Annual Report 2023

Barilla
The Italian Food Company. Since 1877.

Cover page: Barilla Plant in Parma in a charming setting – credits Giampaolo Ricò

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Barilla

The Italian Food Company. Since 1877.

December. For the first time, Barilla pasta goes into orbit with approximately 3 kg of fusilli on board the ISS (International Space Station) capsule of Mission Ax-3. Without the addition of preservatives or additives, the product was treated solely with heat. Seasoned with extra virgin olive oil and sea salt, the pasta was tested and evaluated in a series of sensory experiments with the aim of understanding the dietary needs of astronauts in zero gravity.

Summary

October. Guido Barilla and Alessandro Savelli, Founder & CEO of Pasta Evangelists, at the inauguration of the first Pasta Evangelists factory in the United Kingdom, the largest pasta factory in UK history.

Chairman’s letter

In 2023, we were faced with a landscape full of uncertainties. The international scenario, already troubled by the conflict between Russia and Ukraine, was further shaken by the outbreak of war in the Middle East. A situation that forced everyone to repeatedly revise every economic forecast, especially due to a sharp increase in interest rates and the consequent rise in the costs of raw materials and energy.

In 2023, the Group's total turnover was approximately €4.9 billion, an increase of 4% compared to 2022. The EBITDA margin remained constant at 10%, confirming the previous year's results.

In this context, to accelerate the company's international expansion, Barilla added the Business Development Centre in Amsterdam and continued to invest in the Digital Hub in London, focused on new marketing and sales strategies via digital and e-commerce platforms. All this while always maintaining its cultural and technological roots in Parma.

Major steps in the push towards internationalisation were also demonstrated by the construction and opening of the Pasta Evangelists plant in London, now the largest pasta and sauce production site in the United Kingdom, and the acquisition of the bakery company Back to Nature in the USA, where a dedicated new team has been created in Minneapolis.

The U.S. market has indeed shown great potential for development, facilitated by the increase in domestic consumption of pasta dishes, which has enabled us to grow both in terms of volumes and value. This situation differs from those in Italy and Europe, where we recorded a decline in volumes in the pasta sector.

The Group's investments in 2023 saw €230 million directed towards improving quality and safety processes, adopting Industry 4.0 techniques, and starting work on the new Research and Development Centre in Parma, which will guide technological and product innovation activities carried out in the various countries where we maintain a presence. These initiatives form part of the €1 billion investment plan over five years, partly designed to strengthen our commitment to sustainability.

These and many other concrete actions accompany us on our journey, made possible by all the Barilla People who have contributed to our growth with constant passion and dedication.

Parma, May 2024

Guido Barilla

Directors and officers

BARILLA HOLDING S.r.l.

Board of directors

Chairman
Guido Maria Barilla

Deputy chairman
Luca Barilla

Directors
Emanuela Barilla
Paolo Barilla

Board of statutory auditors

Chairman
Luigi Capitani

Auditors
Claudio Marchignoli
Mario Tardini

Independent auditors
KPMG S.p.A.

BARILLA INIZIATIVE S.p.A

Board of directors

Chairman
Guido Maria Barilla

Deputy chairmen
Luca Barilla
Paolo Barilla

Chief executive officer
Gianluca Lorenzo Maria Di Tondo

Directors
Emanuela Barilla
Gratian Anda
Nicolaus Issenmann
Andrea Pontremoli
Antonio Belloni

Board of statutory auditors

Chairman
Mario Tardini

Auditors
Alberto Pizzi
Augusto Schianchi

Independent auditors
KPMG S.p.A.

BARILLA INTERNATIONAL Limited

Board of directors

Directors
Gianluca Lorenzo Maria Di Tondo
Francesco Giliotti
Giangaddo Prati

Independent auditors
MHA - Bakertilly International Limited

«I DON'T THINK OF A GREAT COMPANY IN TERMS OF SIZE, I THINK IT SHOULD BE GREAT FOR THE VALUES AND TRUST THAT INSPIRES»

Paolo Barilla

«IT IS IMPORTANT TO UNDERLINE THAT, IF BARILLA AFTER MANY YEARS MANAGED TO BECAME AN ESTIMATED AND WELL REPUTED COMPANY, IT IS ALSO BECAUSE IT HAS ALWAYS BEEN COMMITTED TO CREATE WELLBEING FOR THE ENTIRE COMMUNITY.»

Luca Barilla

«THE BRAND MUST BE ABLE TO BUILD RELATIONSHIPS, NOT JUST TRANSACTIONS, WITH CONSUMERS; AND OUR FUTURE IS DEPENDENT ON OUR CONTINUING TO CREATIVELY RENEW THE WAY WE COMPETE»

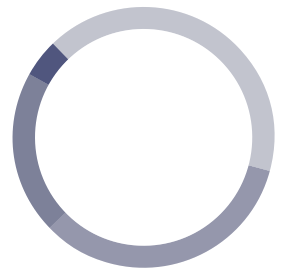
Guido Barilla

Barilla Group

We were born in Parma in 1877, **145 years ago**, when Pietro Barilla opened a small bread and pasta shop. That moment marked the beginning of a journey of quality and passion that has identified Barilla over the years, leading us to the development of **iconic brands in the food sector**.

	2023	2022
TURNOVER (MLN EURO)	**4,869**	4,663
EMPLOYEES	**9,040**	9,001

GEOGRAPHICAL AREAS



4.4%	ASIA, AFRICA, AUSTRALIA
23.6%	AMERICAS
37.7%	ITALY
34.3%	REST OF EUROPE AND RUSSIA

Barilla's history in a nutshell, since 1877

«I STARTED WORKING WHEN I WAS THIRTEEN YEARS OLD. MY FATHER WOULD SEND ME WITH OUR HANDCART TO FETCH A FEW SACKS OF FLOUR, WHICH WERE THEN TRANSFORMED INTO BREAD IN OUR OLD SMALL BRICK OVEN. AFTER A FEW YEARS, IN A SMALL SHOP, WITH THE HELP OF MY SISTERS AND MY MOTHER WHO WORKED AT THE COUNTER, WE SOLD THE BREAD THAT MY FATHER AND I PRODUCED BY WORKING FOR UP TO 18 HOURS A DAY»

Riccardo Barilla

«IT IS MY BELIEF THAT THE THREE CHARACTERISTICS OF A BUSINESSMAN ARE COURAGE, INTUITION, AND OPTIMISM. I THINK THAT THE ENTREPRENEUR HAS AN IMPORTANT ROLE TO PLAY NO MATTER WHAT HIS FIELD. BUT THE FOOD SECTOR HAS A SPECIFIC ROLE, I WOULD CALL IT A DEEPER AND MORE CHALLENGING ONE, BECAUSE FOOD GOES OUT TO EVERYONE: TO CHILDREN, TO THE ELDERLY, TO FAMILIES. FOOD HAS THIS SENSITIVITY, THIS IMPORTANCE FOR THE HEALTH OF PEOPLE»

Pietro Barilla

«THE ITALIAN NUTRITIONAL MODEL IS THE ESSENTIAL POINT OF REFERENCE FOR HEALTHY EATING HABITS, FOR THE RESPECT AND PROTECTION OF THE NATURAL RESOURCES OF OUR PLANET AND FOR SAFEGUARDING THE RIGHTS OF FUTURE GENERATIONS»

Guido, Luca and Paolo Barilla

THE HISTORY OF BARILLA

1877
THE BEGINNINGS

THE BARILLA ADVENTURE STARTS

THE BARILLA STORY BEGINS IN 1877 WITH PIETRO BARILLA, IN A BREAD AND PASTA SHOP IN THE CENTRE OF PARMA.

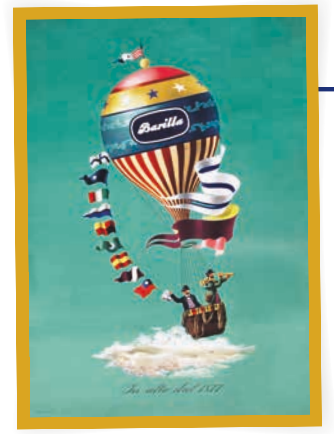
1910
RICCARDO AT THE HELM OF BARILLA

THE FIRST FACTORY OPENED

IN THE EARLY YEARS OF THE 20TH CENTURY, THE FOUNDER WAS SUCCEEDED BY HIS SONS RICCARDO AND GUALTIERO. THE FIRST FACTORY OPENED, EMPLOYING 100 WORKERS AND PRODUCING 80,000KG OF PASTA A DAY, AND IN THE SAME YEAR BARILLA REGISTERED ITS FIRST TRADEMARK: A LITTLE BOY CRACKING AN EGG YOLK INTO A FLOUR TROUGH.

AFTER THE DEATH OF HIS FATHER AND BROTHER, RICCARDO BARILLA STEERED THE COMPANY'S GROWTH IN THE TWENTIES AND THIRTIES. IN 1936, PIETRO, RICCARDO'S SON, ENTERED THE COMPANY AND BEGAN DEVELOPING ITS

1947
POST WORLD WAR II YEARS



GIANNI AND PIETRO AT THE HELM OF THE COMPANY

AFTER RICCARDO BARILLA'S DEATH IN 1947, HIS SONS PIETRO AND GIANNI TOOK THE REINS OF THE COMPANY, DEVELOPING MODERN PRODUCTION SYSTEMS AND ENGAGING IN INTENSE BUSINESS COMMUNICATION AND ADVERTISING ACTIVITIES.

1958 1970
BARILLA ITALIAN LEADER

THE PEDRIGNANO (PARMA) FACTORY IS BUILT

IN THE EARLY SIXTIES, BARILLA BECAME A LIMITED COMPANY. IT HAD 1,300 EMPLOYEES AND 200 SALESPEOPLE. IN 1965, BARILLA ENTERED THE PACKAGED BAKERY PRODUCTS MARKET FOR THE FIRST TIME, WITH THE PRODUCTION OF BREADSTICKS AND CRACKERS. IN 1969, THE PEDRIGNANO (PARMA) FACTORY WAS BUILT, THE LARGEST PASTA PRODUCTION PLANT IN THE WORLD, WITH A PRODUCTION CAPACITY OF 1,000 TONS A DAY.

1975
THE MULINO BIANCO ERA BEGIN

1975 SAW THE LAUNCH OF MULINO BIANCO, A NEW BAKERY PRODUCTS LINE, INCLUDING BISCUITS, BREAD SUBSTITUTES AND SNACKS, CHARACTERIZED BY AUTHENTICITY AND RECIPES WITH NATURAL INGREDIENTS, USING THE EXPERIENCE BARILLA HAS GAINED IN CENTURIES OF CEREAL PROCESSING

1979 1993
THE RETURN OF PIETRO BARILLA

THE RELAUNCH

IN 1979, PIETRO BARILLA RETURNED TO THE HELM OF THE COMPANY. THE HISTORIC RE-ACQUISITION COINCIDED WITH THE RESUMPTION OF A LONG-TERM INDUSTRIAL AND ADVERTISING STRATEGY, BASED ON THE IDEA OF RELAUNCHING PASTA AND THE ITALIAN FIRST COURSE AND DEVELOPING THE OFFER OF BAKERY PRODUCTS.

GUIDO, LUCA AND PAOLO AT THE HELM OF THE COMPANY

IN 1993, AFTER THE DEATH OF PIETRO BARILLA, LEADERSHIP OF THE COMPANY PASSED INTO THE HANDS OF HIS SONS GUIDO, LUCA AND PAOLO.

2000
THEINTERNATIONAL EXPANSION

THE NINETIES AND THE FIRST DECADE OF THE NEW MILLENNIUM WERE CHARACTERIZED BY A STRONG INTERNATIONALIZATION PROCESS, WITH THE GROWTH OF BARILLA'S PRESENCE IN EUROPEAN AND US MARKETS, THE OPENING OF NEW PRODUCTION PLANTS AND THE ACQUISITION OF IMPORTANT BRANDS SUCH AS PAVESI (ITALY), MISKO (GREECE), FILIZ (TURKEY), WASA (SWEDEN), YEMINA AND VESTA (MEXICO), LIEKEN (GERMANY) AND HARRYS (FRANCE).

2009
BCFN

CREATION OF THE BARILLA CENTER FOR FOOD AND NUTRITION

THE YEAR 2009 SAW THE LAUNCH OF THE BARILLA CENTER FOR FOOD AND NUTRITION (BCFN), A MULTIDISCIPLINARY RESEARCH CENTRE COMMITTED TO THE PROMOTION AND DEBATE OF TOPICS RELATED TO FOOD AND NUTRITION..

2016
EXPANSION IN BRAZIL, MIDDLE EAST AND RUSSIA

NEL **2016** BARILLA PORTA AVANTI
IL PIANO DI ESPANSIONE GEOGRAFICA IN BRASILE,
MEDIO ORIENTE E RUSSIA, CONFERMANDO AL CONTEMPO
LA SUA FORZA NEGLI USA
E NEI MERCATI EMERGENTI DELL'ASIA. CONTINUA L'IMPEGNO
DELL'AZIENDA PER MIGLIORARE IL PROFILO NUTRIZIONALE DEI SUOI
PRODOTTI, CON LA SOSTITUZIONE DELL'OLIO
DI PALMA IN QUELLI DA FORNO
E L'AUMENTO DELL'OFFERTA
DI PRODOTTI INTEGRALI.

2017
140 YEARS OF BARILLA HISTORY

FEEDING THE FUTURE

SINCE 140 YEARS WE ARE PASSIONATE ABOUT PASTA, FROM THE FIELD TO THE TABLE, AND WE ARE COMMITTED TO BRING PEOPLE THE BEST EXPERIENCES: HIGH QUALITY AND TASTY MOMENTS, PRESERVING OUR PLANET.

