its obligations relating to the aforementioned lawsuit, the repayment of bank debts and resources to support the activity, to the extent and within the time requested, up to a maximum amount of €136 million.
- On 8 March 2022 Exor launched a share buyback program that will involve from time to time the repurchase of up to €500 million of ordinary shares by 2024 (the "Program"), in line with the disclosure made at the 2021 Investor Day. Exor will commence the repurchase of up to €100 million, as the first tranche of the Program, to be executed on Euronext Milan through a non-discretionary buyback agreement with a primary financial institution. The shares that are being repurchased will be cancelled. The Program will be conducted in the framework of the resolution adopted by the Annual General Meeting of Shareholders (“AGM”) held on 27 May 2021. The shares will be repurchased at a price not higher than 10% above the reference price recorded on the day before each transaction is made. The repurchases will be carried out in compliance with applicable rules and regulations, including the Market Abuse Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052.
- The agreed cash consideration of $9.0 billion to be paid by Covéa on the closing of the transaction was based on a consolidated common shareholders’ equity value of $7 billion. Based on PartnerRe's common shareholders' equity at 31 December 2021, the agreed cash consideration will be adjusted, as per the agreed terms, to include additional proceeds for around $328 million (of which $150 million paid by Covéa and $178 million paid by PartnerRe as a special dividend).
- The conflict between Russia and Ukraine is causing a severe humanitarian crisis involving millions of people. Exor expresses solidarity with all who are and will be suffering the consequences. In response to these events the EU, the United States and the United Kingdom, among other countries, imposed sanctions against certain Russian individuals and entities. Potential effects at a global scale include supply chain disruptions, rises in commodity prices, inflationary pressures and volatility in the capital markets. Exor’s subsidiaries have conducted business in jurisdictions that may be subject to trade or economic sanctions and such sanctions could be expanded. Exor and its subsidiaries will continue to comply with and implement sanction regimes or other similar laws or regulations. Exor acknowledges the high uncertainty regarding the duration, outcome and long-lasting consequences of the conflict. The overall effect of these factors on Exor’s business cannot be estimated with a sufficient degree of confidence, and Exor will continue to monitor closely the developments.

1 April 2022

The Board of Directors

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Ajay Banga

Melissa Bethell

Laurence Debroux

Company Financial Statements at 31 December 2021

EXOR N.V. – INCOME STATEMENT

		Years ended 31 December	
€ thousand	Note	2021	2020
Investment income			
Dividends from investments	1	**1,480,172**	**50,418**
Net investment income		**1,480,172**	**50,418**
Impairment and gains (losses) on investments			
Impairment of investments	2	**—**	**(59,170)**
Realized losses on investments		**—**	**(1,525)**
Impairment and gains (losses) on investments		**—**	**(60,695)**
Financial income (expenses)			
Financial expenses from third parties	3	**(231,236)**	**(108,525)**
Financial expenses from related parties	23	**(9)**	**—**
Financial income from third parties	4	**4,683**	**6,318**
Financial income from related parties	23	**949**	**1,420**
Financial income from fair value adjustment of financial assets		**760**	**252**
Gains (losses) on exchange	5	**7,664**	**(6,188)**
Net financial expenses		**(217,189)**	**(106,723)**
Net general expenses			
Personnel costs	6	**(4,069)**	**(4,366)**
Purchases of goods and services from third parties	7	**(9,493)**	**(10,621)**
Purchases of goods and services from related parties	23	**(10,525)**	**(12,403)**
Other operating expenses	8	**(2,055)**	**(48)**
		(26,142)	**(27,438)**
Revenues from third parties		**1**	**30**
Revenues from related parties	23	**556**	**1,343**
		557	**1,373**
Net general expenses		**(25,585)**	**(26,065)**
Profit (loss) before income taxes		**1,237,398**	**(143,065)**
Income taxes	9	**(675,333)**	**—**
Profit (loss) for the year		**562,065**	**(143,065)**

EXOR N.V. – STATEMENT OF COMPREHENSIVE INCOME

		Years ended 31 December	
€ thousand	Note	**2021**	**2020**
Profit (loss) for the year		**562,065**	**(143,065)**
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods			
Gains (losses) on financial investments at fair value through other comprehensive income	11	**90,283**	**(12,785)**
Related tax effect		**—**	**—**
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax		**90,283**	**(12,785)**
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**7,411**	**(4,774)**
Related tax effect		**—**	**—**
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax		**7,411**	**(4,774)**
Total other comprehensive income (loss), net of tax		**97,694**	**(17,559)**
Total comprehensive income		**659,759**	**(160,624)**

EXOR N.V. – STATEMENT OF FINANCIAL POSITION

		At 31 December	
€ thousand	Note	**2021**	**2020**
Non-current assets			
Investments accounted for at cost	10	**10,953,155**	**10,061,361**
Financial investments at fair value through other comprehensive income	11	**829,289**	**172,820**
Debt securities at amortized cost	12	**25,858**	**52,496**
Non-current loan at fair value through profit and loss		**8,851**	**8,154**
Intangible assets		**255**	**329**
Property, plant and equipment		**307**	**460**
Other receivables		**300**	**271**
Total Non-current assets		**11,818,015**	**10,295,891**
Current assets			
Financial investments at fair value through profit and loss	13	**14,676**	**15,172**
Current loan at fair value through profit and loss		**—**	**4,628**
Debt securities at amortized cost	12	**50,869**	**—**
Cash and cash equivalents	14	**267,405**	**471,903**
Other financial assets		**1,593**	**1,406**
Tax receivables		**3,804**	**3,920**
Financial receivables from related parties	23	**507,441**	**300,651**
Financial receivables from third parties		**312**	**320**
Trade receivables from related parties	23	**241**	**53**
Trade receivables from third parties		**—**	**—**
Other receivables		**912**	**644**
Total Current assets		**847,253**	**798,697**
Total Assets		**12,665,268**	**11,094,588**
Equity			
Share capital	15	**7,399**	**2,410**
Capital reserves	15	**1,239,868**	**1,244,857**
Fair value reserve	15	**68,565**	**(21,718)**
Cash flow reserve	15	**(21,896)**	**(29,307)**
Retained earnings and other reserves	15	**6,042,647**	**6,271,534**
Treasury stock	15	**(297,572)**	**(297,579)**
Profit (loss) for the year		**562,065**	**(143,065)**
Total Equity		**7,601,076**	**7,027,132**
Non-current liabilities			
Non-convertible bonds	17	**3,429,757**	**3,820,440**
Bank debt	18	**150,000**	**—**
Total Non-current liabilities		**3,579,757**	**3,820,440**
Current liabilities			
Non-convertible bonds	17	**639,181**	**35,014**
Bank debt and commercial paper	18	**—**	**160,058**
Other financial liabilities	19	**39,185**	**45,581**
Financial payables to related parties	23	**35,398**	**—**
Trade payables and other payables to related parties	23	**3,566**	**3,666**
Trade payables to third parties	20	**1,332**	**1,000**
Tax payables	9	**764,516**	**571**
Other payables		**1,257**	**1,126**
Total Current liabilities		**1,484,435**	**247,016**
Total Equity and Liabilities		**12,665,268**	**11,094,588**

EXOR N.V. – STATEMENT OF CASH FLOWS

		Years ended 31 December	
€ thousand	Note	2021	2020
Cash and cash equivalents, at beginning of year		471,904	406,929
Cash flows from (used in) operating activities			
Profit (loss) for the year[(a)]		562,065	(143,065)
Adjustments for:			
Impairment and realized (gains)/losses on investments	2	—	60,695
Other non-cash movements[(b)]		(361,404)	13,007
Notional cost of Exor stock option plan	16	1,869	4,625
Total adjustments		(359,535)	78,327
Change in working capital:			
Other financial assets, current and non-current		(186)	106
Tax receivables		116	176
Trade receivables from related parties	23	(188)	(21)
Other receivables, current and non-current		(291)	(56)
Other payables, current and non-current		133	(600)
Trade payables and other payables to related parties, excluding items adjusting profit	23	31,731	(555)
Trade payables to third parties		659	(149)
Tax payables	9	763,944	(212)
Others		(136)	1,436
Change in working capital		795,782	125
Cash flows from (used in) operating activities		998,312	(64,613)
Cash flows from (used in) investing activities			
Property, plant and equipment and intangibles assets		210	—
Investments in subsidiaries, associated and other companies	10	(879,939)	(293,160)
Sale of investments in subsidiaries and other companies	10	—	24,959
Current and non-current loans		4,628	(8,430)
Change in financial receivables from related parties	23	(206,790)	34,725
Net Investments in financial assets at FVTOCI	11	(203,585)	(141,767)
Net investments in debt securities at amortized cost		(22,604)	—
Change in financial assets at FVTPL	12	497	2,640
Cash flows from (used in) investing activities		(1,307,793)	(381,033)
Cash flows from (used in) financing activities[(c)]			
Issuance of bonds	17	492,192	671,009
Repayment of bonds	17	(320,055)	(200,000)
Proceeds of bank debt	18	150,000	664,929
Repayment of bank debt	18	(160,000)	(504,929)
Net change in short term debt and other financial assets and liabilities		35,033	12,262
Buyback program	15	—	(28,587)
Repayment of lease liabilities		(140)	(137)
Change in financial payables to related parties	23	3,239	—
Cash flow hedge derivatives		(7,410)	(4,744)
Dividend paid		(99,530)	(99,581)
Exercise of stock options	16	11,654	399
Cash flows from (used in) financing activities		104,983	510,621
Total change in cash and cash equivalents		(204,498)	64,975
Cash and cash equivalents, at end of year		267,406	471,904

a. Dividend received for the year ended 31 December 2021 for €1,117,458 thousand (€50,418 thousand for the year ended 31 December 2020) are included within profit (loss) before taxes.
b. Of which €362,714 thousand related to the distribution of Faurecia's shares.
c. In 2021 Exor paid interest for €90,999 thousand (€95,984 thousand in 2020) and received interest income for €81 thousand (€815 thousand in 2020).