2018
INVEST IN THE FUTURE

BARILLA EXPECTS TO INVEST ABOUT 1 BILLION EUROS OVER FIVE YEARS ON ITS INDUSTRIAL ASSETS. ABOUT 60% OF THE INVESTMENTS WILL BE AIMED AT BOOSTING COMPETITIVENESS AND SUSTAINABILITY BY IMPROVING PROCESSES AND TECHNOLOGIES, WHILE OVER 40% WILL SUPPORT INNOVATION AND GEOGRAPHIC EXPANSION.

2019
CONTINUED GROWTH IN LINE WITH "GOOD FOR YOU, GOOD FOR THE PLANET"

INDUSTRIAL INVESTMENTS CONTINUE WITH THE CONSTRUCTION OF TWO NEW PRODUCTION LINES AT THE PLANT IN RUSSIA AND THE EXPANSION OF THE AMES PLANT (USA).
BARILLA ENTERS THE CREAM SPREADS MARKET IN ITALY WITH THE NEW PAN DI STELLE CREAM.

WASA IS THE FIRST BARILLA GROUP BRAND TO ACHIEVE 100% CARBON NEUTRALITY.

2020
INTERNATIONAL DEVELOPMENT

CREATION OF A NEW DIGITAL HUB IN LONDON.
OCTOBER 2020, ACQUISITION OF PASTA ZARA FACTORY, MUGGIA (TRIESTE, ITALY).

2021
PASTA EVANGELISTS AND CATELLI

JANUARY 2021:
ACQUISITION OF A MAJORITY STAKE IN PASTA EVANGELISTS, A PREMIUM BRITISH BRAND SPECIALIZED IN PRODUCTION AND DIGITAL DISTRIBUTION OF FRESH PASTA AND HIGH-QUALITY SAUCES.

FEBRUARY 2021:
ACQUISITION OF CATELLI IN CANADA, INCLUDING THE LANCIA® AND SPLENDOR® BRANDS AND THE PLANT IN MONTREAL (QUEBEC).

PASTA EVANGELISTS

CATELLI

2022
INNOVATION

NEW BARILLA VISUAL IDENTITY:

NEW PACKS IN THE ICONIC DEEP BLUE WITH MORE SUSTAINABLE PACKAGING, DESIGNED TO BE ENTIRELY RECYCLABLE AND MADE WITH CARDBOARD FROM RESPONSIBLY MANAGED FORESTS **WITH NO SEE-THROUGH PLASTIC WINDOW**

NEW AL BRONZO PASTA LAUNCH:

THE NEW AL BRONZO PASTA, MADE WITH FINE 100% ITALIAN DURUM WHEAT, CREATED WITH LAVORAZIONE GREZZA, THE TRADITIONAL BRONZE DRAWING METHOD.

2023
FUSILLI IN SPACE

IN DECEMBER, IT WAS ANNOUNCED THAT, FOR THE FIRST TIME, BARILLA PASTA WILL GO INTO ORBIT ABOARD THE ISS (INTERNATIONAL SPACE STATION) CAPSULE OF THE AX-3 MISSION.

Our Purpose

In the awareness that the choices made on a daily basis by each and every one of us have an effect on the whole of society and the planet we live on, Barilla has decided to celebrate its 145th anniversary by renewing its commitment to a better present and future.

Underpinning this commitment is a new Purpose that encompasses in a few words the rationale for the way we do business: **"The joy of food for a better life"**.

A commitment to offer people not only foodstuffs, but also the joy that can be taken from good food, well-made with selected ingredients.

A journey to be contributed to by every brand in the Group, through projects aimed at improving the goodness and safety of our products, and at disseminating responsible consumption patterns. We will embrace a concept of holistic well-being, working on raw material supply chains to promote sustainable agricultural and breeding practices.

Directors' Report

The past year was marked by great uncertainty. In addition to ongoing military conflict (the failure to reach a ceasefire in Ukraine together with the sudden and unforeseen conflict in the Middle East), 2023 experienced alternating economic factors and in turn the resulting forecasts, which underwent numerous revisions, presented significant difficulties for businesses in terms of decision making on investments, both at operating and strategic level. Within this context, at the outset inflation had been considered temporary and in line with the economic recovery that had followed the downturn caused by the Covid pandemic. Prolonged inflation then took on a more structural format that triggered a series of interest rate rises to levels that had not been seen since the early 80s. This led to rapid changes in prices (amongst others, energy and wheat prices), with unexpected shifts in market trends.
Barilla employed prudent tactics in its business operations in order to protect financial results, undertaking price increases to counteract the hike in raw materials' costs.
In the first days of 2024, the new Group structure was implemented following the reorganization plan that was completed in 2023. The objective is to configure a global Group not only in terms of its presence on the markets, but also and above all in its coordination of management with strategic and marketing functions and with the aim of developing growth through management by product category. The Cultural Transformation of the Group represents a priority of the new organizational structure. The new organization provides for the aggregation of the operating companies, under which Barilla Holding S.r.l. controls the newly established Barilla International B.V., Barilla Iniziative S.p.A. and Barilla International UK.

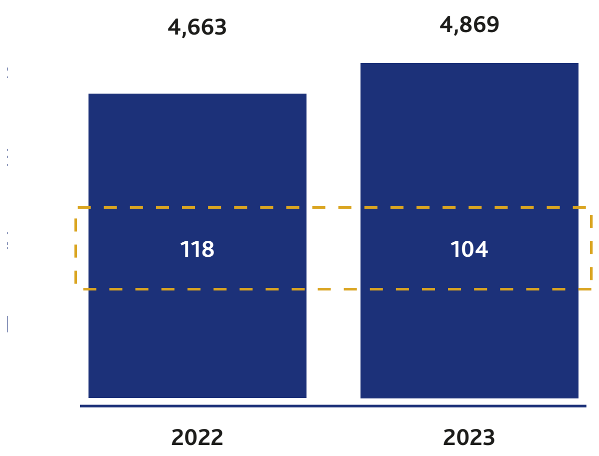
In addition to the new organization structure, the Group's actions focused on the key aspects of operating performance:

- as already mentioned, immediate action was taken on fluctuating costs and prices. Costs exploded, the first phase having started in 2021, with a corresponding increase in product prices, and the subsequent highly volatile costs being counteracted immediately through sales promotions. The results to date of these operating measures aimed at saving the bottom line, have still resulted in a decrease in volumes and market share in the Pasta business. The loss in market share relates to all of the Branded pasta categories while sales of both small and medium Discount and Premium brands have increased;
- the investment plan, developed and approved in previous years, continued throughout the course of the year. The new investments represent an integral part of a wider plan aimed at achieving a structural costs advantage through these same investments;
- with regard to Governance, the Group continued to invest in processes and procedures that guarantee (in addition to regulatory requirements on the general principles of privacy and compliance) corporate safety, particularly in relation new technologies. The Group is investing increasingly more resources to meet new ESG standards, an area that has been a focus of Group Governance for some time, well in advance of current regulations.

Again this year, in order to report revenue that reflects current buying power at the reporting date, the Barilla Group which operates in Turkey through a subsidiary, adjusted revenue applying the change in general price index (in line with the accounting standard on Financial Reporting in Hyperinflationary Economies).
Group revenue, including the above-mentioned hyperinflationary impact in Turkey, amounted to euro 4,869 million.

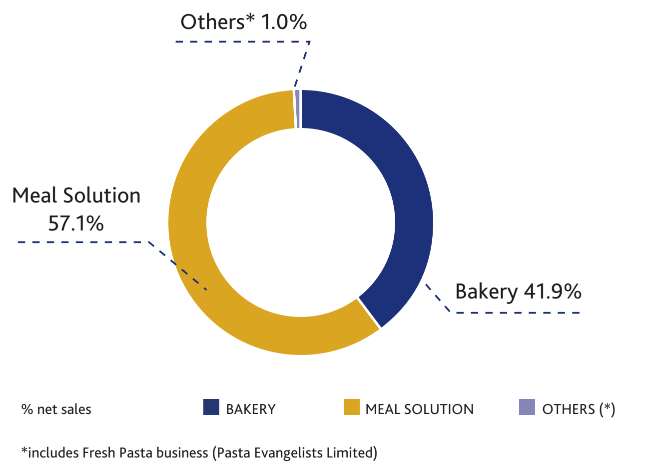
Group revenue, net of the above-mentioned hyperinflationary impact, was euro 4,842 million, a gradual increase of 4% compared

Revenue (€/MM)
(*INDEX* vs previous year net of forex impact)



to the previous year, which amounted to 7% on a like for like basis net of the exchange rate.

Revenues net of IAS29 Hyperinflationary impact - by business area



For further detail on the accounting policies adopted, see the Illustrative Notes to the consolidated financial statements.

Transactions involving subsidiaries

The following commentary provides a detailed review of the activities of the individual Group companies and Barilla Holding S.r.l. in accordance with the disclosure requirements of article 2428 of the Italian Civil Code and article 40 of (Italian) Legislative Decree (L.D.) 127 of 9 April 1991, amended by (Italian) L.D. 32/2007.

Accounting standards - International Financial Reporting Standards (IFRS)

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards – IFRS (hereinafter IAS/IFRS) endorsed by the European Union.

General information

All amounts are expressed in thousands of euros except where otherwise indicated. All comparisons made throughout this report and the consolidated financial statements refer to the financial information for the previous reporting period (disclosed in brackets).
Percentage ratios (on margins and changes) are calculated based on the values expressed in thousands of euros.
The Group, of which Barilla Holding S.r.l. is the parent company, is defined as "the Group".
Where comments relate specifically to the parent company, or the individual subsidiaries, the full name and legal form of the companies are stated.

Our brands

Founded in 1877 as a small bread and pasta shop in Parma, the Barilla brand is now the number one for pasta in Italy and around the world. The best durum wheat and cutting-edge technologies make it possible to offer pasta that always remains al dente and ready-made sauces to millions of people around the world.

The ancient Voiello brand was founded in 1879 in Torre Annunziata (Naples), a major center of pasta production since the 16th century. Made with 100% Italian Aureo wheat, Voiello symbolizes Neapolitan pasta culture in its rough molding, and in its unique shapes, inspired by tradition. Voiello has formed part of Barilla since 1973.

The leading pasta brand in Greece, MISKO was founded in 1927 and embodies the values of the Hellenic pasta tradition, personified by the monk Akakios riding his donkey to buy pasta at the village market. MISKO has formed part of Barilla since 1991.

Founded in 1977, Filiz is one of the largest pasta producers in Turkey, a country that ranks as one of the most avid consumers of pasta. Filiz has been part of Barilla since 1994.

A 3D printed pasta line that reinvents the art of making pasta.
With BluRhapsody a new Made in Italy digital craftsmanship is born.

Yemina – founded in 1952 is the leading brand in the Mexican market. It joined Barilla as a result of the joint venture established with Mexico's Group Herdez in 2002

Tolerant is the brand of plant-based foods, naturally rich in protein, designed to make a difference for people in search of a healthier lifestyle and those with food intolerances or dietary restrictions. Tolerant is a line of pasta based on legumes subjected to minimal transformation processes, made with a single organic ingredient.

A Premium British brand specialized in the production and digital distribution of fresh pasta and high-quality sauces, in both the recipe boxes category and online takeaway. With its 2021 acquisition of a majority stake in Pasta Evangelists, Barilla entered the fresh pasta market and consolidated its presence in the United Kingdom.

Catelli, a leader in the Canadian market with over 100 years of history, was acquired in 2021 together with the Lancia® and Splendor® brands and the plant in Montreal, Quebec. A family-run company, aimed at bringing inspired by the Italian lifestyle and the Mediterranean diet to the world.

Founded in 1975, Mulino Bianco has established itself as a reference brand in the food culture of Italian families and enjoys a recognized leadership in breakfast goods. It boasts over 140 baked products in various categories to satisfy every palate and nutritional preference, all designed with particular attention paid to quality and environmental sustainability based on the Carta del Mulino guidelines.

Pan di Stelle was founded in 1983 as one of the Mulino Bianco biscuits for breakfast. When the snack and cake were launched in 2007, it began its journey as a separate brand, which has now become a much-loved household name.

The Pavesi brand was created in 1937 by Mario Pavesi, a brilliant confectioner and entrepreneur from Novara. It offers a wide range of bakery and pastry products, unique for their flavor and the production technology used. Pavesi has formed part of Barilla since 1992.

Gran Cereale was founded in 1989 as a Mulino Bianco wholemeal biscuit and has grown to become the Barilla Group brand that offers wholemeal and natural products. To date, the brand offers consumers a range of products that includes whole grain biscuits, bars and breakfast cereals.

Founded in Sweden in 1919, Wasa is the world's largest producer of crispbreads. With a wide range of rye and wheat-based products, Wasa currently sells its products in over 40 countries. Wasa joined Barilla in 1999.

Launched in 1970 on the French bakery market, the Harrys brand is now a leader in the bread sector and plays a leading role in morning goods. Quality and innovation are two of the main strengths that have made it such a success.

Barilla acquires the U.S. brand Back to Nature, which specializes in producing healthy snacks. Founded in 1960, it offers a wide range of non-GMO plant-based products such as cookies, crackers, nuts, and granola.

Academia Barilla was founded in 2004 with the aim of promoting Italian gastronomic culture, and disseminating the Mediterranean Diet as a healthy and balanced lifestyle.

FIRST is a brand specializing in retail services.

Barilla for Professionals offers high-quality products, services and know-how for the catering industry.

BARILLA AROUND THE WORLD

	Centre of expertise	Commercial office	Factory/mill	Customer collaboration center	Boutique
USA		1	2	1	
CANADA		1	1		
MEXICO		1	1		
BRAZIL		1		1	
EUROPE		15	8		
UK	1	1	1		
ITALY	1	2	15	1	1
TURKEY		1	1		
UAE		1			
RUSSIA		1	1		
SINGAPORE		1			
JAPAN		1			
CHINA		1			
AUSTRALIA		1			

KEY

- CENTRE OF EXPERTISE
- FACTORY/ MILL
- COMMERCIAL OFFICE
- CUSTOMER COLLABORATION CENTER
- BOUTIQUE

9,040
BARILLA PEOPLE

21
BRANDS

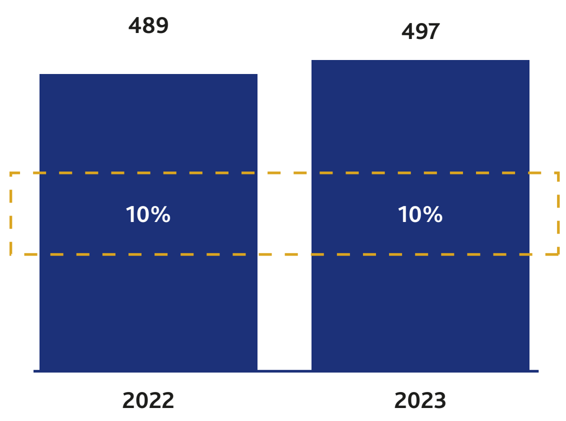
30
PRODUCTION FACILITIES*

* including one or more sites

15 IN ITALY
15 ABROAD

EBITDA (€/MM)
% on revenues

Consolidated financial highlights



Within the global macroeconomic context described above, the EBITDA margin was in line with the previous year at 10% of Group revenue, and in line with the major international groups in the food sector and amounted to euro 497 million.
The margin, net of the above-mentioned hyperinflationary impact, amounted to euro 494 million.

Profit before taxes amounted to euro 271 million (295 million).
Consolidated profit for the year amounted to euro 284 million, compared to euro 231 million in 2022.
Consolidated profit attributable to Group equity holders (net of non-controlling interests) amounted to 238 million, compared to euro 192 million last year. Profit attributable to non-controlling interests amounted to euro 47 million.
Current and deferred income taxes for the year totaled positive euro 13 million. This compares to a negative amount of euro 65 million last year. The difference in the tax burden in 2023 is largely due to the implementation of the Patent Box agreement in relation to previous year taxes, the recording of deferred tax assets on tax losses recoverable in future years and lower taxes on operating profits.
Given the ongoing uncertainties in the financial markets, the Group continued to adopt prudent financial policies resulting in a positive Group net financial position (NFP) of euro 57 million compared to negative euro 15 million last year (further details are set out in the Illustrative Notes to the consolidated financial statements). The robust cash flow will be sufficient to support planned future investments and acquisitions.
The principal loans in place at the year-end were:

- Bonds issued by Barilla Iniziative S.p.A. totaling USD 335 million, placed with US institutional investors in 2013 and 2015 that mature in 2025 and 2027 respectively. These bonds, including the related hedging instruments valued at mark-to-market, amounted to euro 282 million at the year-end;
- A revolving credit facility (RCF) amounting to euro 500 million (with an option to increase further to euro 800 million) maturing in January 2025 which was unused as at 31 December 2023;
- A term loan of euro 200 million entered into in December 2020 between Barilla Iniziative S.p.A. and Intesa Sanpaolo S.p.A, maturing in December 2025 and amortizable commencing 31 December 2022 (the residual amount was euro 100 million at 31 December 2023).

As a result of contractual changes made during the year effective from 5 January 2024, Barilla G. e R. Fratelli Società per Azioni becomes the principal debtor of the above loans, while Barilla Iniziative S.p.A. and Barilla International B.V. become guarantors.
The NFP also includes an investment portfolio created in previous years, that largely comprises Investment Grade bonds denominated in euro with a 1-year average maturity, diversified by sectors and geographical areas. The value of these investments amounted to euro 253 million at 31 December 2023.

Group structure and organisation

The Group, through the sub-holdings Barilla Iniziative S.p.A. and Barilla International Ltd, and in turn through their subsidiaries, operates in the manufacture and sale of pasta, sauces, and bakery products both in the domestic and international markets.
The Group operates directly in 28 countries, exports its products to more than 100 countries and owns 30 production facilities across 11 countries.

Economic scenario

The global economy, despite showing positive trends, slowed down in 2023 due to market turbulence; overall growth was 3%, against 3.5% recorded in 2022. In the latter part of the year, countries such as the United States and China showed signs of slowing down, and geopolitical tensions, already significant due to the Russia-Ukraine conflict, increased further with the conflict in the Middle East.
The euro area also experienced stagnation, a reflection of the poor dynamics of domestic and foreign demand, and in particular the persistent weaknesses in the construction and manufacturing industries that were joined also by the services sector.
The leading world banks, the Federal Reserve and the Bank of England, maintained the base rates at the end of the year, while waiting for concrete signs of a fall in inflation rates.
The European Central Bank also made the same decision on 14 December 2023 as it considered the conditions at the time sufficient to guarantee price stability and support the real economy and that by maintaining these rates for a sufficiently long period would provide a fundamental contribution to a stable return of inflation to the medium-long term goal of 2%.
In this regard, the euro area annual inflation rate fell in October and November 2023 to 2.9%, mainly thanks to the trends in energy and food prices. Italy also saw a fall in inflation in the latter part of the year, this time also in relation to non-energy industrial goods and services. Businesses and households expect a further fall in inflationary pressure in the short-medium term.
The GDP in Italy increased by 0.9% in 2023, employment continued to grow, the labor market was stable and the dynamic of salary levels remained strong.
The outlook for 2024 will be impacted by the issues that arose in the previous year.
On one hand, the economic forecasts are exposed to the risks relating to geopolitical factors such as the potential escalation of conflicts in the Middle East and Asia, that would result in a fall in consumer and business confidence that in turn would lead to a fall in consumption and investment. Uncertainty surrounding the upcoming elections in a number of countries, first and foremost the United States, Europe and India, where in the latter more than 900 million people are eligible to vote.
On the other hand, the agreement reached by the EU Council regarding European fiscal rules, which confirms a single operational indicator for public debt and deficit, while at the same time allowing the use of country specific reference trajectories over an adjustment period, is a signal that paves the way towards the adoption of more favorable reforms and investments in each member state.
Finally, the expectation of higher disposable income due to falling inflation and resilient labor markets, further support a more optimistic outlook. The slowdown of inflation and in particular the fall in raw material prices, have encouraged the Group to implement a detailed price reduction policy in 2024, together with more dynamic trade marketing policies and focus on customer perception.

Group operating activities

From a long-term perspective, the Group continues its strategy to pursue with great determination the objective of accelerating growth, with the lighthouse being the corporate purpose: "The joy of food for a better life", which identifies in just a few, clear words the "why" of its way of doing business.

The structure of the Global Leadership Team for the majority of 2023 was based on the following model:

1. **Regions** that are responsible for ensuring business growth and profitability through the development of Customers and Channels and a solid portfolio of brands and product categories in compliance with corporate guidelines:
   - Italy Region;
   - America Region;
   - Western Europe Region comprising France, Iberia (Spain and Portugal), UK, Benelux (Belgium, Holland, Luxembourg);
   - Central Europe, comprising Germany, Switzerland, Austria, Poland;
   - Greater Eastern Europe Region, comprising:
     a. Eastern Europe markets: Greece, Slovenia, Croatia, South Adriatic (Serbia, Bosnia, Montenegro, Kosovo), Central East (Romania, Hungary, Slovakia, Czech Republic), South East (Albania, Bulgaria, North Macedonia, Cyprus);
     b.Russia & CIS markets;
   - Asia, Africa & Australia Region;
   - Northern Europe Region, comprising Sweden, Norway, Finland, Denmark, and the Baltic states (Latvia, Estonia, Lithuania).

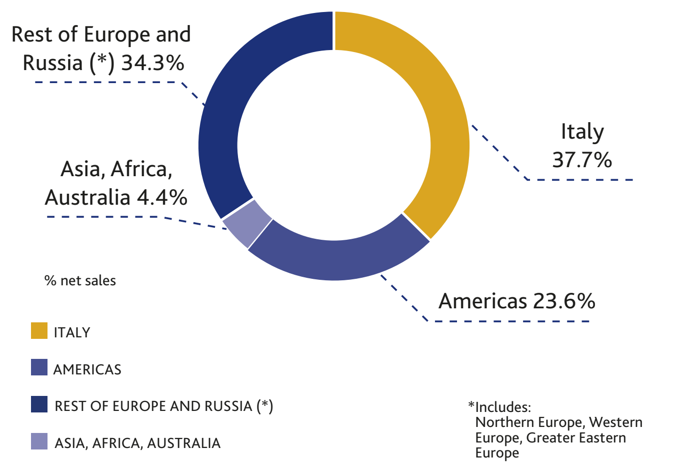
2. **Process Units** that act as global competence centers guaranteeing the alignment of strategies, standard processes, and the development of key capabilities.

   In order to coordinate global brand development, the marketing function is divided as follows:
   - *Meal Solutions*, comprising the manufacturing and sale of first courses (pastas and sauces) under the Barilla, Voiello, Misko, Filiz, Yemina, Tolerant, Catelli, Lancia, and Splendor brands;
   - *Bakery*, consisting of the production and sale of bakery products principally through the Mulino Bianco, Pan di Stelle, Pavesi, Wasa and Harrys brands.

The Pasta Evangelists business unit is responsible for developing new business models for the sale of take-away and ready-cooked fresh pasta, distributed both through a number of stores and the e-commerce channel.
The Back to Nature business continues determinedly the production and sale of plant-based and non-GMO bakery products, mainly in North America.

A review process commenced on this model from 1 September 2023, the impact of which will take full effect from 2024, and is based on a number of fundamental principles, comprising:
a) the balance between regions and categories, defining the different roles and responsibilities;
b) the creation of a Brand driven organization, inspired by the consumer and client focused;
c) the unification of Global and Local marketing into a single integrated function in order to achieve a consistent global approach.
Performance analyzed by Region is detailed below:

Revenues by geographical area net of hyperinflation impact - IAS 29



Italy Region

The focal point in 2023 was the overall increase in prices driven by higher energy and raw material costs.
The impact of these increases on the fast moving consumer goods (FMCG) sector was already evident commencing the second half of 2022 but it was in 2023 that the price increases peaked.
The December 2022 inflation, close to 12% decreased during the 2023.
This resulted in an increase in revenue for FMCGs but not a similar rise in volumes: in fact 2023 closed with an increase in value terms of 8.3% (compared to +6.6% in 2022) but a 1.7% decrease in volumes. Within this framework, many Italian families tried to offset the increase in their grocery spending, not only in terms of the mix in order to lower expenditure, but also reducing waste, the level of stock in their store cupboards and, as a result, buying less in general. To further complicate an already difficult situation, this was compounded by the negative impact of the decrease in spending power that fell by 7.3%.
With regard to distribution channels, all channels fell in volume terms in 2023. Even the Discount channel, that represents 23.1% of Consumer Packaged Goods (CPG) revenue, and e-Commerce (accounting for only 2.2%), recorded negative results.
In Italy, the Private Label sector (including the Discount channel) increased as a percentage from 29.9% in 2022 to 31.4% in 2023, with an increase in revenue above the average for CPGs (+ 12.8% compared to + 8.3%); this growth was driven in part also by an increase in volumes (+ 3.8%), in contrast to the Top 20 FMCG Players, Followers and Small Players that overall recorded a

downturn in volumes.
The general increase in prices was accompanied by increased promotions that had little impact and resulted in a modest contribution from promotions (from 25.4% to 25.8%).
Within this difficult context, following the May 2022 price increases, the further inflation generated in the second half of the year required the Barilla Group in Italy to implement price increases from January 2023. This led to growth in revenue over the year but also negatively impacted the performance in volume terms across all categories generally in favor of Private Label products.
The Bakery business closed with a decrease in volumes compared to the previous year arising from the negative impact on consumption of price elasticity and a contraction in the market in favor of Private Label products.
With regard to market share in value terms, the Biscuit, Snacks and Rusks product categories all fell, losing share to Private Label products, while the share of Dry Snacks increased, and Breads remained constant. Innovation played an important role with significant launches over the course of 2023 (Pinsa, Tartelle Cacao, Biscotto Intrecci, Ringo Caramel, Merenda Bontreccia and the relaunch of Linea Armonie, Ringo Core and Macine). With regard to marketing, the most significant initiatives comprised the importance placed on breakfast with the Collection, which involves various products across the Biscuit, Snacks and Bread categories, and was extremely well received, the Nostalgia Marketing initiative, the Christmas advertising of Pan di Stelle with the partnership of Disney Wish, Pavesini, Gran Pavesi Sfoglie and Ringo (including the new partnership with Xfactor in Back to School), the brand activation of Gocciole, the digital support of Wasa and the return of advertising on Togo, after an absence of more than 10 years, through a digital campaign featuring the band Neri per Caso.
The price increases and the strong price elasticity in the Pasta category impacted the performance of this sector with a fall in volumes and market share compared to the previous year in the classic range, while market share in the premium segment was stable (Voiello and Barilla Al Bronzo, which were leading players in 2023 thanks to important initiatives supporting these brands).