EXOR N.V. – STATEMENT OF CHANGES IN EQUITY

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings Reserves	Profit (loss) for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at 31 December 2019	**2,410**	**1,244,857**	**(268,992)**	**5,486,477**	**879,314**	**(8,933)**	**(24,533)**	**7,310,600**
Allocation of prior year result	—	—	—	879,314	(879,314)	—	—	0
Buyback of shares	—	—	(28,587)	—	—	—	—	(28,587)
Net increase corresponding to notional cost of Exor stock option plan	—	—	—	5,348	—	—	—	5,348
Exercise of stock options	—	—	—	399	—	—	—	399
Dividend paid	—	—	—	(99,581)	—	—	—	(99,581)
Total comprehensive income	—	—	—	—	(143,065)	(12,785)	(4,774)	(160,624)
Other movements	—	—	—	(423)	—	—	—	(423)
Net changes during the year	**0**	**0**	**(28,587)**	**785,057**	**(1,022,379)**	**(12,785)**	**(4,774)**	**(283,468)**
Equity at 31 December 2020	**2,410**	**1,244,857**	**(297,579)**	**6,271,534**	**(143,065)**	**(21,718)**	**(29,307)**	**7,027,132**

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings Reserves	Profit (loss) for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at 31 December 2020	**2,410**	**1,244,857**	**(297,579)**	**6,271,534**	**(143,065)**	**(21,718)**	**(29,307)**	**7,027,132**
Allocation of prior year result	—	—	—	(143,065)	143,065	—	—	0
Issue of 124,717,132 special voting shares A	4,989	—	—	(4,989)	—	—	—	0
Net increase corresponding to notional cost of Exor stock option plan	—	—	—	2,166	—	—	—	2,166
Exercise of stock options	—	—	7	11,647	—	—	—	11,654
Dividend paid	—	—	—	(99,530)	—	—	—	(99,530)
Total comprehensive income	—	—	—	—	562,065	90,283	7,411	659,759
Other movements	—	—	—	(105)	—	—	—	(105)
Net changes during the year	**4,989**	**0**	**7**	**(233,876)**	**705,130**	**90,283**	**7,411**	**573,944**
Equity at 31 December 2021	**7,399**	**1,244,857**	**(297,572)**	**6,037,658**	**562,065**	**68,565**	**(21,896)**	**7,601,076**

EXOR N.V. – NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR N.V. (Exor), the "Company" and together with its subsidiaries the "Exor Group" or the "Group", was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015, registered in the Dutch Commercial Register under number 64236277, and in 2016 was designated to act as a holding company for Exor Group. The registered office is Gustav Mahlerplein 25, 1082 MS, Amsterdam, the Netherlands, telephone number +31 (0) 202402220.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Date of authorization of issue

The separate financial statements at 31 December 2021 (company financial statements) were approved by the board of directors on 24 March 2022 which also authorized their publication in accordance with Dutch law. At the next shareholders' meeting the board of directors will propose that the shareholders also approve the financial statements. It should be noted that the shareholders will have the possibility to request amendment if needed.

Basis of preparation

The company financial statements of Exor have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements of Exor are expressed in Euro, prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of financial instruments accounted for at fair value through other comprehensive income and fair value through profit and loss.

The company financial statements were prepared using the same accounting policies as set out in the notes to the consolidated financial statements at 31 December 2021 (consolidated financial statements) except for the measurement of the investments in subsidiaries and associates that are accounted for at cost.

The accounting policies were consistently applied to all periods presented.

Format of the company financial statements

Exor presents the income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses). In the statement of financial position the current/non-current distinction has been adopted for the presentation of assets and liabilities.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is 31 December of each year and the financial year covers a period of 12 months.

The Euro is the company's functional currency since it mainly influences cash inflows and outflows and is the functional currency of Exor's subsidiaries except for Exor Nederland N.V. The Euro is also the presentation currency. In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from 1 January 2021

The following standards and amendments, which were effective from 1 January 2021, were adopted by the Company.

There was no effect from the adoption of a package of amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts and IFRS 16 – Leases in response to the reform of inter-bank offered rates (IBOR) and other interest rate benchmarks. The amendments aimed at helping companies to provide investors with useful information about the effects of the reform on those companies' financial statements. These amendments focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

The new amendments relate to:

- changes to contractual cash flows – a company will not be required to derecognize or adjust the carrying amount of financial instruments for changes required by the interest rate benchmark reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company does not have to discontinue its hedge accounting solely because it makes changes required by the interest rate benchmark reform if the hedge meets other hedge accounting criteria; and
- disclosures – a company is required to disclose information about new risks that arise from the interest rate benchmark reform and how the company manages the transition to alternative benchmark rates.

There was no effect from the adoption of the amendments to IFRS 4 – Insurance Contracts which deferred the expiry date of the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2021.

New standards and amendments effective from 1 April 2021

In March 2021, the IASB has extended by one year the applicability of a previous amendment to IFRS 16 issued in 2020 that permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications, thus giving the possibility to the lessees to recognize the entire economic benefit of such discounts immediately through profit or loss. There was no significant effect from the adoption of this amendment.

Standards, amendments and interpretations not yet effective and not early adopted

The standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") that will have mandatory application in 2022 or subsequent years are listed below:

– *Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as current or non-current.*

– *IFRS 3 – Business Combinations.*

– *Amendments to IAS 16 – Property, Plant and Equipment.*

– *Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.*

– *Annual improvements to IFRSs 2018-2020 Cycle.*

– *Amendments to IAS 1 – Presentation of Financial Statements and IFRS practice statement 2: Disclosure of Accounting policies.*

– *Amendments to IAS 8 – Accounting Policies, Change in Accounting Estimates and Errors: Definition of Accounting Estimates.*

– *Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction Business Combinations.*

The Company does not expect any material impact from the adoption of these amendments. The Company will introduce any new standards, amendments and interpretations once they are endorsed by the European Union and as of their effective dates. Further information on these standards is provided in Note 2 of the Consolidated Financial Statements.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries and associates stated at cost.

Subsidiaries are entities over which the Company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the Company has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies.

Under the cost method, investments are tested for impairment whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.

If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.

When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss on an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or has decreased, a reversal is recognized in the income statement up to the cost of the investment.

A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

Financial assets and liabilities

Financial assets primarily include investments in other companies, derivative financial instruments and debt securities that represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities primarily consist of debt, derivative financial instruments, trade payables and other liabilities.

Classification and measurement

The classification of a financial asset is dependent on the company's business model for managing such financial assets and their contractual cash flows. The company considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVTPL").

Financial asset cash flow business model	Initial measurement(1)	Measurement category(3)
Solely to collect the contractual cash flows represented by principal and interest (Held to Collect)	Fair Value including transaction costs	Amortized Cost(2)
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair Value including transaction costs	Fair value through other comprehensive income ("FVTOCI")
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair Value	Fair value through profit and loss ("FVTPL")

(1) A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.
(2) Receivables with maturities of over one year, which bear no interest or have an interest rate significantly lower than market rates are discounted using market rates.
(3) On initial recognition, the company may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortized cost or at FVTOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Factors considered by the company in determining the business model for a group of financial assets include:

- past experience on how the cash flows for these assets were collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
- how the asset's performance is evaluated and reported to key management personnel;
- how risks are assessed and managed and how management is compensated.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities, commercial paper and certificate of deposits that are readily convertible into cash, with original maturities of three months or less at the date of purchase. Cash and cash equivalents are subject to an insignificant risk of changes in value and consist of balances across various primary national and international money market instruments.

Money market funds consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVTPL. Cash at banks and other cash equivalents are measured at amortized cost.

Investments in other companies are measured at fair value. The company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in financial income from investments when the company's right to receive payment is established. Other net gains and losses are recognized in OCI and will not be reclassified to the Income Statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value in OCI.

Intangible assets with indefinite useful life

Intangible assets with an indefinite useful life consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired.

Intangible assets with a definite useful life

Intangible assets with a definite useful life are recognized at purchase cost and amortized on a systematic basis over the asset's useful life, estimated at 5 years. Whenever necessary, intangible assets with a definite useful life are tested for impairment.

Trade receivables and payables

Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment for amounts using the expected credit loss model. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are initially recognized at fair value, less transaction costs, and subsequently measured at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date.

This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component arising from stock option plans linked to shares of EXOR N.V., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favour of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate. Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IFRS 9 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

– Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
– Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from the performance of services are recognized over the period in which the services will be provided. Costs are recorded on the accrual basis.

Income taxes

Current and deferred income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income.

Foreign currency transactions

The financial statements are prepared in Euro, which is the company's functional and presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Segment reporting

As disclosed in the consolidated financial statements (Note 4), the Group has determined that its information by segment according to IFRS 8 – Operating Segments, coincides with the consolidated data of each of its principal investments, every one of which represents, an investment in a major business segment: Stellantis, CNH Industrial, Ferrari, PartnerRe, Juventus and GEDI. Such reportable segments are based on the information reviewed by its chief operating decision maker in making decisions regarding allocation of resources and to assess performance.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments.