America Region

Despite inflation being more contained in the countries in the America Region in 2023, these rates were higher than the targets set by the respective central banks. The prices of durum wheat, the raw material used in the majority of the products sold by Barilla in the Region, were still high. Furthermore, the economic outlook remained highly challenging during the year with continued volatility in demand and further interruptions in the supply chain. Within this scenario, Barilla recorded more than 3% growth in total revenue for the Region at constant exchange rates:

- in the United States, the most important market in the Region, the Pasta retail channel grew both in volume and value terms as consumers increased domestic consumption of pasta. After having experienced problems in the supply chain that disrupted deliveries and resulted in products being out of stock in 2021 and 2022, a number of main competitors' products returned to fully stock the shelves in 2023. Consequently, Barilla's market share fell by 2.8%. This decrease was particularly notable in the durum wheat product category; while in the Better-For-You segment, Barilla increased market share of multi-grain products (i.e. Protein Plus). Despite the competitive rebalancing of the supply chain, Barilla's market share still remained well above pre-pandemic levels. Within the Condiments category, Barilla's market share in value terms fell by 0.6 percentage points for the Pesto category and 0.4 percentage points for Red Sauces. With regard to the Crispbreads category, Wasa gained 1.2 percentage points in the market share of the retail channel in value terms. In the Food Service channel, Barilla increased revenue as a result of price rises required to compensate increased costs;
- in Canada, the Pasta category in the retail channel also grew both in terms of volume and value as consumers increased domestic consumption of pasta. Price rises however led consumers to favor low value brands. Consequently, the portfolio of the Barilla brands in total lost 1.9 percentage points of market share in value terms. This fall is attributable to the Catelli brand that was affected by the shift in consumption to low value brands, while the premiumization of Barilla brands meant they were more resilient in the market;
- in Mexico, the Pasta category in the Modern Trade channel increased both in volume and value terms as a result of inflation. In this channel the overall market share in value terms of Barilla brands fell by 0.7 percentage points. On the other hand, the Pasta category in the Traditional Trade channel fell in volume but increased in value. In this channel, taken together the Barilla brands increased market share in value terms by one percentage point. The expansion of the Yemina brand in both channels in the domestic market contributed to the overall growth in this business;
- n Brazil, the Pasta in the retail channel grew both in volume and value. This channel continued to experience a rapid shift from the Modern Trade channel, with the closure of hypermarkets and supermarkets and opening of Cash & Carry stores due to the low prices offered. Moreover, more consumers in general have moved away from durum wheat based products to Soft-Wheat-with-Eggs products. As a result, Barilla's market share in the Modern Trade channel increased by 0.2 percentage points in the San Paolo area, where the Group's activities are concentrated. Barilla also enjoyed growth in the Cash & Carry channel through Soft-Wheat-with-Eggs products.

Western Europe Region

Given this period of high inflation and tense competition, the Western Europe region performed extremely well in terms of revenue and closed the year with a revenue index of 107 compared to 2022.
France, which is the leading country in the region, enjoyed a 7% growth in revenue with varying results between the Meal Solutions and Bakery segments. The Harrys brand in France closed 2023 with a 10% increase in revenue despite numerous competitor initiatives in respect of both the soft breads and brioche categories. The Pesto business also recorded strong growth with a 13% increase in revenue compared to 2022 in contrast to the results in the Pasta segment that experienced a 2% fall compared to 2022 that was largely due to a shift in market share to the main competitors.
The Benelux area closed the year with an increase in value terms thanks to the constant development of the Sauces business in Belgium and the Wasa business in the Netherlands, which consolidated its market leader position. In Iberia the results were in line with 2022 thanks to the Pesto and Wasa businesses.

Central Europe Region

The Region experienced a 5% decrease in volumes compared to last year but grew 7% in terms of revenue.
The increase in revenue was due to price increases introduced in the previous year in order to continue to mitigate the increase in production and logistics costs.
The increase in revenue in the Region was driven in particular by the results achieved in Germany, +11% and Poland, +7%.
All product categories recorded an increase in revenue with Pasta +3%, Pesto and Red Sauces +15% and Bakery +6%.
The market shares in value terms in Germany increased in the Red Sauces category but fell in the Pasta, Pesto and Bakery categories.
The Central Europe Region continued to pursue the strategy aimed at creating value, through focus on product, customer and country mix.

Greater Eastern Europe Region

In 2023 the region recorded significant growth both in volumes and value compared to the previous year, it increased market share in all of the key markets and guaranteed high service levels. With regard to products, the Pasta segment grew by 4% in value and strong results were also enjoyed by the Sauces and Pesto segments with a solid 29% increase in value and finally the Bakery business increased by 27% in value.
The Eastern European markets enjoyed a positive trend in revenue compared to the previous year with a 10% increase in value that was largely due to the price increases applied across all of the product categories in the countries in the region. Outstanding growth was recorded in the Central East area with a 23% increase in revenue compared to 2022 and a 17% increase in the Adriatik area. All of the product categories in these markets increased in 2023 compared to the previous year, with 6% recorded in the Pasta category, 24% in Sauces and Pesto and 16% in Bakery, with continued progress in implementation of the development plan.
The Russia and CIS markets in 2023 recorded top line growth in volumes (+9%) and Net Sales (+11%, all other things being equal), with profitability enjoyed across all of the categories. The revenue indices across the various businesses were as follows: index102 for Dry Pasta, 129 for AMS Bread, 121 for Pesto, 153 for Red Sauces and 132 for Wasa (all like for like). In 2023 the Blue Box Pasta recorded a value SOM of 14.2% (+1.4%). The market shares of Pesto and Red Sauces were 37.3% (+0.5%) and 68.5% (+15.7%) respectively.

Asia, Africa, Australia Region

The business in the region recorded a 33% increase in revenue compared to 2022 at constant exchange rates, driven by the strong performance of Filiz pasta in Turkey that offset the strong downturn in China where recovery has been slower than expected resulting in a negative impact on the bottom line. This increase in revenue allowed the region to invest more in marketing, corresponding to 7.7% of Net Sales (6.9% of Net Sales in 2022), which has led to an increase in market share in both volume and value. The region closed the year with EBITDA of 6.8% of Net Sales (7.7% in 2022).
In Turkey, despite the vulnerable and uncertain macroeconomic and social situation, with significant increase in inflation and the depreciation of the Turkish lira, the Filiz brand became market leader and both net sales and profitability improved significantly.
The other geographic areas (Africa, Middle East, Japan, South Korea and South East Asia) recorded significant increases in revenue.

Northern Europe Region

2023 experienced a decrease in volumes compared to the previous year (-3%), that was due to a significant fall in consumption in the early part of the year, with recovery in the second half of the year thanks to promotions, while revenue increased by a similar amount to that achieved in 2022 (+9% at constant exchange rates). The growth in revenue was experienced across all of the countries and categories and was driven once again by the price increases implemented to counteract the continued inflation on production costs at the beginning of the year. Within the Wasa business, growth continued for Biscuits (+32%), which were launched in recent years and in respect of which both distribution and revenue continued to increase, and the Sandwich product category that managed to maintain volumes in line with the previous year, resulting in double digit growth in revenue (+10%). Wasa increased its market share in the Crispbread category in Sweden, Norway and Denmark.
At individual country level, over and above the strong performance in terms of revenue for all countries, of note is yet another year of growth in Norway both in volumes (+3%) and revenue (+13%).
In the Meal Solutions segment, opposing trends were experienced between that of the Pasta business, where the drop in volumes negatively impacted the market shares in Sweden in particular, and that of the Pesto business where, following an extremely difficult 2022 due to the rise in raw material costs, volumes increased that also contributed to growth in the market shares in Sweden and Norway.

Pasta Evangelists

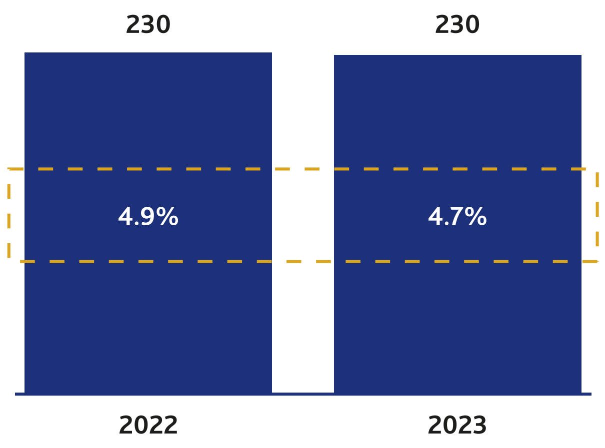
2023 represented the 'year of the factory' for Pasta Evangelists. Production of pasta and fresh sauces commenced on 1 September 2023 for the first time in the history of the company and the Group Chairman and Managing Director attended the official opening of the new factory in October. The 5,000 sqm manufacturing facility is one of a kind and is the largest pasta and sauces factory in the United Kingdom (UK). It was designed to create unique pasta shapes such as corzetti, saccottini, mac & cheese, crestoni, anolini, pasta dragons, cannelloni and other formats. Over the course of the year the company also increased its takeaway business across the whole of the UK and entered into agreements with franchisees to open its first takeaway units that are expected to hit the high street in the second half of 2024.

Back to Nature

The Back to Nature brand, which was acquired on 3 January 2023, just completed its first year as part of the Barilla Group and got off to a very promising start. A team of highly skilled people was set up with headquarters in Minneapolis, employing talents with start-up experience in the CPGs world.
The team defined a vision that will allow Barilla to create a solid Bakery business in future, through the development of a concrete and innovative growth plan. This plan will center on the modernization of the brand identity, to foster customer penetration and in turn re-establish the brand as a leading force in the US Bakery market.

Capex

(€/MM)
% on revenues



Rendering of the new Barilla Research & Development center in Parma.

The new laboratories: with an investment of 16 million euros, the center will be completed by September 2025 and will employ 200 people at full capacity. This 12,000 square meter facility at the Parma Headquarters will concentrate all the group's technical expertise, fostering global innovation through its laboratories and pilot plants.

In order to achieve the objectives of product innovation, improved efficiency and increased production capacity, Group capital expenditure amounted to euro 230 million, of which euro 17 million relates to new contracts for leased tangible assets signed during the year and recorded in accordance with the relevant accounting standards.
Capital expenditure represented 4.7% of Group revenue.

The Group's main investments comprised:

- a new production line for Fisarmoniche at the Melfi factory (Italy) that employs a specific patentable technology, the aim being to strengthen the leadership position in the minicakes business;
- the opening of the new Pasta Evangelists food manufacturing plant in West London for the production of fresh pasta and sauces. The production capacity is able to support business requirements up until 2028 also through the use of numerous controlled temperature areas (fridges/freezers) and new state of the art machinery. The factory will facilitate significant improvements in terms of product quality and freshness;
- in order to support the current and future Wasa crispbread business by developing new market opportunities, expenditure was carried out on line 1, dedicated to the production of rectangular rye crispbread products, at the Celle plant (Germany), with the obsolete oven being replaced by a new hybrid heat oven that enabled the closure of the old line 13 in Filipstad (Sverige). This investment is part of the Wasa Goes Global (WGG) program;
- the replacement of the now obsolete cogeneration system at the plant in Foggia (Italy), with a new trigeneration system, the aim being to improve energy procurement technology and reduce CO_2 emissions;
- works commenced on preparing the offices that will house the new Business Development Center in the new Amsterdam facility, which will reinforce the Group's polycentric approach;
- the replacement of mechanical and electrical components in the durum wheat tower was carried out at the Pedrignano plant in Parma (Italy) in order to guarantee operating continuity of the factory and ensure adherence with safety regulations and corporate Good Manufacturing Practice (GMP) guidelines;
- the restructuring and rationalization of the Research and Development buildings at the Pedrignano plant in Parma (Italy), at the same time improving the earthquake resistance, with the aim of improving the working environment, facilitating the exchange of know-how and fostering innovation by bringing everyone together in one location;
- the partial re-vamp of line 101, dedicated to short pasta production, at the Ames plant (United States), which operates non-stop, in order to guarantee production continuity;
- the replacement of the cutting and packaging machines of line 8 of the La Malterie plant (France), in order to guarantee production quality and continuity;
- the migration and integration of the Back to Nature business, the US business acquired early in the year, into the Group's systems and models.

Sustainability – note

In a complex and uncertain international landscape, where supply chains have been put to the test in terms of availability and quality of raw materials and inflationary fluctuations throughout the entire year, the role of food products and the related supply chains takes on increasing importance. Barilla is fully aware of the current market situation and wishes to contribute positively to the sustainable development of the supply chains as part of its social and environmental commitment to offer quality products that reflect the business purpose "The Joy of Food for a Better Life".
Barilla is more determined than ever to continue on the path towards sustainability, increasing investment in innovative products, in promoting sustainable supply chains and reducing its environmental impact. Together with the support of the Barilla Foundation, it continues to play a fundamental role in explaining to communities the importance of food and healthy lifestyles for a better future.
Barilla acts responsibly and with great willingness to promote increasing attention to sustainability topics by defining its corporate strategy to incorporate these principles in line with the business development plans. The Group is in fact developing a new Environmental, Social and Governance (ESG) ecosystem that comprises its redefined sustainability strategy, the adoption of new indicators measurable over time and the definition of a new governance structure that facilitates the integration of the sustainability strategy within the overall corporate vision.

Barilla's strategy will as always feature a prominent social and environmental responsibility, from the study and development of a distinct portfolio of products on the market that are able to combine tradition and innovation, while at the same time strengthening the sustainability of the supply chains, introducing regenerative farming principles, reducing the environmental impact of the strategic supply chains and the production facilities and designing recyclable packaging.

Environmental management

Environmental management is an integral part of Barilla's way of doing business.
The Barilla Group's commitment to the environment began almost 20 years ago with implementation of the Environmental Management System at the Group manufacturing facilities. The first factory to certify its own Environmental Management System was the Ascoli Piceno plant (Italy) in 2003, closely followed by other Group factories and mills; today almost all the production sites, 28, have implemented and certified this system in line with international technical standard UNI EN ISO 14001.
Another cornerstone of Barilla's environmental management is the Life Cycle Assessment method that calculates the environmental impact of its products. The results of these analyses are published for the majority of Barilla products using the Environmental Product Declarations, which are certified environmental declarations developed by the international EPD (Environmental Product Declaration) – (www.environdec.com).
Moreover, Barilla is the first food group to have developed and obtained third party certification on a system measuring the environmental impact of its products (EPD Process System).
In 2023, 85 EPDs (Environmental Product Declarations) on Barilla products were available on the environdec.com website, corresponding to around 70% of production volumes; in order to better illustrate this, the Barilla EPD book was published, a guide to analyze the environmental impact of its products.
The Barilla Group constantly works on reducing the impact of its products throughout the whole supply chain through several projects including the following:

- collaborations with players involved in the Group strategic supply chains aimed at employing agricultural practices that are more sustainable and have a lower impact, for example in terms of CO 2eq emissions, water consumption, the use of fertilizers and phytopharmaceuticals or using practices that support the safeguarding of the soil and biodiversity. Examples of such tools include: the Handbook for Sustainable Durum Wheat Farming and the decision-making support system Granoduro.net® and the GranoScan® app that monitors wheat diseases and aim to make wheat farming more sustainable. The two important projects aimed at developing a more sustainable soft wheat supply chain have not only demonstrated their effectiveness but are also in the advanced stages of implementation. In particular, the Mulino Charter, for the soft wheats used in the production of Mulino Bianco brands, now covers 96% of purchases and in addition to the focus on biodiversity has now launched a precision farming project to reduce the environmental impact of farming and create a decision-making support system called Barilla Farming. Similarly in France, the Harrys Charter for the soft wheat supply used in the production of the Harrys brand products covered 100% of all purchases. Finally, of note is the Basil Charter for the procurement of Italian basil from sustainable farming, which safeguards the biodiversity and places value on the farming community throughout the Pesto supply chain;
- in order to explore more advanced technologies that enable not only a reduction in carbon footprint but that also have a positive impact on carbon capture, an innovative pilot project was launched on the Wasa brand, together with strategic partners, that is based on the principles of regenerative agriculture. The project aims to renew the natural ability of soil to absorb CO_{2eq} emissions: 14 farmers in Germany and Sweden are involved and will apply agronomic principles such as cover-crop, minimal tillage, crop rotation and the reduced use of fertilizers, with the aim of having a positive impact on the manufacturing process of crispbread, taking advantage of the ability of plants to capture carbon from the atmosphere and return it to the soil.

Moreover, the Barilla Group is heavily committed to the fight against climate change; in 2019 it joined the SBTI (Science Based Targets Initiative), which was set up to assist companies in defining targets to reduce their greenhouse gas (GHG) emissions "based on science", to meet the level of decarbonization required to keep the increase in global temperature below 2°C compared to preindustrial levels as outlined in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement.
The reduction targets were approved by the Science Based Targets Initiative and were published in the Group Sustainability Report in July 2020:

- 25% of total emissions, scope 1 (Direct Emissions) and scope 2 (Indirect Emissions), by 2030 vs 2017;
- 26% of intensive emissions (per tons of finished product), scope 3 (All Other Emissions), by 2030 vs 2017.

The Group is preparing to present new targets aligned with a 1.5 °C rise scenario.
Moreover, Wasa became the Group's first Carbon Neutral brand in 2018. In order to achieve this goal all greenhouse gas emissions (GHG) in the production chain of each of the individual brands' products (from soil to the shelf) were reduced, calculated, and offset in compliance with international standard PAS 2060. The process has been certified by an Independent Third-Party Body (DNV).

Health and safety

There was a 56% fall in the number of accidents in 2023 compared to 2010 (the reference year during which various sustainability projects were defined and launched). As a result, the accident incidence rate fell by 49% and the severity rate by 48% compared to 2010.
Moreover, the Montreal plant (Canada) and those in Thiva (Greece), Caserta and Cremona (Italy) had no accidents in 2023. The mills that have achieved and maintained the "Zero accident" goal for a number of years now include the mill in Ames (USA) for 13 years, the Volos mill (Greece) for 12 years, the Galliate mill (Italy) for 10 years and the mills in Pedrignano for 4 and Castelplanio (both Italy) for 3 years. The Ascoli (Italy) and Solne (Russia) plants and the Altamura and Ferrara mills (both Italy) only recorded one accident.
The fall in accident rates continued at the plants in France, which recorded a significant fall in both the accident incidence rate, -68%, and the severity rate, -49%, compared to 2010. This goal was achieved also thanks to the implementation of the Barilla Integrated Occupational Safety Management System that is based on the UNI EN ISO 45001 certification; currently all of the 24 European plants and mills have been certified under this system.
Moreover, a project analyzing Safety Culture was developed and implemented in France in 2021 and is being rolled out to all of the Italian plants. The project is aimed at engaging employees as much as possible in recognizing the importance of their contribution and behavior in improving health and safety conditions at work.
Training continues to play a fundamental role: in person courses continued and as an alternative e-learning and video conference courses were organized in order to maintain focus on these issues. More than 70,000 total training hours (in person and remote) on the topic of health and safety took place in 2023.
As in previous years, the global audit plan continued to cover the areas of safety, the environment, fire prevention and energy with more than 130 specific checks taking place in 2023 across all of the pasta plants, bakeries, and mills together with the support of specialist enterprises. A number of these checks resulted in the issue of new ISO 45001, ISO 14001 and ISO 50001 certificates. No significant matters of non-compliance came to light during the audits.

Energy management

Barilla constantly strives to improve the energy efficiency of its plants. The production of Mulino Bianco, Pan di Stelle, Gran Cereale, Wasa, Harrys and Barilla sauces is covered by GO certificates (European Guarantees of Origin) confirming that production uses renewable energy sources, moreover all of the Italian pasta factories run co/trigeneration plants for the joint production of electricity, thermal energy and, in the case of trigeneration, cooling energy. This reduces the quantity of fossil fuels that would be used in separate energy generation or if purchased on the national grid, resulting in improved efficiency and a lower environmental impact.
The pasta factories in Parma and Foggia (Italy) are covered by the Emissions Trading Scheme and are subjected to regular audits, and levels of CO_{2eq} emissions are certified by a third party.
In 2023 the continued focus on reducing its environmental impact and the new socio-economic situation, primarily the energy crisis and higher energy costs, led Barilla to evaluate continuously self-produced renewable energy projects in particular through the installation of photovoltaic solar plants.
A multi-year investment plan was drawn up that will involve all of Barilla's European manufacturing facilities. More specifically, in 2023 two photovoltaic plants were installed, one generating power in excess of 1.5MWp at the Rubbiano Sauces plant (Parma-Italy) and another of approximately 0.7MWp at the Volos mill (Greece).
The two new plants join those already installed in the Muggia and Melfi (Italy) and Thiva (Greece) plants.
The "ESP - Energy Saving Project" program, launched approximately 20 years ago and has operated uninterrupted, continued with renewed impetus. The project, under the direction of the central offices, provides that colleagues in the technical departments of the factories share the best technical and managerial solutions in order to improve the energy performance of the plants.
The plan to roll-out the Energy Management System, in compliance with the international technical standard ISO 50001, alongside its third-party certification, began in 2016. To date, 24 factories have

Italian Products
Mulino Bianco Armonia: Cecille, BuonFarro, CioccaAvena, PandiYò, Mirtillini
Baiocchi Pistacchio
Intrecci
Tartelle Cacao
Ringo Caramels twist
GranCereale Barrette caffè cioccolato nocciola - GranCereale Barrette cocco cioccolato e mandorle

BonTreccia
Gran Bauletto rustico
Pesto Basilico e Limone
La Gran Penna ruvida Voiello
Pinsa

been certified according to this standard with two of these, Bolu (Turkey) and Solne (Russia), completing the first certification process in 2023.

Human capital

The number of employees at December 31, 2023, was 9,040 (9,001), of which 4,125 (4,189) are located in Italy and 4,915 (4,812) overseas. An analysis of the composition of employees compared to the previous year is illustrated below:

	12/31/2023	12/31/2022
Managers and employees	3,756	3,737
Blue-collar workers	5,284	5,264
Total	**9,040**	**9,001**

The number of Group employees is largely in line with that of the previous year.
2023 marked a year of significant change and transition for Barilla employees.
A plan to transform the organization, culture and way we do business was launched in June that centers on Barilla's People and Products. With regard to people a People Agenda was drawn up comprising a number of plans and initiatives aimed at nurturing and supporting the organizational and cultural change across four important areas: internationality/inclusion; cohesion/collaboration; delegation; optimism/entrepreneurship.
Leveraging previous experience from the cultural change project Work@Barilla, dedicated to the development of ways of working in terms of performance, collaboration and wellbeing, Barilla employees now have a further transformative opportunity to contribute to the evolution of the business.
The four pillars of change were summarized into a behavioral model that, together with the Barilla values, define the Barilla culture, the way in which it works, collaborates and most of all achieves results.
This required a total review of our performance management concept and process in order to align and synergize it with the objectives of the cultural evolution.
The result of this process was the launch of a new performance program in December 2023 together with a global training campaign that involved approximately 1,500 employees and local sessions in order to reach everyone who was not able to participate in the global campaign. Today the performance of employees of the Barilla offices is a perfect balance between the "what" that represents the objectives that must be attained and the "how" being how Barilla behavior is interpreted while carrying out daily duties and achieving business goals.
As mentioned above the People Agenda is a multi-year plan of cultural evolution that comprises training, communication, reviews of the HR processes and enabling initiatives, which relate to projects that will support the implementation of the agenda commencing 2024.
As part of the plans designed to develop Barilla People, a Continuous Feedback Tool was launched on a global scale. This tool will gather 360° feedback from colleagues in order to increase awareness of invidividuals' strength and development areas. In particular, the launch took place following a number of pilot trials across the professional families in the Supply Chain and GRDQ whereby the process was initially introduced to reinforce the habit of using the tool, and using it correctly, achieving extremely positive results.
With regard to our manufacturing facilities, in 2023 a pilot program previously launched in 2018 but unfortunately suspended during the pandemic, was reinstated. This involves training on matters affecting the leadership of plant employees, the target audience being the first and second plant line managers.
The program comprises itinerant training sessions for small mixed groups in terms of role and location, structured with the objective of improving knowledge of the different factories and instilling and consolidating collaboration across the various functions in order to create an operations network.
The program was relaunched in 2023 and the key matters broached were: motivation through delegation, effective communication, management of feedback, developing active listening, developmental interviews.
As part of the diversity and inclusion journey, the Disability Inclusion Roadmap progressed in 2023. The new CEO, Gianluca Di Tondo, as part of the global movement The Valuable 500, publicly renewed his commitment to drive innovation through inclusion of diverse abilities and skills.
Recognizing the importance of adopting a reasonable accommodation process as a minimum global requirement in order to guarantee opportunity equality for people with disabilities, the Diversity and Inclusion Committee (D&I), together with Human Resources, guided the progress of these works with the target of developing a standardized policy to manage workplace accommodation requests by the end of 2024.
The interdepartmental collaboration of the Barilla D&I Committee is further highlighted by the synergies with the RDQ team in planning a new research and development center at the headquarters in Parma. From the outset the objective of the plan was to make the future Innovation Centre a model for inclusion and accessibility. The buildings will employ sustainable materials and will improve the inclusivity of people with disabilities through flexible interiors, routes for the visually impaired and tactile mapping.
Also in the context of Barilla Diversity, Equity & Inclusion and as further evidence of its commitment on the subject of gender equality, a new global policy was launched for parental leave that aims to place value on parenthood and reduce one of the key factors in the work gender gap. This new corporate policy came into effect on 1 January 2024, and offers a minimum of 12 weeks paid parental leave for each parent across all of the world, independent of gender, marital status, sexual orientation and whether adoptive parents or not. Moreover, the initiative aims to contribute to improving the work-life balance of Barilla People and comes at a historic moment where focus on this matter is extremely high.
Also in 2023, in conjunction with the Barilla Audit team, a Diversity & Inclusion map was drawn up with primary focus on investigating the structure and activities of the D&I Board and the D&I Committee.
Firstly, the D&I safeguarding areas, as stated in the Code of Ethics and Code of Conduct, and the activities disclosed in the 2022 sustainability report, were identified. Subsequently the D&I legislative and regulatory requirements were examined for all of the Group's legal entities, with focus on varied subjects such as family conditions, multiculturality, sexual orientation, generations, gender equality and physical abilities.
Again this year the constant commitment of the Employee Resource Groups (ERG) continued. These are groups of volunteers, organized, led and trained by Barilla employees with the aim of fostering a more inclusive corporate culture and to drive change within the business, touching on subjects that vary from disability to LGBTQ+ rights. There are currently 17 Barilla ERGs across the world.
In line with the approach of active listening, focus groups were formed to discuss the subjects of flexibility and personal empowerment. These topics emerged as crucial for employees and the aim is to

Harrys Products in France:
100% Mie Seigle Tranches epaisses
Brioche Tranchée Caramel
Toast Aromates
Toast Brioche
Toast Nature
Toast Seigle

December. Paolo Barilla presents Pasta in Space. Some crew members have been involved in conducting sensory experiments to better understand the nutritional needs of astronauts in extreme conditions.

Paolo Barilla with Air Force Colonel Walter Villadei, leader of the Ax-3 Mission. The collaboration between Barilla, the Italian Ministry of Agriculture, Food Sovereignty, and Forestry, the Air Force, and Axiom Space was established to support the candidacy of Italian cuisine as an Intangible Cultural Heritage of Humanity by UNESCO.

explore them in more depth in order to gather useful ideas in order to develop further opportunities and improvements.

Research and development activities

The constant commitment of the Group to perfect product recipes continued in 2023, aiming not only to offer more products that taste better and form part of a healthy, balanced diet but also to guarantee the quality and safety of the products across the entire product supply chain.

Thanks to this commitment, summed up in "The Joy of Food for a Better Life", in 2023 the Group invested euro 45 million in research and development activities. In order to contribute to this journey, a new Nutritional and Wellbeing Model was introduced with the aim of supporting Barilla in offering tasty and nutritional products in the correct portion size that form part of a healthy lifestyle and celebrate the joy of food. This new model extends the principles of the previous Nutritional Guidelines and adopts a more holistic approach to wellbeing with the aim of promoting informed dietary choices and emphasizing the value and the role products play in health and wellbeing.

Over the years our commitment has led to significant improvements in the nutritional profile of numerous existing products. From 2010 to date, a total of 497 products have been reformulated through a reduction in the levels of sugar, salt and fats and an increase in the fiber content. More specifically, in 2023 the salt content in three pasta sauces (Pesto Rosso, Pesto alla Calabrese, Bolognese Pouch) and one bread category (Harrys Toast Seigle) was reduced. Furthermore, two red sauces (Ricotta Sauce, Montanara Ragù) benefited from a reduction in total and saturated fats respectively. In order to respond to the needs of customers that cannot eat certain product categories, two gluten free products were reformulated to remove lactose from the recipes (Mulino Bianco Cioccosole and Fior di Miele), while two new milk and egg free biscuits were launched on the market (Mulino Bianco Mirtillini and Buonfarro).