There were no significant effects on the valuation of assets or liabilities and no significant increases in allowances for credit losses in 2021. Moreover, no material impairment indicators were identified and there were no changes in accounting judgments or other significant accounting impacts relating to COVID-19.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

€ thousand	2021	2020	Change
FCA N.V. before merger	826,915	—	826,915
Stellantis N.V.	549,973	—	549,973
CNH Industrial N.V.	40,362	—	40,362
Ferrari N.V.	38,525	50,212	(11,687)
The Economist Group	13,634	—	13,634
Faurecia	7,653	—	7,653
Christian Louboutin	3,067	—	3,067
Others	43	206	(163)
Dividends from investments	**1,480,172**	**50,418**	**1,429,754**

As part of the merger agreement of PSA with and into FCA, the latter paid and extraordinary dividend of approximately €2.9 billion to the holders of FCA common shares (Exor's share equal to €827 million) and Stellantis distributed its 39.34% stake in Faurecia (Exor's share equal to 5.54% of the stake, measured at €363 million) and the proceeds generated by the sales of ordinary shares of Faurecia carried out in 2020 (Exor's share €43 million).
Finally, Stellantis distributed €1,000 million in cash, of which €144 million to Exor.

2. Impairment and realized losses on investments

In 2021 no impairment losses have been identified on the investments held by Exor.

In 2020, the challenges and uncertainties faced by oilfield services providers as a result of reduced spending plans by oil and gas companies, amid lower demand caused by the COVID-19 pandemic and a depressed low oil price environment, have led to credit rating downgrades and outlook revisions across the industry.
Considering Welltec's exposure to a difficult and competitive oil market, with limited revenue visibility and interest expense payments limiting its cash generation, Exor's management performed an internal analysis to evaluate the risks. In particular, EV/Ebitda multiples of comparable listed companies were adjusted to take into account the different size, scale and liquidity in addition to other company-specific risk factors. From the analysis carried out an impairment of €59,170 million was identified.

3. Financial expenses from third parties

€ thousand	2021	2020	Change
Interest on Italian tax claim	104,087	—	104,087
Interest on bonds	101,095	102,152	(1,057)
Losses on partial bonds cancellation	20,816	—	20,816
Bank fees and commission	1,666	1,723	(57)
Interest on bank debt	1,312	684	628
Losses on equity instruments at FVTPL	577	775	(198)
Losses on derivative instruments at FVTPL	—	1,155	(1,155)
Other expenses	1,683	2,036	(353)
Financial expenses from third parties	**231,236**	**108,525**	**122,710**

The increase in financial expenses from third parties is mainly due to the interest on the Italian tax claim (€104 million), as described in Note 9 Income taxes and to the one-off losses of €21 million related to the partial repurchases of the Exor 2.5% and 2.125% bonds and their subsequent partial cancellation.

4. Financial income from third parties

€ thousand	2021	2020	Change
Interest income on debt securities at amortized cost	2,841	2,375	466
Interest income on financial instruments at FVTPL	532	783	(251)
Realized gains on financial instruments at FVTPL	—	1,443	(1,443)
Bank interest	81	815	(734)
Other financial income	1,229	902	327
Financial income from third parties	**4,683**	**6,318**	**(1,635)**

5. Gains (losses) on exchange

Net gains amount to €7,664 thousand (net loss of €6,188 thousand in 2020). The positive effect is mainly due to the positive trend of the US dollar.

6. Personnel costs

Personnel costs amount to €4,069 thousand (€4,366 thousand in 2020) of which €395 thousand related to the stock option plan (€1,027 thousand in 2020). At the end of 2021 the number of employees was 10 (9 at the end of 2020). All employees work in the Netherlands.

7. Purchases of goods and services from third parties

€ thousand	2021	2020	Change
Consulting fees related to investment and disinvestment projects	5,837	7,397	(1,560)
Legal, tax and other consulting fees	988	416	572
General expenses	2,443	2,377	66
Depreciation	226	—	226
Cultural and charitable contributions	—	431	(431)
Purchases of goods and services from third parties	**9,493**	**10,621**	**(1,128)**

8. Other operating expenses

In 2021 amounts to €2,055 thousand (€48 thousand in 2020) and mainly refers for €2,028 thousand to the withholding tax on the dividend received from Faurecia.

9. Income taxes

On 18 February 2022 Exor settled with the Italian Tax Authorities ("Agenzia delle Entrate") a complex tax issue, specifically in respect of the Exit Tax and has paid €746 million, of which €104 million is represented by interest.

The issue is related to the Italian registered company Exor S.p.A. that in December 2016 merged with its Dutch subsidiary Exor Holding N.V. to create today's Exor domiciled fiscally in the Netherlands. At the time of this cross-border merger, the exiting company Exor S.p.A. applied the Participation Exemption (PEX) regulations as set out in Article 87 of the Italian Corporate Income Tax Act. Under this regime, 95% of any capital gains relating to the value of its holdings was exempt and therefore excluded from the holding company's taxable income for the determination of the Exit Tax.

With a subsequent principle of law "Legal Principle 10/2021", published on 11 May 2021, the Agenzia delle Entrate contended that the PEX should not apply to cases in which a holding company transfers its fiscal domicile abroad without maintaining a permanent establishment in Italy.

As a result of the subsequent principle of law published in 2021, a complex matter of interpretation on the application of the PEX regulation back in 2016 has arisen. Exor remains convinced that it acted in accordance with the rules. However, with the objective of avoiding the time and costs of a major tax dispute, it has decided to enter into a settlement agreement with the Agenzia delle Entrate.

At 31 December 2021, the effect of this settlement is a recognition of a liability of €744 million, of which €643 million of income taxes and €101 million of interest (recognized until 31 December 2021).

At the same time, Exor settled with the Agenzia delle Entrate a previous tax claim related to the treatment of financial income in the fiscal year 2015, against which Exor had appealed and other minor formal matters. The closing of the litigation generates income taxes of €32 million, interest of €3 million and a tax liability of €20 million.

There are no outstanding fiscal issues pending for Exor in respect of all the years in which it was tax resident in Italy, the ordinary statutory terms for any assessment having also expired.

The reconciliation between the income tax expense recognized in the income statement and the theoretical tax expense, calculated on the basis of the theoretical tax rate in effect in the Netherlands, is as follows:

€ thousand	2021	2020
Pre-tax profit (loss)	1,237,398	(143)
Theoretical tax (expense) income at 25%	(309,349)	36
Tax effect on:		
Participation exemption on dividends received	370,032	13
Impairment loss on investments	—	(15)
Fair value reserve	(1,208)	(2)
Non-deductible cost for stock option plan	(467)	(1)
Cash flow hedge reserve	(1,853)	1
Non-deductible interest	(52,142)	(27)
Other	(682)	(2)
Total	313,680	(33)
Unrecognized deferred tax assets on differences emerged	(4,331)	(3)
Settlement agreement with the Agenzia delle Entrate	(675,333)	—
Total tax (expense) income	**(675,333)**	**0**
Effective tax rate	**55%**	**0%**
Total tax (expense) income	**(675,333)**	**0**

Based on the final tax assessments issued for the financial years up to and including 2017, the 2018 and 2019 tax return filed, the 2020 tax return currently being prepared and the 2021 tax provision, Exor losses available for future offset at 31 December 2021 amount to €253,993 thousand.

Due to a change in tax law, all losses available for future offset at the end of the financial year 2021 become available to be carried forward indefinitely, subject to specific conditions. Amongst other condition, as from financial years starting on or after 1 January 2022 the taxable profit in a financial year can only be compensated with available losses for an amount of €1,000 thousand and 50% of the taxable profit exceeding €1,000 thousand.

Taking the aforementioned into account, the following losses can in principle be offset against future taxable profits:

Loss from financial year	€ thousand
2015	28
2016	5,559
2017	112,080
2018	87,408
2019	18,578
2020	13,017
2021	17,323
Total	**253,993**

For these losses no deferred tax asset has been recognized, since, in the opinion of management, it cannot be regarded as more likely than not that there will be suitable profits against which these tax losses can be recovered.

Moreover, based on the 2019 tax return, the 2020 tax return currently being prepared and the 2021 tax provision, Exor has a total amount of €399,943 thousand of interest expenses available for future offset at 31 December 2021 under the so-called earnings stripping rule. Under current tax law, this amount can be carried forward indefinitely. For these deductible expenses no deferred tax asset has been recognized.

10. Investments accounted for at cost

€ thousand	31.12.2021		31.12.2020		Change
	% of class of shares	**Amount**	% of class of shares	Amount	
Exor Nederland N.V.	100.00	5,320,737	100.00	5,309,178	11,559
CNH Industrial N.V. - common shares	26.89	1,694,530	26.89	1,694,530	—
CNH Industrial N.V. - special voting shares	92.55	—	92.55	—	—
CNH Industrial N.V.		1,694,530		1,694,530	—
Stellanits N.V. - common shares	14.40	1,349,725		—	1,349,725
Stellantis N.V. - special voting shares		—		—	—
Stellantis N.V.		1,349,725		—	1,349,725
Fiat Chrysler Automobiles N.V. - common shares		—	28.54	1,349,725	(1,349,725)
Fiat Chrysler Automobiles N.V. - special voting shares		—	99.95	—	—
Fiat Chrysler Automobiles N.V.		—		1,349,725	(1,349,725)
Ferrari N.V.	22.91	677,443	22.91	677,443	—
Ferrari N.V. - special voting shares	70.15	—	70.14	—	—
Ferrari N.V.		677,443		677,443	—
Juventus Football Club S.p.A.	63.77	541,912	63.77	286,929	254,983
Christian Louboutin	24.00	541,432		—	541,432
The Economist Group	43.40	327,816	43.40	327,816	—
GEDI Gruppo Editoriale S.p.A.	89.62	202,123	89.62	202,123	—
Welltec	47.60	95,227	22.12	33,912	61,315
Exor S.A.	100.00	91,300	100.00	91,300	—
Full More Group	77.30	78,573	77.30	78,573	—
NUO S.p.A.	50.00	22,164		—	22,164
Exor Investments Limited	100.00	10,128	100.00	9,831	297
Other		45		—	45
Investments accounted for at cost		**10,953,155**		**10,061,360**	**891,795**

On 17 December 2019, Fiat Chrysler Automobiles N.V. (FCA) and Peugeot S.A. (PSA) entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger.