Alongside the reformulation of existing products, significant research and development efforts were also carried out to offer new products made with raw materials selected from responsible supply chains that are able to combine taste with nutritional quality. With this aim in mind, in order to encourage customers to consume greater quantities of fiber in their diet, six new fiber rich products were launched on the market (amongst which Mulino Bianco Intrecci, Gran Bauletto alla Segale; Harrys Brioche Tranchée Caramel) and a further six products that provide a source of fiber (including Mulino Bianco Cioccoavena and Racconti Harrys 100% Mie Seigle).

New single-portion products with less than 150 kcal per portion were also launched (Ringo Caramel) together with products containing a variety of ingredients with distinctive nutritional properties such as spelt flour (Buonfarro), oats, buckwheat, rye (Gran Bauletto alla Segale and Harrys 100% Mie Seigle), chia seeds and dried cranberries, and spinach and tomatoes (Misko Tricolore Tortellini with Cheese) or chick peas.

In the field of scientific research, independent scientific studies continued in 2023 in Europe and the United States to investigate the impact of low glycemic index foods or the characteristics of the Mediterranean and Nordic diets on a number of metabolic indicators and cardiovascular health.

Sustainable supply chain management and relations with the local territory

The Group has long been committed to purchasing raw materials and packaging materials that minimize the environmental impact and contribute to the well-being of the territories in which it operates.

Barilla products are developed through collaboration with more than 1,300 worldwide suppliers and using more than 800 types of raw materials and 50 of packaging materials.

In order to standardize the approach across the different raw material and packaging material supply chains, Barilla established a Sustainable Agriculture Code (SAC), Animal Welfare Guidelines, and Sustainable Packaging Principles. These are founded on the principles that underpin the responsible management practices of supply chains.

2023 was a year of change with increased focus on projects that have a greater impact on the brands and the consumer. The total of strategic materials purchased in line with the above-mentioned codes and principles amounted to 68% and more specifically, the purchase of strategic packaging materials in compliance with the principles remained stable at 99.7% while the purchase of raw materials fell slightly compared to 2022 amounting to 64% of total volumes.

The Italian durum wheat supply chain has a stable catchment area and is faithful in the application of the tools aimed at making farming more sustainable including the Handbook for Sustainable Durum Wheat Farming and the "Granoduro.net®" decision making tool and the "GranoScan®" App. The farming agreements with supply chain partners in Italy accounted for approximately 70% of total volumes of durum wheat purchases. The number of farmers who adopt these systems is stable and involve more than 7,000 farms producing approximately 400,000 tons, which is slightly down on 2022 due to both yields and the widespread use of sustainable practices without directly employing technological tools.

The egg, basil, sugar and tomato supply chains are 100% in line with the sustainable farming principles (SAC). A certified supply chain for basil was developed in blockchain, inserting a QR code on the Pesto Genovese label in the Italian market in order to make the supply chain transparent. The consumer can see from which farmer and field the basil came and when it was harvested.

Following the war in Ukraine the certification of sunflower and other oils was only partially possible and amounted to 91% at the end of 2023.

99.9% of strategic packaging materials, principally paper and cardboard, plastic materials, glass, and caps, is now recyclable and more than 99% of packaging provides recycling instructions for the final consumer. All of the paper supply chain is certified in accordance with state of the art standards such as FSC and PEFC with the exception of Russia as the current crisis does not permit the sourcing of 100% certified cardboard.

Developments in packaging are focused on the increase in the circular economy and the reduction in the use of virgin plastic, continuing the optimization of packaging based on the LCA tool.

Relations with consumers

Barilla adopts a shared model and common guidelines in all of the markets in which it operates across the world, designed to offer a presence and increasingly effective relations, while taking into careful consideration cultural differences and the diversified approaches required.

Barilla's commitment to creating and upkeeping valued relations with its customers and managing on a daily basis across the world all types of contact in a timely, careful and professional manner, remain at the core of its business. From the request for information to complaints, Barilla works constantly to take advantage of this spontaneous contact to strengthen further links with customers in terms of satisfaction and brand trust thereby generating positive word-of-mouth and loyalty.

The company places increasing focus, alongside traditional channels, on new communication instruments such as interactive chats (Chatbots) that enable waiting times to be reduced and are constantly accessible and available to provide immediate responses. Through the "*Raccolta Punti Colazione 2023*" initiative and earlier still with that of the "*Raccolta Punti Colazione 2022*", outstanding results have been achieved through the use of Chatbots in the Italian market, a new listening tool adopted in 2021 that can be adopted in the near future in other markets if required.

Risk management

Risk management plays a central role in corporate governance.

In recent years, as part of the Enterprise Risk Management process, a complete risk mapping assessment was carried out on all business areas with constant monitoring by the relevant supervisory boards.

Moreover, the relevant managers together with the Board of Statutory Auditors, place great importance on the findings presented in the internal auditor's Management Letter.

With regard to the investment choices approved by the Board of Directors, a fundamental element of business development, all new project proposals requiring approval are sent to the board members with sufficient notice and are supported by detailed technical and financial documentation outlining alternative scenarios that are prepared using calculations and reference parameters that meet current best practices. The Enterprise Risk Management model is designed to identify the key risks associated with the strategic business transformation and bring them to the attention of the governing bodies in order to enable the implementation of structured actions, support the business decision making process, facilitate the identification of critical factors and structure actions and measures aimed at mitigating these factors and the related business impact. The Enterprise Risk Management project, managed by the ERM department, has benefited from the active participation of the Group Leadership Team, the Board of Directors and Board of Statutory Auditors in relation to key business risks, enabling internal discussions on key risks that could be critical both in the medium and long-term, and is now a permanent fixture. In this regard, a risk analysis was performed in relation to the Supply Chain (procurement and production chains) disruptions and the volatility in raw materials prices arising from the current global scenario comprising both geopolitical conflicts and climate factors, which take on increasing importance. The Group continued the analysis of ESG (Environment, Social and Governance) risks, such as those inherent to the quality and safety of products, those related to employees and also environmental repercussions, identifying the key topics affecting the business and the improvement measures to be implemented to manage these. As a continuation of the activities carried out in previous years, particular attention was paid once again to the risks associated with climate change, evaluating the potential impact of transition risks and physical risks with the aim of further investigating the implications for the business model of the various scenarios set out by the IPPC (Intergovernmental Panel on Climate Change). With particular reference to transition risks, an in depth examination was made on the regulatory, technological, market and reputation risks. Moreover, Barilla continued the process of analyzing climate risks in relation to the procurement of strategic raw materials and operating continuity with the aim of increasing understanding of these risks and defining actions to mitigate current and future risks.

Barilla worked across all areas of the business in order to provide consistent analyses and information in order to prioritize risks and establish a comprehensive action plan. As part of this process, an annual risk assessment is performed covering all business units with the cooperation of the Group's risk matter experts (Treasury, Tax, Health, Safety and the Environment, Compliance, Quality, Food Safety & Tech-regulatory, Scientific Relations & Sustainability, Digital & Business Technology).

With regard to Information Technology risks, the Group adopts a disaster recovery service for most of its applications, with more stringent supply requirements in respect of those that are critical to business continuity. This service is tested yearly and also covers the cloud applications. The network infrastructure adopted provides a further level of redundancy for remote access to systems.

Cyber Security represents a constant priority to the Group which continued to pursue projects and carry out investment in this area. The regular monitoring of events and technological defense measures were further intensified to maintain a consistently sufficient level of security. The corporate network is equipped with a sophisticated infrastructure that only allows the connection of automatically recognized, authorized devices and an anti-intrusion system.

Intensive Cyber Threat Intelligence activities are carried out in order to intercept proactively potential cyber threats to the Group's assets in light of the particularly critical situation that has recently affected large Italian corporations.

The ISO 27001 certification covering the organizational, regulatory, and technical measures in place to protect and control information assets, in respect of ICT services managed by head office and used by the entire Group and which was also extended to local ICT services managed in France and Sweden, was renewed this year.

The Group employs a "continual improvement" approach in adopting the measures consistent with the risk management plan shared with management, which has put in place a structured plan aimed at including the security by design approach also in respect of industrial automation systems and systems managed locally by the various subsidiaries worldwide.

Corporate Governance e Compliance

Barilla Holding S.r.l. adopts a "traditional" administration and control system. As such, the corporate governance structure is based on the following corporate bodies: the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

The Board of Directors (BoD) is the body vested with the widest powers, except for those reserved to the Shareholders' Meeting by law or the Articles of Association, and can delegate specific offices to its members; it is responsible for the direction of management, assessing the adequacy of the organizational, administrative and accounting structure, the assessment of the overall operating performance as well as the adoption of resolutions on those matters reserved to it by law or by the Articles of Association.

The current BoD comprises four Directors whose mandate expires on approval of the 2024 financial statements.

The Board of Statutory Auditors, appointed by the General Shareholders' Meeting, supervises compliance with the law and the Articles of Association and compliance with the principles of proper administration. The mandate of the Board of Statutory Auditors will end on approval of the 2024 financial statements.

The entity appointed to carry out the audit of the financial statements, pursuant to law, is KPMG S.p.A.; it has been engaged to audit the consolidated financial statements of the Barilla Group and those of the Group companies; this mandate will end on approval of the 2024 financial statements.

The corporate governance structure of Barilla Iniziative S.p.A. is based on the following corporate bodies: the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors.

The current BoD comprises nine directors (two of whom represent the non-controlling interests) whose mandate will end on the date of the next General Shareholders' Meeting, called to approve the 2023 financial statements.

The Board of Statutory Auditors, appointed by the General Shareholders' Meeting, supervises compliance with the law and the Articles of Association and compliance with the principles of proper administration. The mandate of the Board of Statutory Auditors will end on the approval of the 2024 financial statements. The appointed Independent Auditor is KPMG S.p.A. whose mandate will end on approval of the 2024 financial statements.

Barilla Iniziative S.p.A., from 27 March 2018, has adopted an Organization, Management and Control Model pursuant to (Italian) Legislative Decree 231/2001 (the MOG). The MOG includes a general section and special sections that outline the business processes and predicate offences that could impact them, together with the Code of Ethics. The MOG was subsequently updated to reflect the introduction of new predicate offences and was subject to approval by the Board of Directors.

In order to evaluate the effective and correct implementation of the MOG, the BoD of Barilla Iniziative S.p.A. appointed a monocratic Supervisory Board (SB), which comprises one external member who is a university lecturer and freelance professional. The SB reports on its activities to the BoD on a half-yearly basis.

With regard to Barilla G. e R. Fratelli - Società per Azioni and its main subsidiaries, the governance structure, in general, is similar to that of Barilla Iniziative S.p.A., and includes a "traditional" administration and control system comprising the following corporate bodies: the Board of Directors, the Board of Statutory Auditors and the Independent Auditors, appointed by the General Shareholders' Meeting.

The current BoD comprises eight Directors whose mandate expires on approval of the 2023 financial statements.

The SB, appointed by the BoD in accordance with Legislative Decree 231/2001, carried out its activities on the prevention of offences pursuant to this decree (and subsequent additions/amendments) through verification of the effectiveness and correct implementation of the MOG and Code of Ethics adopted by the company.

The MOG includes a general section and several special sections relating to the processes by which the company operates and the predicate offences that could impact it, together with the Code of Ethics. The special sections identify the business processes and types of predicate offences, the risks of crimes being committed in respect of these processes, procedures, and the systems and protocols aimed at preventing this as well as all the principles and values with which the companies of the Barilla Group identify and which the Directors, the Statutory Auditors, employees, external collaborators, suppliers, and customers are required to comply with.

The original MOG was approved by the Board of Directors of Barilla G. e R. Fratelli - Società per Azioni on 4 March 2005; subsequently it has been updated and approved by the BOD to reflect the gradual introduction of new predicate offences and ensure, through the latest version authorized on 13 December 2021, that greater emphasis is placed on the organization structure and internal control system adopted in order to prevent predicate offences.

The current Supervisory Body (SB) comprises a legal professional, previously the Chief Legal Corporate and Compliance Officer and now a freelance lawyer, the head of Group Internal Audit and an external member who is a university professor and freelance professional. The SB reports on its activities to the BoD on a half-yearly basis.

The Board of Statutory Auditors supervises compliance with the law and the Articles of Association and compliance with the principles of proper administration. The members are appointed to office for a three year period and may be re-elected. The current Board of Statutory Auditors is made up of 3 permanent statutory auditors and 2 substitute auditors and the current mandate will end with the approval of the 2024 financial statements.

The entity appointed to carry out the audit of the financial statements, pursuant to law, is KPMG S.p.A. It has also been engaged to audit the financial statements of the principal Group companies. The current mandate will end with the approval of the 2024 financial statements.

The Remuneration Committee was set up on 1.1.2022 and comprises four members, three of whom are company directors and one external member who is a consultant of the company. As the Committee performs an advisory role on behalf of the BoD of the company and the companies of the Barilla Holding group, the mandate ended on 1.30.2024. Barilla International B.V. appointed a Compensation & Talent Strategy Committee on 1.31.2024.

The Strategy Committee, comprising four members who are company directors, performs an advisory role on Group strategy on behalf of the BoD and management of the Company. The current mandate was renewed on 27 October 2023 up to 30 January 2024. Barilla International B.V. appointed a Strategy Committee on 1.31.2024.

The governance structure of the main Italian subsidiaries is consistent with local operating conditions and where necessary, also takes into consideration local legislation in respect of companies located overseas.

The Governance of the Group is structured, thanks to the experience consolidated in recent years, according to international best practices and in line with the regulations governing listed companies. The shared culture of the Group is founded on a keen awareness of its own responsibilities.

This also applies to Barilla International Ltd, a UK company set up in 2020 with a BoD comprising three directors whose term of office will remain in place until revoked.

Corporate governance in the UK requires that the directors act in order to ensure the company's success on behalf of its shareholders. The Board of Directors is empowered to manage the business, and the Directors hold several responsibilities and duties towards the company itself. The directors must perform their duties with competence, in good faith and be loyal to the company.

The company has secondary headquarters in Italy, that currently only hold the investments in the Russian subsidiaries following the aforementioned transfer of its assets to Barilla G. e R. Fratelli – Società per Azioni.

Given the multinational context in which it operates and in line with increasing global compliance requirements, the Barilla Group set up a Compliance Function (the Function) in 2016 which is currently located within the Group Legal and Corporate Affairs Process Unit, the head of which was appointed Chief Legal Corporate and Compliance Officer.

This Function set-up an Integrated Compliance System (ICS) composed of, inter alia, the Compliance Policy and other related policy-procedures that put into place a series of checks aimed at guaranteeing compliance, at national and international level, with the rules of public law governing the areas of competition, food & advertising, privacy, anti-bribery, international sanctions and anti-money laundering. In order to identify behavior that departs from the above laws, the Compliance Function set up a whistleblowing channel through which it is possible to report possible breaches in policy and which guarantees anonymity and protects the party who made the notification from any form of retaliation.

The Chief Compliance Officer and the Compliance Function hold periodic meetings with several bodies including the Supervisory Body, the Board of Statutory Auditors, the Group Internal Audit and Enterprise Risk Management functions, the Tax Control Framework Committee, as well as management where necessary.

The Chief Compliance Officer and the Compliance Function are expected to report to the Board of Directors on their activities at least annually.

Within the general context of the ICS, work continued to improve the system that guarantees compliance with EU Regulation 679/2016 on data protection ("GDPR"), with updates made to, inter alia: mapping of the IT systems involved in treating personal data, the legal documentation (e.g. disclosure information), the GDPR Master Policy and reference procedures to reflect updates to the relevant regulatory framework and the Register of Personal Data Treatment. Training and initiatives to raise awareness regarding the importance of compliance with regulations also continued and from an organizational perspective a new Data Protection Officer was appointed to oversee the support structure.

The Group Ethics and Compliance Committee, comprising members of the Supervisory Body of Barilla G. e R. Fratelli Società per Azioni and an external British compliance expert, was replaced by the Global Compliance & Audit Committee, appointed by Barilla International B.V. on 1.31.2024. This committee ensures the implementation of the Code of Ethics and compliance regulations across the entire Group and its members are P. Barilla, the Chief Audit Officer, the Chief Legal, Compliance & Communication Officer, M. Ziliotti and J. King.

In order to support these activities, similar committees were set up in a number of the Group's subsidiaries.

Corporate governance, risk management processes (including cybersecurity) and the internal control system are all monitored by the Group Internal Audit department that operates independently and in accordance with the International Standards for the Professional Practice of Internal Auditing. This is achieved through the audit of corporate cycles and processes following an audit plan approved by the BoD.

Compliance activities were intensified also from a tax point of view through the Tax Compliance Framework (TCF) Model, which identifies and maps the various business processes and highlights potential tax risks and the related actions required in order to mitigate them.

The Tax Control Framework Committee performs an advisory and recommendation role and has the objective of supervising the upkeep of an effective system for controlling and managing fiscal risk, which is defined and implemented as part of the TCF, in addition to direction and control activities aimed at overseeing the control activities on processes as required by the TCF.

The Tax Control Framework Committee comprises the head of Group Internal Audit, the head of Enterprise Risk Management, and an external member with extensive national and international tax experience.

The three-year mandate of the committee ends on 12.31.2024.

Signficant events after the year-end

As in the previous year, 2024 will also be affected by the significant uncertainty caused by the continued conflict between Russia and the Ukraine together with that of Israel/Palestine.
The situation is constantly monitored by the company directors and those of the subsidiaries in order to be able to face potential specific risks that currently are not fully preventable in the short/medium-term. Our primary goal continues to be to guarantee continuity of the normal production cycle and the maximum safety in procuring raw materials.
The group reorganization project was finalized in early 2024, in which Barilla Holding S.r.l controls the newly formed Barilla International B.V., Barilla Iniziative S.p.A. and Barilla International UK.
As part of the project, the functions carried out by Barilla Iniziative S.p.A. were transferred to Barilla G. e R. Fratelli – Società per Azioni that in turn transferred a number of functions, relating to the development of international business, to Barilla International B.V.

Management outlook

In 2024 activities are proceeding in accordance with expectations; the early part of the year has been encouraging with growth recorded in the main geographic areas and product categories.

Other significant operating events

There are no further significant events other than those previously mentioned.

Related party transactions

Transactions with Group companies and related parties fall within the ordinary course of business of the Group companies and take place on an arm's length basis, considering market conditions and in compliance with Group transfer pricing policies. As such these are not considered atypical or unusual.
The nature of the principal transactions with the above parties and the detailed disclosures required by IAS 24 are set out in note 8 of the Illustrative Notes to the consolidated financial statements.

March. Bottega Barilla wins the Ebeltoft Retail Innovation Award, recognizing the most innovative retail projects worldwide in the 'Feel & Link' category. An exemplary brand experience that places the customer at the center, engaging all five senses and creating a strong emotional connection.

December. BTogether Event in Amsterdam. The top management team of the Group is on stage.

Consolidated financial statements for the year ended 31 December 2023

Statement of financial position

(euro thousands)

Assets	Note	2023	2022
Current assets			
Cash and cash equivalents	6.1	400,048	520,079
Trade receivables	6.2	566,080	533,976
Tax credits	6.3	130,791	94,726
Other assets	6.4	178,342	158,597
Inventories	6.5	465,803	507,743
Other assets at fair value	6.6	253,226	240,361
Derivative financial instruments	6.21	5,290	27,270
Total current assets		**1,999,580**	**2,082,752**
Non-current assets			
Property, plant and equipment	6.7	1,370,109	1,370,384
Right of use tangible fixed assets	6.8	45,771	46,887
Goodwill	6.9	526,490	515,070
Other intangible assets	6.10	130,414	97,946
Trade and other receivables	6.11	4,849	3,397
Deferred income tax assets	6.12	292,272	231,654
Equity instruments	6.13	3,613	3,388
Financial receivables	6.14	763	652
Derivative financial instruments	6.21	18,488	25,575
Total non-current assets		**2,392,769**	**2,294,953**
Total assets		**4,392,349**	**4,377,705**

(euro thousands)

Liabilities and equity	Note	2023	2022
Current liabilities			
Trade payables	6.15	1,024,133	1,000,816
Borrowings	6.16	218,956	369,404
Derivative financial instruments	6.21	3,497	1,927
Retirement benefit obligations	6.17	11,071	12,287
Current income tax liabilities	6.18	27,163	23,548
Other liabilities	6.19	222,209	231,456
Provisions for other liabilities and charges	6.20	96,405	67,866
Total current liabilities		**1,603,434**	**1,707,304**
Non-current liabilities			
Borrowings	6.16	389,665	450,700
Derivative financial instruments	6.21	9,145	6,521
Retirement benefit obligations	6.17	98,600	96,931
Deferred income tax liabilities	6.12	17,143	4,959
Other payables	6.22	4,763	4,309
Provisions for other liabilities and charges	6.20	46,512	37,479
Total non-current liabilities		**565,828**	**600,899**
Equity	6.23		
Share capital		112,720	112,720
Reserves:			
- Currency translation reserve		2,854	34,674
- Other reserves		1,509,513	1,399,735
Profit/(loss) for the year		237,547	192,162
Capital and reserves attributable to group equity holders		**1,863,034**	**1,739,291**
Non-controlling interests		313,412	291,425
Profit/(loss) attributable to non-controlling interests		46,642	38,786
Total non-controlling interests	6.24	**360,054**	**330,211**
Total equity		**2,223,088**	**2,069,502**
Total liabilities and equity		**4,392,349**	**4,377,705**

Consolidated income statement

(euro thousands)

	Note	2023	2022
Revenue	6.25	4,868,663	4,663,288
Cost of sales	6.26	(3,119,992)	(3,069,897)
Gross Profit		**1,748,671**	**1,593,391**
Logistic Costs	6.26	(451,929)	(460,918)
Selling Costs	6.26	(192,121)	(174,256)
Marketing Costs	6.26	(441,894)	(343,432)
Reaserch and Development Costs	6.26	(46,636)	(42,252)
General & Amministrative expenses	6.26	(310,194)	(258,726)
Other income and (expenses)	6.27	(4,517)	(5,340)
Operating Profit		**301,380**	**308,467**
Finance income and (costs)	6.28	(30,686)	(12,985)
Profit before income tax		**270,694**	**295,482**
Income tax expense	6.29	13,495	(64,534)
Profit /(Loss) for the year		**284,189**	**230,948**
Profit /(Loss) attributable to non controlling interests		**46,642**	**38,787**
Profit /(Loss) attributable to Group equity holder		**237,547**	**192,162**

Statement of comprehensive income

(euro thousands)

	Note	2023	2022
Profit/(loss) for the year	**(a)**	**284,189**	**230,948**
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on future employee benefits	6.17	(5,828)	29,671
Fiscal effect	6.12	1,656	(7,473)
Total items that will not be reclassified to profit or loss	**(b)**	**(4,172)**	**22,198**
Items that may be subsequently reclassified to profit or loss:			
Cost of hedging reserve – effective portion in changes in fair value		(11,549)	4,816
Fiscal effect	6.12	2,448	(839)
Currency translation adjustment		(35,692)	14,405
Total items that may be subsequently reclassified to profit or loss	**(c)**	**(44,793)**	**18,382**
Other comprehensive income for the year	**(b+c)**	**(48,965)**	**40,580**
Total comprehensive income/(loss) for the year	**(a+b+c)**	**235,224**	**271,528**
Total profit/(loss) for the year attributable to:			
- Non-controlling interest		**46,642**	**38,786**
- Group equity holders		**237,547**	**192,162**
Total		**284,189**	**230,948**
Total comprehensive income/(loss) attributable to:			
- Non-controlling interest		**42,158**	**47,634**
- Group equity holders		**193,066**	**223,894**
Total		**235,224**	**271,528**

Statement of changes in equity

(euro thousands)

	Share capital	Currency translation reserve	Actuarial gains (losses) reserve	Hedging reserve	Deferred taxes reserve	Retained earnings	Profit	Total Group equity	Non controlling interests	Total equity
Balance at 31 December 2021	**112,720**	**22,087**	**(43,960)**	**4,917**	**9,568**	**1,259,270**	**228,978**	**1,593,579**	**301,559**	**1,895,138**
Hyperinflation IAS 29 as at 1.1.2022	-	3,878	-	-	-	-	-	**3,878**	684	**4,562**
Destination of the profit	-	-	-	-	-	228,978	(228,978)	**-**	-	**-**
Dividends and reserves distribution	-	-	-	-	-	(82,060)	-	**(82,060)**	(19,666)	**(101,726)**
Comprehensive income:										
Profit	-	-	-	-	-	-	192,162	192,162	38,786	**230,948**
Other comprehensive income	-	8,709	24,773	4,094	(5,844)	-	-	31,732	8,848	**40,580**
Total comprehensive income	**-**	**8,709**	**24,773**	**4,094**	**(5,844)**	**-**	**192,162**	**223,894**	**47,634**	**271,528**
Balance at 31 December 2022	**112,720**	**34,674**	**(19,187)**	**9,011**	**3,724**	**1,406,188**	**192,162**	**1,739,291**	**330,211**	**2,069,502**

(euro thousands)

	Share capital	Currency translation reserve	Actuarial gains (losses) reserve	Hedging reserve	Deferred taxes reserve	Retained earnings	Profit	Total Group equity	Non controlling interests	Total equity
Balance at 31 December 2022	**112,720**	**34,674**	**(19,187)**	**9,011**	**3,724**	**1,406,188**	**192,162**	**1,739,291**	**330,211**	**2,069,502**
Destination of the profit	-	-	-	-	-	192,162	(192,162)	**-**	-	-
Dividends and reserves distribution	-	-	-	-	-	(69,323)	-	**(69,323)**	(12,315)	(81,638)
Comprehensive income:										
Profit	-	-	-	-	-	-	237,547	237,547	46,642	284,189
Other comprehensive income	-	(31,820)	(6,131)	(9,817)	3,287	-	-	(44,481)	(4,484)	(48,965)
Total comprehensive income	**-**	**(31,820)**	**(6,131)**	**(9,817)**	**3,287**	**-**	**237,547**	**193,066**	**42,158**	**235,224**
Balance at 31 December 2023	**112,720**	**2,854**	**(25,318)**	**(806)**	**7,011**	**1,529,027**	**237,547**	**1,863,034**	**360,054**	**2,223,088**

Statement of cash flow

(euro thousands)

	Note	2023	2022
Profit/(loss) before income tax		270,694	295,482
Monetary correction (IAS 29) of the period		8,566	2,250
Finance costs – net, excluding gains on disposals of equity investments		20,074	7,439
Amortization and depreciation		194,545	179,313
(Profit)/loss on disposal of property, plant and equipment, intangible assets		(5,838)	4,141
Change in trade receivables/payables		(8,788)	63,661
Change in inventories		47,317	(97,582)
Change in provisions (including employee provisions)		32,238	2,671
Changes in other assets and liabilities		(36,372)	(39,200)
Net Variation derivatives on commodities		13,370	(8,446)
Income taxes paid		(57,517)	(86,749)
Foreign exchange gains/(losses), translation and other minor differences		(3,319)	(316)
Net cash generated from/(used in) operating activities	**(a)**	**474,970**	**322,663**
Purchases of property, plant and equipment		(190,392)	(186,658)
Purchases of software		(23,100)	(21,491)
Increase due to Leasing (IFRS 16)		(16,839)	(22,017)
Cash in for disposal/(Purchases) of other fixed assets		22,514	(7,596)
Cash in for companies sold/(cash out) for business combination		(48,757)	18,295
Proceeds from capital grants		342	8,190
Net cash generated from/(used in) investing activities	**(b)**	**(256,232)**	**(211,277)**
Net change in borrowings and other financial investments		(162,791)	(41,590)
Dividends paid and reserve distribution		(69,323)	(82,060)
Dividends paid and reserve distribution third parties		(12,315)	(19,666)
Interest cashed/(paid)		(6,752)	(2,133)
Net cash generated from/(used in) financing activities	**(c)**	**(251,181)**	**(145,449)**
Net (decrease)/increase in cash and cash equivalents net of bank overdrafts	**(a+b+c)**	**(32,443)**	**(34,063)**
Cash and cash equivalents net of bank overdrafts at beginning of the year		299,113	327,609
Cash and cash equivalents net of bank overdrafts at end of the year		247,709	299,113
Exchange differences on cash and bank overdrafts		18,961	(5,567)
Net (decrease)/increase in cash and cash equivalents net of bank overdrafts		**(32,443)**	**(34,063)**
Bank balances		400,048	520,079
Bank overdrafts		(152,339)	(220,966)
Total cash and cash equivalents net of bank overdrafts		**247,709**	**299,113**

April. Delivery event of the ambulance donated on the occasion of the 40th anniversary of the Castiglione delle Stiviere Plant (Mantua) to the local Red Cross, in the presence of Luca Barilla.