On 14 September 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA extraordinary dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46% stake in Faurecia planned to be distributed to all Stellantis shareholders promptly after closing following approval of the Stellantis board and shareholders.

On 4 January 2021, PSA and FCA extraordinary general shareholders meetings approved the merger and on 16 January 2021, PSA merged with and into FCA. By virtue of the merger, FCA issued 1.742 FCA common shares for each outstanding PSA ordinary share and each PSA ordinary share ceased to exist. Each issued and outstanding common share of FCA remained unchanged as one common share in FCA.

The surviving entity changed its name to Stellantis on 17 January 2021, which was the accounting acquisition date for the business combination.

The investment has been maintained at cost, considering the following:

- FCA was the legal acquirer (surviving entity) according to the merger plan;
- following the merger, Exor continues to hold 449,410,092 common shares of Stellantis, corresponding to 14.4% of the outstanding capital.

The changes during the year are as follows:

	Balance at	Changes in 2021			**Balance at**
€ thousand	**31.12.2020**	Increases	Decreases	Reclass.	**31.12.2021**
Exor Nederland N.V.	5,309,178	11,559	—	—	5,320,737
CNH Industrial N.V. - common shares	1,694,530	—	—	—	1,694,530
CNH Industrial N.V. - special voting shares	—	—	—	—	—
CNH Industrial N.V.	1,694,530				1,694,530
Stellanits N.V. - common shares	—	—	—	1,349,725	1,349,725
Stellantis N.V. - special voting shares	—	—	—	—	—
Stellantis N.V.	—	—	—	1,349,725	1,349,725
Fiat Chrysler Automobiles N.V. - common shares	1,349,725	—	—	(1,349,725)	—
Fiat Chrysler Automobiles N.V. - special voting	—	—	—	—	—
Fiat Chrysler Automobiles N.V.	1,349,725	—	—	(1,349,725)	—
Ferrari N.V.	677,443	—	—	—	677,443
Ferrari N.V. - special voting shares	—	—	—	—	—
Ferrari N.V.	677,443				677,443
Juventus Football Club S.p.A.	286,929	254,983	—	—	541,912
Christian Louboutin	—	541,432	—	—	541,432
The Economist Group	327,816	—	—	—	327,816
GEDI Gruppo Editoriale S.p.A.	202,123	—	—	—	202,123
Welltec	33,912	61,315	—	—	95,227
Exor S.A.	91,300	—	—	—	91,300
Full More Group	78,573	—	—	—	78,573
NUO S.p.A.	—	22,164	—	—	22,164
Exor Investments Limited	9,831	—	—	297	10,128
Other	1	44	—	—	45
Investments accounted for at cost	**10,061,361**	**891,497**	**—**	**297**	**10,953,155**

At the end of 2021 Juventus Football Club completed the execution of the capital increase for a total amount of €400 million, with a full subscription. Exor subscribed its quota of the capital increase (€255 million), receiving 763,422,210 new shares. After this operation Exor owns 1,611,669,116 Juventus shares (63.77% of the share capital).

In 2021 Exor invested €541 million to become a 24% shareholder in Christian Louboutin.

During the year 2021 Exor acquired a further 25.5% of Welltec for a total consideration of $73 million (€61 million).

On 16 June 2021, Exor and The World-Wide Investment Company Limited ("WWICL"), Hong Kong's oldest family office, created a partnership to invest in and support the global development of medium-sized Italian companies specialising in consumer goods excellence. The new company, called NUO S.p.A., will be endowed with initial permanent capital of €300 million to be contributed equally by its founders partners. In July 2021, Exor invested €22 million in NUO S.p.A.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Market price at 30 December 2021	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial N.V. - common shares	366,927,900	4.618	1,694,530	17.170	6,300,152
Stellantis N.V. - common shares	449,410,092	3.003	1,349,725	16.686	7,498,857
Ferrari N.V. - common shares	44,435,280	15.246	677,443	227.500	10,109,026
Juventus Football Club S.p.A.	1,611,669,116	0.336	541,432	0.345	556,026
Total			**4,263,130**		**24,464,061**

		Carrying amount		Market price at 30 December 2020	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
CNH Industrial N.V. - common shares	366,927,900	4.618	1,694,530	10.3250	3,788,531
Fiat Chrysler Automobiles N.V. - common shares	449,410,092	3.003	1,349,725	14.6600	6,588,352
Ferrari N.V. - common shares	44,435,280	15.246	677,443	188.6500	8,382,716
Juventus Football Club S.p.A.	848,246,906	0.338	286,929	0.8146	690,982
Total			**4,008,627**		**19,450,580**

11. Financial investment at FVTOCI

	31.12.2021		**31.12.2020**		Change
€ thousand	**% of class of shares**	**Amount**	% of class of shares	Amount	
Via Transportation Inc	17.56	449,329	10.13	162,986	286,343
Faurecia	5.54	320,125	—	—	320,125
Zegna	1.03	23,133	—	—	23,133
Other	n/a	36,702	n/a	9,834	26,868
Financial investment at FVTOCI		**829,289**		**172,820**	**656,469**

Other financial investment at FVTOCI mainly refers to listed equity instruments. The changes during the year are as follows:

€ thousand	Financial investment at FVTOCI					
	Via	Faurecia	Zegna	GEDI	Other	Total
Balance at 01.01.2020	**0**			**13,930**	**44,184**	**58,114**
Increase	182,965	—	—	—	—	182,965
Fair value adjustments	(19,979)	—	—	91	6,848	(13,040)
Reclassification	—	—	—	(14,021)	—	(14,021)
Sale	—	—	—	—	(41,198)	(41,198)
Balance at 31.12.2020	**162,986**	**—**	**—**	**—**	**9,834**	**172,820**
Increase	158,417	362,714	22,167	—	34,460	577,759
Fair value adjustments	127,925	(42,589)	966	—	2,242	88,544
Reclassification	—	—	—	—	1,739	1,739
Sale	—	—	—	—	(11,573)	(11,573)
Balance at 31.12.2021	**449,329**	**320,125**	**23,133**	**—**	**36,702**	**829,289**

Via Transportation is a highly successful, rapidly growing technology company, specializing in the dynamic data driven optimization of public mobility systems in cities all around the world. During 2021, the company continued its expansion strategy and issued new series of shares. Exor participated in this round and also through secondary acquisition invested a total amount of $188 million (€158 million) to acquire a further 7.43% stake. The fair value adjustment at 31 December 2021 is due to currency translation and the revaluation of the share prices, determined considering the most recent transactions and capital increase.

As described in Note 1 Dividends from investments, in 2021 Exor received 7,653,004 Faurecia ordinary shares (initially measured at €363 million), as its share of the distribution made by Stellantis in the context of the merger.

12. Non current and current debt securities at amortized cost

These amount to €76,727 thousand (€52,496 thousand at 31 December 2020) and are represented by bonds issued by leading counterparties, maturing for €25,858 thousand after 12 months and for €50,869 thousand within 12 months. The bonds are measured at amortized cost.

13. Financial investments at FVTPL

These amount to €14,676 thousand (€15,172 thousand at 31 December 2020) and represent investments in debt securities listed in active markets.

14. Cash and cash equivalents

These amount to €267,405 thousand (€471,903 thousand at 31 December 2020) and represent current account bank balances in Euro USD, GBP, JPY and HKD repayable on demand and time deposits in GBP and Euro matured in January 2022. The balance/deposits in Euro represents 85.6% of the total.

The associated credit risks should be considered limited since the counterparties are leading financial institutions.

15. Equity

Share capital

On 13 December 2021, 124,717,132 Special Voting Shares A were issued to Giovanni Agnelli BV under the Exor loyalty voting scheme. At 31 December 2021 Giovanni Agnelli BV owns 85.44% voting rights on Exor’s outstanding capital

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.

At 31 December 2021 the total issued capital of EXOR N.V. was equal to Euro 7,398,685, divided into no. 241,000,000 shares each with a nominal value of Euro 0.01 and no.124,717,132 Special Voting Shares A each with a nominal value of Euro 0.04.

Reserves

At 31 December 2021 Exor does not have any legal, statutory or non-distributable reserves, except for the fair value reserve and cash-flow reserve in the balance sheet.

€ thousand	31/12/2021	31/12/2020	Change
Capital Reserves	1,244,857	1,244,857	0
Earnings reserves and other reserves:			
Retained earnings	5,994,061	6,230,103	(236,042)
Stock option reserve	43,597	41,431	2,166
Total earnings reserves and other reserves	6,037,658	6,271,534	(233,876)
Fair value reserve	68,565	(21,718)	90,283
Cash-flow hedge reserve	(21,896)	(29,307)	7,411
Total reserves	**7,329,184**	**7,465,366**	(136,182)

Reconciliation of equity and net profit

The reconciliation of equity reported in the consolidated financial statements to equity reported in the company financial statements is provided below.

€ million	31/12/2021	31/12/2020
Equity attributable to owners of the parent in the consolidated financial statements	**16,759**	**13,090**
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	(6,064)	(7,714)
Change in other comprehensive income reserve in the consolidated financial statements	(368)	1,736
Share of the (profit) loss of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(3,252)	(179)
Other adjustments	526	94
Equity in the company financial statements	**7,601**	**7,027**

The reconciliation of net profit reported in the consolidated financial statements to net profit/loss reported in the company financial statements is provided below.

€ million	2021	2020
Net loss (profit) attributable to owners of the parent in the consolidated financial statements	**1,717**	**(30)**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(3,252)	(179)
Dividends received from consolidated companies and companies accounted for by the equity method	1,592	94
Adjustments of gains/losses on disposals and impairments and reversals of investments	505	(34)
Other adjustments	—	6
Net (loss) profit in the company financial statements	**562**	**(143)**

Treasury stock

At 31 December 2021 Exor holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Balance at 01 January 2020	**9,412,215**	**28.57**	**268,992**	**3.910**
Buyback of treasury shares	605,029	47.25	28,587	
Exercise of stock options	(24,000)	0.00	0	
Balance at 31 December 2020	**9,993,244**	**29.78**	**297,579**	**4.147**
Buyback of treasury shares	—	—	—	
Exercise of stock options	(702,000)	0.00	(7)	
Balance at 31 December 2021	**9,291,244**	**32.03**	**297,572**	**3.860**

1. Considering only the treasury shares bought back, the average carrying value per share is € 53.29.

Buyback program

In 2018 the Exor Board of Directors approved a share buyback program for a total amount up to €300 million. The total invested amount was €297.23 million for a total amount of 5,483,361 shares.

The repurchases were carried out in compliance with applicable rules and regulations, including the Market Abuse Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052.

16. Long-term incentive plans

2012 Long-term incentive plans

The plan, denominated "Company Performance Stock Options", vested 1,019,200 options of which 450,000 to the Chairman and Chief Executive Officer of the Company and 569,200 to other beneficiaries; this allows them to purchase a corresponding number of Exor ordinary shares at a price per share of €16.59 and €16.62, respectively.

At the end of 2020, the options outstanding, vested and not exercised, were 450,000 granted to the Chairman and Chief Executive Officer of the Company and 252,000 to other beneficiaries. During 2021, all the options granted have been exercised.

Stock Option Plan Exor 2016

The Stock Option Plan Exor 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock options outstanding at 31 December 2021, of which 1,173,679 exercisable, is 2,937,135 (average exercise price of €32.38 per share).

Changes during 2021 and 2020 were as follows:

	2021		2020	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Outstanding at the beginning of the year	**2,937,135**	**32.38**	2,937,135	32.38
Granted during the year	—	—	—	—
Forfeited during the year	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding at the end of the year	**2,937,135**	**32.38**	2,937,135	32.38
Exercisable at the end of the year	**1,173,679**	**—**	586,839	—

The cost of the plan is as follows:

€ thousand	2021		2020	
	Options outstanding	Cost	Options outstanding	Cost
Chairman and Chief Executive Officer of Exor N.V.	2,013,950	1,474	2,013,950	3,596
Key employees of Exor N.V.	530,727	395	530,727	1,027
Key employees of companies in the Holdings System	392,458	297	392,458	725
Total	**2,937,135**	**2,166**	**2,937,135**	**5,348**

The cost for the year recorded in the stock option reserve amounts to €2,166 thousand (€5,348 thousand in 2020) including €1,474 thousand (€3,596 thousand in 2020) classified as compensation to the Chairman and Chief Executive Officer and €395 thousand (€1,027 thousand in 2020) as personnel costs.

The cost relating to the key employees of companies in the Holdings System for €297 thousand (€725 thousand in 2020) was recognized as an increase in the carrying amount of the investment in Exor Investments Limited.

All the share-based incentive plans will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect on issued capital.

17. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate		Nominal value	Balance at (€/000)	
							31/12/2021	31/12/2020
03-Dec-15	02-Dec-22	99.50	Annually	Fixed 2.125%	(a)	€ 601,891	**602,166**	**749,394**
08-Oct-14	08-Oct-24	100.09	Annually	Fixed 2.500%	(b)	€ 500,396	**502,851**	**653,051**
07-Dec-12	31-Jan-25	97.84	Annually	Fixed 5.250%		€ 100,000	**104,081**	**103,870**
22-Dec-15	22-Dec-25	100.78	Annually	Fixed 2.875%		€ 450,000	**450,802**	**451,054**
20-May-16	20-May-26	99.65	Semi-annually	Fixed 4.398%		€ 170,000	**150,434**	**138,790**
18-Jan-18	18-Jan-28	98.52	Annually	Fixed 1.750%		€ 500,000	**502,478**	**501,576**
29-Apr-20	29-Apr-30	98.49	Annually	Fixed 2.25%		€ 500,000	**500,072**	**499,272**
19-Jan-21	19-Jan-31	99.09	Annually	Fixed 0.875%		€ 500,000	**498,271**	**—**
09-May-11	09-May-31	100.00	Semi-annually	Fixed 2.800%	(c)	¥10,000,000	**77,275**	**79,618**
14-Oct-19	14-Oct-34	100.00	Annually	Fixed 1.750%		€ 500,000	**478,692**	**477,182**
15-Feb-18	15-Feb-38	98.18	Annually	Fixed 3.125%		€ 200,000	**201,816**	**201,647**
Total							**4,068,938**	**3,855,454**
– Current portion							**639,181**	**35,014**
– Non-current portion							**3,429,757**	**3,820,440**

a) In 2021 the nominal value has been reduced from €750 million to €601.9 million.
b) In 2021 the nominal value has been reduced from €650 million to €500 million.
c) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

On 19 January 2021 Exor issued bonds for a nominal amount of €500 million, maturing on 19 January 2031 with a fixed annual coupon of 0.875%. The purpose of the issue was to raise new funds for Exor's general corporate purposes, including the refinancing of existing debt. The bonds are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, with a BBB+ credit rating assigned by Standard & Poor’s.

On 12 January 2021 Exor launched an invitation to eligible noteholders of the Exor outstanding €750,000,000 2.125% Notes due 2022 and the Exor outstanding €650,000,000 2.50% Notes due 2024, listed on the Luxembourg Stock Exchange, to tender their notes for purchase by Exor for cash.

On 20 January 2021 Exor announced that it accepted all validly tendered notes for an aggregate nominal amount of €297,713,000. Therefore the nominal amounts outstanding after the repurchase settlement date are €601,891,000 of Notes due 2022 and €500,396,000 of Notes due 2024.

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

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.

The 2011-2031 bonds also establish other covenants such as respecting a ratio between financial debt and net asset value (0.5) calculated in accordance with the bond issuance prospectus and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.
Standard events of default are envisaged in the case of serious non-fulfilment such as failure to pay interest. These covenants were complied with at 31 December 2021.
Finally, a change of control of Exor would give the bondholders the right to ask for early redemption of the bonds.
The bonds were rated BBB+ by Standard & Poor's, in line with EXOR N.V.'s long-term debt rating.

The changes in non-convertible bonds may be analysed as follows:

€ thousand	2021	2020
Total at 1 January	**3,855,454**	**3,390,659**
Cash flows, net	175,189	478,391
Foreign exchange effects	9,200	(15,738)
Loss on partial bond cancellation	20,816	—
Other changes	8,279	2,142
Total at 31 December	**4,068,938**	**3,855,454**

The analysis of the non-convertible bonds by due date at 31 December 2021 and 2020 is as follows:

€ thousand	31/12/2021	31/12/2020	Change
Due within one year	639,181	35,014	604,167
Due between one and five years	1,199,366	1,947,102	(747,736)
Due beyond five years	2,230,391	1,873,338	357,053
Non-convertible bonds	**4,068,938**	**3,855,454**	213,484

18. Bank debt and commercial paper

€ thousand	31.12.2021	31.12.2020
Non current liabilities		
Bank Debt	150,000	—
	150,000	—
Current liabilities		
Commercial paper	—	160,000
Bank overdrafts	—	21
Advance interest on commercial paper	—	37
	—	**160,058**
Total at 31 December	**150,000**	**160,058**

On 29 September 2021 Exor entered into a committed credit facility for €150 million expiring on 29 September 2024. At 31 December 2021 the full amount are drawn.

On 15 May 2018 Exor established its first Euro-Commercial Paper Program (ECP Program) allowing it to issue short-term notes with maturity of up to 364 days and a maximum amount outstanding of €500 million.
The program enables Exor to achieve greater diversification of its funding sources in the capital markets and enhance its liquidity management. In 2021 Exor repaid the outstanding amount of €160 million nominal value of commercial paper.

At 31 December 2021 Exor has a €150 million term loan, committed credit lines in Euro of €385 million, of which €200 million expiring after 31 December 2022, as well as uncommitted credit lines of €545 million. In 2021 Exor did not draw uncommitted credit lines.

At 31 December 2020 Exor had irrevocable credit lines in Euro of €485 million, of which €335 million expiring after 31 December 2021, as well as revocable credit lines of €547 million. In 2020 Exor drew and repaid uncommitted credit lines for €413 million.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line. Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings. These covenants were complied with at 31 December 2021.

In the event of a change of control of Exor, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €300 million, which however were not used at 31 December 2021.

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

The changes in bank debt may be analysed as follows:

€ thousand	2021	2020
Total at 1 January	**160,058**	**97**
Cash flows, net	(10,058)	159,961
Foreign exchange effects	—	—
Total at 31 December	**150,000**	**160,058**

19. Other financial liabilities

€ thousand	31.12.2021	31.12.2020
Cross currency swap	27,865	33,460
Fees and commission on undrawn credit lines	88	111
Lease liabilities	291	431
Other	10,941	11,579
Total at 31 December	**39,185**	**45,581**

20. Trade payables to third parties

These amount to €1,332 thousand (€1,000 thousand at 31 December 2020) and refer to trade payables to suppliers due within one year.

21. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following tables show the fair value hierarchy, based on observable and unobservable inputs, for financial assets and liabilities measured at fair value on a recurring basis:

€ thousand	Note	Level 1	Level 2	Level 3	**31.12.2021**
Assets at fair value					
Financial investments at FVTOCI	11	343,258	—	486,031	829,289
Financial investments at FVTPL	13	14,676	—	—	14,676
Non current loan al FVTPL		—	—	8,851	8,851
Current loan at FVTPL		—	—	—	—
Total assets		**357,934**	**—**	**494,882**	**852,816**
Liabilities at fair value					
Other financial liabilities	19	—	27,865	—	27,865
Total liabilities		**—**	**27,865**	**—**	**27,865**

€ thousand	Note	Level 1	Level 2	Level 3	**31.12.2020**
Assets at fair value					
Financial investments at FVTOCI	11	9,834	—	162,986	172,820
Financial investments at FVTPL	13	15,172	—	—	15,172
Non current loan al FVTPL		—	—	8,154	8,154
Current loan at FVTPL		—	—	4,628	4,628
Total assets		**25,006**	**—**	**175,768**	**200,774**
Liabilities at fair value					
Other financial liabilities	19	—	33,460	—	33,460
Total liabilities		**—**	**33,460**	**—**	**33,460**

In 2021 there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds, and widely accepted valuation models; the valuation technique which is generally accepted is discounted cash-flow, considering counterparty credit risk.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account Exor's credit quality.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		31/12/2021		31/12/2020	
€ thousand	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Debt securities at amortized cost	12	76,727	78,665	52,496	55,750
Other financial assets		1,593	1,593	1,406	1,406
Total assets		**78,320**	**80,258**	**53,902**	**57,156**
Financial liabilities					
Non-convertible bonds	17	4,069	4,345	3,855	4,203
Bank debt and commercial paper	18	150	150	160	160
Other financial liabilities	19	11	11	12	12
Total liabilities		**4,230**	**4,507**	**4,028**	**4,375**

Debt securities at amortized cost are represented by bonds issued by leading counterparties; these are quoted on active markets and therefore their fair value is categorized in Level 1.
Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore they are classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at 31 December 2021 equal to €76,669 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured using a discounted cash flow model.

(€ million)	At 31 December 2021				At 31 December 2020			
	Level 1	**Level 2**	**Level 3**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial assets								
Dealer financing receivables	—	11	7,840	7,851	—	14	8,492	8,506
Retail financing receivables	—	779	7,908	8,687	—	700	8,027	8,727
Finance lease receivables	—	231	247	478	—	226	257	483
Other	—	1	72	73	—	—	420	420
Total assets	**—**	**1,022**	**16,067**	**17,089**	**—**	**940**	**17,196**	**18,136**
Financial liabilities								
Notes	(10,838)	(4,583)	—	(15,421)	(20,733)	(1,067)	—	(21,800)
Borrowing from banks, payables represented by securities and other financial debt	(211)	(4,511)	(114)	(4,836)	(364)	(14,982)	(697)	(16,043)
Asset-backed financing	—	(10,071)	—	(10,071)	—	(10,522)	—	(10,522)
Lease liabilities	(24)	(61)	(493)	(578)	(27)	(62)	(2,154)	(2,243)
Total liabilities	**(11,073)**	**(19,225)**	**(607)**	**(30,906)**	**(21,124)**	**(26,633)**	**(2,851)**	**(50,608)**

22. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which Exor is exposed at 31 December 2021 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality. At 31 December 2021 there are no financial assets past due and not written down, as was the case at 31 December 2020.

Liquidity risk

Outgoing cash-flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, Exor operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

Exor is principally exposed to currency, interest rate and price risks.

Currency risk

At 31 December 2021 a portion of receivables from related parties is denominated in USD (€9 million) and in HKD (€19 million), a portion of cash and cash equivalents in GBP (€36 million) and a portion of financial investment at FVTOCI in USD (€504 million). Such assets are aligned to year-end exchange rates, with a positive effect in the 2021 income statement and in net equity of €1,149 thousand and €22,603 thousand, respectively.

At 31 December 2020 a portion of receivables from related parties were denominated in USD (€51 million) and in HKD (€5 million), a portion of cash and cash equivalents (€24 million) in GBP and a portion of financial investment at FVTOCI in USD (€163 million) and in in Japanese yen (€10 million). Such assets were aligned to year-end exchange rates, with a negative effect in the 2020 income statement and in net equity of €2,851 thousand and €19,979 thousand, respectively.

The currency risk related to the liabilities to which Exor is exposed regards the note issued in 2011 for Japanese yen 10 billion (€77 million at 31 December 2021; €79 million at 31 December 2020) which carries a fixed rate in yen of 2.80% and a term of 20 years and the note in US dollars issued in 2016 for $170 million (€150 million at 31 December 2021; €138 million at 31 December 2020) which carries a fixed rate of 4.398% and a term of 10 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, Exor put in place a cross currency swap with a leading credit institution as a result of which Exor will pay a fixed rate of 6.012% on the Euro equivalent face amount of the Japanese yen note for its entire term.

Sensitivity analysis for currency risk

Considering currency risk exposure at the reporting date, if the exchange rates had been 10% favourable or unfavourable, the financial receivables in USD would be €983 thousand higher or €805 thousand lower, the financial receivables in HKD would be €2,141 thousand higher or €1,752 thousand lower, the investment at FVTOCI in USD would be €82,235 thousand higher or €24,331 thousand lower, the cash and cash equivalents would be €4,266 thousand higher or €3,491 thousand lower and the note and financial liabilities in USD would be €16,822 thousand lower or €20,560 thousand higher.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.1% and 6.012% for the current year.

At 31 December 2021 there was no bank debt exposed to interest rate risk.

Price risk

Exor is exposed to price risk originating from investments in equity classified in the following categories:

- investments accounted for at cost
- financial investments at FVTOCI

Sensitivity analysis for price risk
Considering price risk exposure at the reporting date, if the prices of financial investments at FVTOCI had been 5% higher or lower, the fair value reserve would be €41,200 thousand higher or lower.

23. Related party transactions

With regard to the year 2021, the transactions between EXOR N.V. and the related parties identified in accordance with IAS 24 have been carried out in compliance with applicable laws, on the basis of the principle of reciprocal economic gain.

At 31 December 2021 related party transactions mainly include the following payables and receivables:

€ thousand	**At 31 December 2021**	**At 31 December 2020**
Loan granted to Exor SA (interest rate 0.2%)	488,172	244,532
Loan granted to Full More Group (interest at HKD Hibor 12 months +0.2%)	19,269	5,186
Loan granted to Exor Nederland (interest rate 0.2%)	—	50,933
Financial receivables from related parties	**507,441**	**300,651**

€ thousand	**At 31 December 2021**	**At 31 December 2020**
Loan granted from Exor Nederland (interest rate 0.2%)	35,326	—
Financial payables to Exor Nederland	72	—
Financial payables from related parties	**35,398**	**—**

€ thousand	**At 31 December 2021**	**At 31 December 2020**
Services for accounting, IT and consulting related to investments received from subsidiaries	2,641	2,851
Board Member payables	925	815
Trade payables from related parties	**3,566**	**3,666**

The economic effects of related party transactions in 2021 and 2020 are as follow:

€ thousand	**2021**	**2020**
Interest expenses on payables to Exor Nederland	(9)	—
Total financial expenses from related parties	(9)	—
Interest income on loan granted to Exor SA	730	444
Interest income on loan granted to Exor Nederland	121	974
Interest income on loan granted to Fullmore Group	98	1
Total financial income from related parties	**949**	**1,420**

€ thousand	**2021**	**2020**
Consulting related to investments from subsidiaries	3,994	3,555
Accounting, IT and logistic services from subsidiaries	2,021	2,130
Charity contribution to Fondazione Giovanni Agnelli[1]	500	811
Other services from subsidiaries	298	160
Compensation Board Member	3,712	5,747
Total purchase of goods and services	**10,525**	**12,403**

1. In 2020 to Fondazione Giovanni Agnelli e Ferrari.

€ thousand	2021	2020
Board membership fees waived.	223	1,003
Other services to subsidiaries	333	340
Total revenues from related parties	**556**	**1,343**

24. Earnings per share

Earnings per share information is provided in Note 13 to the Consolidated Financial Statements.

25. Audit fees

Audit fee information is provided in Note 35 to the Consolidated Financial Statements.

26. Remuneration

Information on the remuneration of the members of the board of directors is included in the Remuneration report sections of the Board Report.

27. Commitments and contingencies

Nil at 31 December 2021 (guarantees issued totalled €8 million at 31 December 2020).

28. Subsequent events

The Company has evaluated subsequent events through 24 March 2022, which is the date on which the financial statements at 31 December 2021 were authorized for issuance.

On 24 March 2022, the Board of Directors approved a distribution to the holders of common shares of €0.43 per common share, corresponding to a total distribution to shareholders of approximately €100 million, considering the shares outstanding and entitled to receive the dividend as of the present date. The distribution will be made from the profit of the year and from the retained earnings reserve, which are distributable under Dutch law. The distribution remains subject to the adoption of the Company's 2021 annual accounts at the annual general meeting of shareholders to be held on 24 May 2022.

There are no other significant subsequent events which require disclosures than those already reported in Note 36 to the Consolidated Financial Statements.

1 April 2022

The Board of Directors

John Elkann

Alessandro Nasi

Andrea Agnelli

Ginevra Elkann

Marc Bolland

Joseph Bae

Ajay Banga

Melissa Bethell

Laurence Debroux

Exor N.V. – Other information

Independent Auditor's Report

The report of the Company's independent auditors, Ernst & Young Accountants LLP, the Netherlands, is set forth at the end of this Annual Report.

Appropriation of profit and dividends

Dividends will be determined in accordance with articles 28 and 29 of the Articles of Association of EXOR N.V. The relevant provisions of the Articles of Association read as follows:

1. The Board may decide that the profits realized during a financial year are fully or partially appropriated to increase and/or form reserves.
2. Out of the profits remaining after application of Article 28.1, with respect to the financial year concerned, primarily and insofar as possible, a dividend is paid in the amount of one per cent (1%) of the amount actually paid on the Special Voting Shares in accordance with Article 13.5. These dividend payments will be made only in respect of Special Voting Shares for which such actual payments have been made. Actual payments made during the financial year to which the dividend relates, will not be counted. No further distribution will be made on the Special Voting Shares. If, in a financial year, no profit is made or the profits are insufficient to allow the distribution provided for in the preceding sentences, the deficit will be not paid at the expense of the profits earned in following financial years.
3. The profits remaining after application of Articles 28.1 and 28.2 will be put at the disposal of the General Meeting for the benefit of the holders of Ordinary Shares. The Board will make a proposal for that purpose. A proposal to pay a dividend to holders of Ordinary Shares will be dealt with as a separate agenda item at the General Meeting of Shareholders.
4. Distributions from the company's distributable reserves are made pursuant to a resolution of the Board and will not require a resolution from the General Meeting.
5. Provided it appears from an unaudited interim statement of assets signed by the Board that the requirement mentioned in Article 28.10 concerning the position of the company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.
6. The Board may decide that a distribution on Ordinary Shares will not take place as a cash payment but as a payment in Ordinary Shares, or decide that holders of Ordinary Shares will have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Article 6.2. The Board shall determine the conditions applicable to the aforementioned choices.
7. The company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
8. No payments will be made on treasury shares and treasury shares shall not be counted when calculating allocation and entitlements to distributions.
9. All distributions may be made in United States Dollars.
10. Distributions may be made only insofar as the company's equity exceeds the amount of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.
11. Dividends and other distributions will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment. Different payment release dates may be set for the Ordinary Shares and the Special Voting Shares.
12. A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment.

Independent auditor’s report

To: the shareholders and the audit committee of EXOR N.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements for the year ended December 31, 2021 of EXOR N.V., based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of EXOR N.V. as at December 31, 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statement of financial position as at December 31, 2021
- The following statements for 2021: the consolidated and company income statement, the consolidated and company statements of comprehensive income, cash flows and changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of EXOR N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the *Wet toezicht accountantsorganisaties* (Wta, Audit firms supervision act), the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

EXOR N.V. is one of Europe’s largest diversified holding companies, its subsidiaries operate through CNH Industrial N.V. and its subsidiaries (“CNH Industrial” or the “CNH Industrial Group”) in agricultural equipment, construction equipment and commercial vehicles, PartnerRe Ltd and its subsidiaries (“PartnerRe” or the “PartnerRe Group”) in the reinsurance sector, Ferrari N.V. and its subsidiaries (“Ferrari” or the “Ferrari Group”) in luxury performance sports car, GEDI Gruppo Editoriale S.p.A. and its subsidiaries ("GEDI" or the "GEDI Group") in the media sector and Juventus Football Club S.p.A. and its subsidiary (“Juventus” or the “Juventus Group”) in the professional football sector. The group is structured in various reportable segments and related group entities and we tailored our group audit approach accordingly. During the financial year the following significant events occurred which impacted our group audit approach:

- On January 16, 2021, Peugeot S.A. (PSA) and Fiat Chrysler Automobiles N.V. (FCA) completed the reversed merger transaction and changed its name to Stellantis N.V. on January 17, 2021. Following the merger, EXOR N.V. lost control over Stellantis N.V. and therefore derecognized the former FCA Group net assets at January 16, 2021 and accounted for the investment in Stellantis N.V. applying the equity method, having a significant influence over Stellantis N.V. in accordance with IAS 28.
- On December 16, 2021, EXOR N.V. and Covéa signed a Definitive Agreement to sell PartnerRe, therefore this company is presented as discontinued operations.
- On December 31, 2021, CNH Industrial N.V. and Iveco Group N.V. (Iveco Group) have executed the deed of demerger whereby, effective January 1, 2022, the relevant Iveco Group business segments (trucks, commercial vehicles, buses, specialty vehicles as well as powertrain applications) will separate from CNH Industrial N.V. and Iveco Group N.V. will become a publicly listed company independent from CNH Industrial N.V. The demerger is a business combination involving entities or businesses under common control, and therefore in the 2021 financial statements of EXOR N.V. the Iveco Group is presented as continued operations.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

Materiality

Materiality	€300 million (2020: €400 million)
Benchmark applied	Approximately 5% of adjusted EBIT (2020: approximately 0,3% of revenues)
Explanation	Due to the various transactions occurred in 2021 we have changed our measurement basis from revenues to adjusted Earnings Before Interest and Taxes (adjusted EBIT), as we consider an earnings-based measure to be the most appropriate basis for determining our overall materiality. The users of the financial statements of profit-oriented entities tend to focus on adjusted EBIT and we believe that adjusted EBIT is an important metric for the financial performance of the company. In determining this year’s materiality, we have considered the company’s continuing operations and adjusted for activities relating of the discontinued operations presentation of the PartnerRe Ltd and the deconsolidation of Stellantis N.V. Our total adjusted EBIT amounts to €5,534 million which contains an EBIT adjustment for discontinued operations of €712 million (Note 3). Whilst we considered alternative benchmarks to adjusted EBIT, we believe that adjusted EBIT is an appropriate basis for materiality.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with audit committee that misstatements in excess of €15 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

EXOR N.V. is the parent of a group of entities. The financial information of this group is included in the consolidated financial statements of EXOR N.V. The company is organized along seven reportable segments, being Stellantis, CNH Industrial (CNHi), Ferrari, PartnerRe, Juventus Football Club, GEDI and the EXOR Holdings System, along with certain other corporate functions which are not included within the reportable segments.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities. Group entities are considered significant because of their individual financial significance or because they are more likely to include significant risks of material misstatement due to their specific nature or circumstances.

The company is organized along seven reportable segments being Stellantis, CNH Industrial (CNHi), Ferrari, PartnerRe, Juventus Football Club, GEDI and the EXOR Holdings System (along with certain other corporate functions which are not included within the reportable segments), which are in the scope of our group audit. From the seven reportable segments we identified six segments, which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. For one reportable segment we performed limited review procedures.

- The group consolidation, financial statements and disclosures as well as the group audit of EXOR are audited directly by the EXOR group engagement team in addition to the other procedures the group team is responsible for;
- Members of the EXOR group engagement team are directly involved in the group audits of Stellantis, CNHi, Ferrari and GEDI;
- The group engagement team virtually met with the PartnerRe component audit team. We reviewed the audit files of the component auditor and determined the sufficiency and appropriateness of the work performed, with a specific focus on the key audit matters relevant to the company.

All component audit teams included in the group scope received detailed instructions from the group engagement team including key risk areas and significant accounts and the group engagement team reviewed their deliverables. By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

In establishing the overall approach to the audit, we determined the type of work that is needed to be done by us, as group auditors, or by component auditors from Ernst & Young Global member firms and operating under our instructions. The group audit team audited the group consolidation, financial statements and disclosures and the audit procedures related to the key audit matters, accounting impact of the merger between Peugeot S.A. and Fiat Chrysler Automobiles N.V., valuation of equity investments and the valuation of deferred taxes. Because of the (international) travel restrictions and social distancing due to the COVID-19 pandemic, we needed to restrict or have been unable to visit management and/or component auditors. Due to these restrictions we intensified communication with significant component teams using communication technology to ensure we obtained sufficient audit evidence to conclude on our audit, also in relation to our key audit matter. All entities received a group scope and we shared detailed instructions to the component auditors and we reviewed their deliverables.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the automotive industry. We included specialists in the areas of Forensics, IT audit, valuation, pensions, income tax and have made use of our own valuation experts and actuaries.

Our focus on climate risks and the energy transition

Climate objectives will be high on the public agenda in the next decades. Issues such as CO2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets (stranded assets) and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO2 footprint.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures by EXOR N.V.

As disclosed under Note 2 to the consolidated financial statements , the basis of preparation and significant accounting policies, all significant assumptions and estimates underlying the preparation of the following items were subject to an analysis in order to identify and address the new uncertainties related to climate changes which could affect the business: going concern, inventory management, property, plant and equipment, goodwill, brands, intangible assets with a finite life, tax reliefs, revenue recognition, provisions and onerous contracts. Furthermore, we read the management board report and considered whether there is any material inconsistency between the non-financial disclosure and the financial statements.

Our audit procedures to address the assessed climate-related risks and the possible effects of the energy transition did not result in a key audit matter.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the EXOR N.V. and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how audit committee exercises oversight, as well as the outcomes.

We refer to the paragraph Risk Management and Control System of the board report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls and when identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition.

We identified the following fraud risks and performed the following specific procedures:

Presumed risks of fraud in revenue recognition:	
Fraud risk	When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We evaluated the revenue streams coming from the reportable segments. Our risk is mainly focusing on revenues which are inappropriately recognized in the improper period as a result of manual journal entries recorded in the lower reportable segment level /or consolidating entities at or near period end. These revenue streams are disclosed in Note 2 and Note 5 to the financial statements.
Our audit approach	We designed and performed the following audit procedures to be responsive to this fraud risk: We performed risk assessment procedures as part of our audit planning and included the corporate and/or consolidating entities in our audit scope. We made inquiries of management. We performed analytical reviews and performed tests of detail as to revenue recorded in the lower reportable segment level and/or consolidating entities at or near period end. We performed tests of journal entries recorded in the corporate and/or consolidating entities and ensure appropriate business rationale, and proper authorization and documentation of approval. Finally, we reviewed the adequacy of the disclosures made in Note 2 and Note 5.

We considered available information and made enquiries of relevant executives, directors (including tax, treasury, internal audit, legal, compliance, human resources and segment/regional management and finance leaders) and the audit committee.

Our audit response related to risks of non-compliance with laws and regulations
We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes and inspection of internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures and reference is made to Notes 24 Other provisions and 30 Guarantees granted, commitments and contingencies to the financial statements.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations from management that all known instances of non-compliance with laws and regulations have been disclosed to us.

The fraud risk we identified, enquires and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to going concern
We performed the following procedures in order to identify and assess the risks relating to going concern and to conclude on the appropriateness of management's use of the going concern basis of accounting. The board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for at least the next 12 months. We discussed and evaluated this assessment with management exercising professional judgment and maintaining professional scepticism, and specifically focusing on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions have on the company's operations and forecasted cash flows, with a focus on whether the company will have sufficient liquidity to continue to meet its obligations as they fall due. We consider, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify serious doubts on the entity's ability to continue as a going concern for the next twelve months.

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 a company to cease to continue as a going concern.
For the company's disclosure we refer to Note 2 of the consolidated financial statements , the basis of preparation and significant accounting policies combined with the climate related matters.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

Due to the various transactions and finally the deconsolidation of former Fiat Chrysler Automobiles N.V. and the classification of PartnerRe Ltd as disposal group held for sale, we concluded that the prior year key audit matters in relation to those specific segments are no longer applicable to EXOR N.V. We do note that we have identified two new key audit matters in relation to the accounting impact of the merger between Peugeot S.A. and Fiat Chrysler Automobiles N.V. and the valuation of equity investments for EXOR Group given the complexity of the merger and judgement applied for both matters. In addition, last year we also identified a specific key audit matter in respect of warranty for Stellantis and Ferrari. Given the size and risk for EXOR Group decreased following to the mentioned deconsolidation of former Fiat Chrysler Automobiles N.V. the remaining warranty provision is limited, we deem this key audit matter no longer applicable to EXOR Group. Finally, the key audit matter for valuation of deferred taxes for CNH Industrial N.V. is maintained although the focus of key audit matter is changed from the activities in Italy in prior years to the activities in Brazil in the current year.

Accounting impact of the merger between Peugeot S.A. and Fiat Chrysler Automobiles N.V. Note 3	
Risk	On January 17, 2021, the merger between PSA and FCA became effective and the combined company was renamed Stellantis N.V. On this date, Stellantis management and its board of directors collectively obtained the power and the ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3, January 17, 2021 is the acquisition date for the business combination. After the completion of the merger and the creation of Stellantis N.V., EXOR N.V. has been assigned with 14.35% of the shares of Stellantis instead of 29% of the shares of FCA. As a result of the above transaction, EXOR N.V. lost control over FCA and therefore derecognized the former FCA Group net assets starting from January 16, 2021 and reclassified to the income statement, in the Profit (loss) from discontinued operation line item, the amounts previously recognized in other comprehensive income related to the subsidiary. At the date of completion of the merger EXOR N.V. assessed to have significant influence on Stellantis and started applying the equity method according to IAS 28. On initial recognition the investment was accounted for the fair value of the consideration which is subsequently measured at cost, equal to €6,660 million, which will be attributed to the share of the net fair value as part of the Purchase Price Allocation. IAS 28 requires EXOR N.V. to perform a notional Purchase Price Allocation of its investment in Stellantis N.V. in order to identify any fair value adjustments which will form the basis for any additional depreciation, amortization and similar adjustments in the EXOR N.V.'s share of Stellantis results in subsequent years. The company completed the Purchase Price Allocation process timely. Auditing management's allocation of purchase price involves subjective and complex judgements due to the significant estimation required in determining the fair value of acquired intangible and tangible assets. The significant estimation was primarily due to the complexity of the valuation models used to measure that fair value as well as the sensitivity of the respective fair values to the underlying significant assumptions. The significant assumptions used to estimate the fair value of acquired intangible and tangible assets included volumes, discount rates, economic lives, revenue growth rates and operating margins. These significant assumptions are forward-looking and could be affected by future economic and market conditions. Therefore we consider the accounting impact of the merger a key audit matter.
Our audit approach	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the company's accounting for the above transaction, including the controls over the valuation model, the mathematical accuracy of the valuation model and development of underlying assumptions used to develop such fair value measurement estimates combined with substantive procedures. To test the fair value of the acquired intangible and tangible assets, our audit procedures included, among others: • Identification of the net assets acquired and assessment of the valuation model, the method and significant assumptions used and testing the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. • Involvement of our valuation specialists to assist with our evaluation of the valuation model and certain significant assumptions. For example, we reconciled the discount rates to the projected internal rate of return for the merger. In addition, we performed, with the support of EY valuation specialists, independent calculations and sensitivity analyses for the acquired intangible and tangible assets. We verified the correctness of the accounting records related to the above transaction and we assessed the adequacy of the Exor consolidated financial statement disclosure in this area, which is Note 3.
Key observations	Based on the results of our work, we concur with the company's methodology used in performing the Purchase Price Allocation on its investment in Stellantis and we concur with the company's conclusion. Further, we agree with the disclosures made thereon in the Notes to the consolidated financial statements.

Valuation of equity investments Note 2 and 16	
Risk	Following the merger between FCA and PSA and new business acquisition, EXOR N.V. has increased its portfolio of equity investments, amounting to €10,214 million as at December 31, 2021 (included within Investments and other financial assets). The amount mainly includes the investments in Stellantis (€8,624 million), Christian Loboutin (€562 million) and The Economist (€317 million), accounted for using the equity method, in accordance with IAS 28. With reference to such investment, management assesses at each reporting date whether impairment indicators are identified in line with IAS 36, in which case an impairment test is performed. The processes and methodology for assessing and determining the recoverable amounts of the equity investments are based on complex assumptions, which by their nature require management's judgement, in particular with reference to the identification of impairment indicators and to the forecast of their future performance. Because of the size of the equity investments, the judgment required and the complexity of the assumptions used in the estimate of the recoverable amount of the investments, we have determined that this area represents a key audit matter.
Our audit approach	The procedures designed to address the matter in our audit included, among others, obtaining an understanding and evaluate the effectiveness of the impairment assessment process. Additionally, we verified the basis used by preparing the management assessment to identify any impairment indicators in relation to the equity investments at 2021 year-end. We have assessed the adequacy of the financial statements disclosures in Note 2 and Note 16.
Key observations	Based on the results of our work, we concur with the company's conclusion that no impairment indicators of equity investees have been identified at 2021 year-end and we concur with the disclosures made on this area in the Notes to the consolidated financial statements.

Valuation of deferred taxes Note 11	
Risk	Net deferred tax assets and liabilities as at December 31, 2021 amounted to €807 million, which included deferred tax assets on deductible temporary differences of €2,143 million and on tax losses carried forward of €882 million. A total deferred tax liability is recorded for €1,347 million. Of the deferred tax assets on tax losses carried forward, €871 million were not recognized. With reference to CNH Industrial, the company had deferred tax assets recognized of €324 million (including those relating to Brazil that were recognized in the year) as of December 31, 2021. Deferred tax assets are only recognized and to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. In preparation for the separation of the Iveco Group business segments from EXOR N.V., the company reorganized its industrial activities in Brazil. Historically, the company had not recorded deferred tax assets in respect of its industrial activities in Brazil. The reorganization actions required the company to re-assess whether its deferred tax assets in that jurisdiction will be recovered. Auditing management's analysis of the recoverability of its deferred tax assets in relation to the Industrial business in Brazil was key to our audit because the amounts are material to the financial statements and the assessment process in that jurisdiction is complex. This assessment involves significant judgment, including the weighing of all available evidence, and includes assumptions that may be affected by the nature and timing of the company's reorganization of its operations in Brazil, the impact of local tax legislation, and projections of future taxable income of the reorganized businesses in Brazil. The company's disclosures related to income taxes are included in Note 11 to the consolidated financial statements.
Our audit approach	We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls that address the risks of material misstatement relating to the recoverability of deferred tax assets. This included controls over management's projections of future taxable income, the future reversal of existing taxable temporary differences, and management's identification and use of available tax planning strategies. To test the recoverability and valuation of the deferred tax assets, our audit procedures included, among others, evaluating the methodologies used, the significant assumptions discussed above, and the underlying data used by the company in its analysis. For example, as part of our evaluation of management's significant assumptions, we utilized our tax specialists and considered the relevant tax laws and regulations in Brazil, including considering whether the estimated future sources of taxable income were of the appropriate character to utilize the deferred tax assets in the relevant time period. We also evaluated cumulative income or loss positions in that jurisdiction and evaluated the company's projections of future taxable income, including comparing the forecasts to business plans and performing sensitivity analyses to assess the reasonableness of those forecasts. We have assessed the adequacy of the financial statements disclosure regarding recognized deferred tax assets.
Key observations	We did not identify any evidence of material misstatement of deferred tax assets as recorded in the statement of financial position or in the disclosures thereof.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The board report
- The remuneration report
- The information on the board of directors and auditor and the letter from the chairperson
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 for the board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and audit committee are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of EXOR N.V. on March 2, 2016 to perform the audit of its 2016 financial statements and have continued as its statutory auditor since then.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

EXOR N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in the XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by EXOR N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the EXOR N.V.'s financial reporting process, including the preparation of the reporting package
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and the audit committee for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.
The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EXOR N.V.'s internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication
We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 1 April 2022

Ernst & Young Accountants LLP

Signed by O.E.D. Jonker