November. Delivery ceremony to the local iFun Association of a minibus for the transport of autistic children, a gift from the People of the Foggia Plant.

Illustrative notes

1. Group structure and business

The Barilla Holding Group (hereinafter "the Group" or "Barilla"), with registered office in Parma (Italy) is the parent company of Barilla Holding S.r.l. (hereinafter "Barilla Holding" or "Parent company"), which operates in the manufacture and sale of pasta , sauces and bakery products, both in Italy and worldwide.
The entire share capital of Barilla Holding is 100% owned by Guido Maria Barilla e F.lli S.r.l. & C. S.a.p.A.
The parent company of Barilla Holding, Guido M. Barilla and F.lli S.r.l. & C. S.a.p.A. presents the Consolidated financial statements of the Group at 12/31/2023, that will be presented, approved and filed with its own Statutory financial statements. The aforementioned Consolidated financial statements will be also filed with the Directors' and Auditors' Reports in the Emilia Companies Registrar (Italy).

A list of the companies included in the scope of consolidation is provided in appendix 1 and a list of investments in associated and other companies in appendix 2.

2. Significant events after the year-end

As in the previous year, 2024 will also be affected by the significant uncertainty caused by the continued conflict between Russia and the Ukraine together with that of Israel/Palestine.
The situation is constantly monitored by the company directors and those of the subsidiaries in order to be able to face potential specific risks that currently are not fully preventable in the short/medium-term. Our primary goal continues to be to guarantee continuity of the normal production cycle and the maximum safety in procuring raw materials.
The Group reorganization project was finalized in early 2024, in which Barilla Holding S.r.l controls the newly formed Barilla International B.V., Barilla Iniziative S.p.A. and Barilla International UK.
As part of the project, the functions carried out by Barilla Iniziative S.p.A. were transferred to Barilla G. e R. Fratelli – Società per Azioni that in turn transferred a number of functions, relating to the development of international business, to Barilla International B.V.

3. Declaration of compliance with International Financial Reporting Standards (IFRS)

The Group's Consolidated financial statements have been prepared in accordance with all the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU). IFRS comprise all of the International Financial Reporting Standards, International Accounting Standards (IAS) and the interpretations issued by the IFRS Interpretations Committee (IFRSIC), previously named as Standards Interpretations Committee (SIC).

4. Basis of preparation – Accounting and valuation policies

In accordance with Regulation 1606 issued by the European Parliament and the European Council in July 2002, the Group's Consolidated financial statements (hereinafter 'the Financial Statements') have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) in force at 31 December 2023.

IFRS have been adopted in Italy and in other countries. A significant number of IFRS have recently been published or revised for which no established practice relating to their interpretation and application exists. Consequently, the Financial Statements have been prepared based on the most recent information and technical guidance available in respect of IFRS. Any new or revised interpretation or practice will be reflected in future financial statements in accordance with the relevant accounting standards.
The Financial Statements for the year ended 31 December 2023 have been compared with the prior year financial statements (amounts included in brackets in the Notes to the financial statements), and include the statement of financial position, consolidated income statement, statement of comprehensive income, statement of changes in equity, statement of cash flow and the illustrative notes of the consolidated financial statements. Where necessary, certain comparative data from prior year, as well as the relative disclosures, have been consistently reclassified. Amounts are expressed in thousands of euro, the functional currency of the Group, since the euro the currency of the economy where the parent and the major companies of the Group operate.
The Group has chosen to present the income statement using the classification of expenses by function while the statement of financial position has been prepared with separate disclosure of current and non-current assets and liabilities.
Cost of sales includes all production costs of goods sold, comprising raw materials, components, internal and third party direct and indirect production labour costs, industrial depreciation and amortization and all other production expenses.
The cash flow statement has been presented applying the indirect method.

The consolidation principles, the criteria applied in the conversion of the financial statements expressed in foreign currency, the accounting principles, the valuation criterias and estimates adopted are the same used in preparing the consolidated financial statements as at December 31, 2022 included the accounting standard IAS 29 - 'Financial reporting in hyperinflationary economies' as the scope of consolidation includes an entity that operates, as of the financial statements closing on December 31, 2022, in a currency of a hyperinflationary economy.

The Group, in accordance with article 1, clauses 125-129, of the Italian Law n. 124/2017, relating the monitoring of public disbursement and later on complemented with the "Safety" Legislative Decree (n. 113/2018) and "Simplification" Legislative Decree (n. 135/2018), received during 2023, disbursement equal to euro 97. A list of disbursements is provided in appendix 4.

Accounting standards, amendments and interpretations effective from 2023

The following accounting standards, interpretations and amendments approved by the European Commission came into force starting from the financial year 2023:

IFRS 17 'Insurance Contracts' (effective date 1.1.2023): the standard provides comprehensive guidance for insurance contracts under IFRS standards, with the aim of enhancing transparency and reducing diversity in the accounting of insurance contracts.

Amendments to IFRS 17 'Insurance Contracts': initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective date 1.1.2023): these amendments aim to assist companies in avoiding temporary discrepancies in accounting between financial assets and insurance contract liabilities, thereby enhancing the usefulness of comparative information for financial statement users.

Amendment to IAS 12 'Income Taxes': deferred Taxes related to Assets and Liabilities arising from a Single Transaction (effective date 1.1.2023): these amendments require companies to recognize deferred tax assets and liabilities on specific transactions that, at initial recognition, give rise to equal taxable and deductible temporary differences. These amendments exclude from the scope of the exemption from recognition as per paragraphs 15 and 24 of IAS 12 those individual transactions, such as lease contracts, which involve the recognition of an asset and a liability.

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1.1.2023):
the amendments to IAS 1 aim to provide clearer disclosure of accounting policies in the financial statements by prescribing the requirement for companies to disclose material, rather than significant, information about applied accounting principles. The changes clarify that information regarding accounting policies is considered material if necessary to understand other material information in the financial statements. Additionally, they clarify that if a company provides immaterial information about accounting policies, such information should not overshadow material information.

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Definition of Accounting Estimates (effective date 1.1.2023): the amendments introduce the definition of accounting estimates as "monetary amounts in the financial statements that are subject to measurement uncertainty" and clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting estimates are prospectively applied only to future transactions and other future events, whereas changes in accounting policies are generally retrospectively applied to past transactions and other past events.

Amendments to IAS 12 'Income Taxes': International Tax Reform – Pillar Two Model Rules (immediate and 1.1.2023 effective date): the amendments introduce a temporary and mandatory exception to the recognition of deferred taxes arising from jurisdictions implementing the OECD's global tax rules (Pillar Two Model). Consequently, companies are not required to recognize or provide information on deferred tax assets and liabilities related to Pillar Two income taxes. However, companies must disclose the application of this temporary exception in the accompanying notes to the financial statements.

The application of the above amendments has not resulted in significant impacts on the Group's consolidated financial statements; regarding the effects of the aforementioned amendment to IAS 12, please refer to the "Taxes" paragraph.

Accounting principles, amendments, and interpretations effective from January 1, 2024

The following accounting principles, amendments, and interpretations endorsed by the European Commission will come into effect as detailed below:

- Amendments to IFRS 16 'Leases': Lease liabilities in a Sale and Leaseback transaction (effective date: January 1, 2024).
- Amendments to IAS 1 'Presentation of Financial Statements' (effective date: January 1, 2024):
  - Classification of Liabilities as Current or Non-current;
  - Classification of Liabilities as Current or Non-current – Deferral of Effective Date;
  - Non-current Liabilities with Covenants.

Accounting standards, amendments and interpretations not yet approved by the European Union on 31 December 2023

The following accounting standards, amendments and interpretations have been issued by the IASB but have not yet been implemented by the EU:

- amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability (effective date 01/01/2025);
- amendments to IAS 7 'Statement of Cash Flow' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements (effective date 01/01/2024).

The Group is still evaluating the impact of application of the new standards listed above.

Accounting and valuation policies

Basis of preparation

The Financial Statements are presented in euro and all amounts are stated in thousands of euro (unless otherwise stated).
The Financial Statements have been prepared under the historical cost convention, as modified for impairment losses where applicable, except for the financial instruments measured at fair value and the effect of business aggregations, with recognition of assets and liabilities subject to aggregation at fair value.
The accounting policies are uniformly adopted by all Group companies. The purchase or sale of financial assets are recognized or derecognized using settlement date accounting.

Estimates and assumptions

The preparation of the Consolidated financial statements requires management to adopt estimates that are based on subjective assumptions derived from historical experience that are considered reasonable and realistic in relation to the specific circumstances. Such estimates affect the reported amounts of assets and liabilities, revenues and costs and the disclosures relating to contingent assets and liabilities at the balance sheet date.
Estimates and assumptions principally relate to the evaluation of the recoverable amount of intangible assets, definition of the useful

lifes of property, plant and equipment, the recoverability of trade and other receivables and the recognition and measurement of provisions for other liabilities and charges.
Estimates and assumptions are based on the best knowledge available at the date of preparation of the financial statements.

Critical accounting policies
A summary of the accounting policies that require management to exercise more critical judgment in forming estimates, and for which a change in the underlying conditions of the assumptions used could have a significant impact on the Consolidated financial statements, is set out below:

a. Goodwill
The value of goodwill is tested for impairment on an annual basis in order to identify any potential impairment losses (impairment test). This assessment requires goodwill to be allocated to cash generating units (CGU) and determination of the recoverable amount, representing the higher of fair value and value in use.
Where the recoverable amount of the cash generating units is lower than the carrying amount, including allocated goodwill, an impairment loss is recognized. Allocation of goodwill to the CGUs and determination of their value in use require estimates to be made that are based on subjective assumptions and factors that may change over time with potentially significant effects on the valuations carried out by management.

b. Depreciation
The cost of property, plant and equipment is depreciated systematically over the estimated useful lifes of the related assets. The useful life of Group assets is determined by management at the acquisition date; this is based on historical experience for similar assets, market conditions and information regarding future events that could affect the useful life, for example changes in technology. As a result, the effective economic life of an asset may differ from the estimated useful life. The Group reviews changes in technology and business factors on a regular basis in order to update the residual useful lifes. This update may result in a change in the depreciation period and an adjustment to the depreciation charge for future periods.

c. Impairment of fixed assets
The carrying amount of fixed assets is tested for impairment to identify any impairment losses, when there is any indication that the carrying value cannot be recovered through future use or sale.
The identification of any such impairment indicators requires management to carry out subjective valuations based on both internally and externally available information, and subjective assumptions based on historical experience. Moreover, where there is an indication of a potential impairment, this should be determined applying suitable valuation techniques. The proper identification of impairment indicators and the estimates used to determine the recoverable amounts depend on subjective assumptions and factors which may vary over time, affecting management valuations and estimates.

d. Deferred income tax assets
Accounting for deferred income tax assets is based on expectations relating to the generation of future taxable income, and the evaluation of technical and institutional factors relating to the fiscal regime to which the taxes relate (for example: time limits for the recovery of tax losses). The estimate of future taxable income for the purpose of recording deferred tax assets depends on factors and assumptions that may vary over time and could have a significant impact on the valuation of deferred tax assets.
Where applicable, deferred tax assets are netted with deferred tax liabilities.

e. Provisions for other liabilities and charges
Provisions are made to cover the potential liability relating to legal and tax risks. The measurement of the provisions recognized in the financial statements in relation to these risks, represents management's best estimate at the balance sheet date. This estimate requires assumptions to be made that depend on factors that may change over time and could therefore have a significant effect on the current estimates made by management in the preparation of the Consolidated financial statements.

f. Determination of the fair value of financial instruments
The fair value of financial instruments is based on market quotations or, where unavailable, applying suitable valuation techniques with up-to-date financial variables used by market investors and, where possible, taking into account the prices of recent transactions on similar financial instruments.
The fair value hierarchy introduces three levels of input:
- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: prices calculated using observable market inputs;
- Level 3: prices calculated using inputs that are not based on observable market data.

The fair value of financial instruments of level 2 is determined by using standard valuation techniques. Barilla has developed a model based on market practices, which are commonly based on similar financial instruments indicators, cash flow analysis and pricing models based on observable market data. In the determination of the valuation, the Group maximizes the use of market data compared to internal specific estimates.

g. Hyperinflation index and conversion exchange rate in Turkey
In the Turkish subsidiary, balance sheet items not expressed in current units as of the reporting date and all income statement items have been restated by applying an inflationary index published by the Turkish Central Bank.The inflation rate used for the purpose of adopting inflation accounting is the consumer price indx (CPI). At the reference date of the financial statements, this index (CPI) was equal to 1,859.38 (1,128.45 as of 12.31.2022) with a change compared to the previous year equal to 65% (64% change in 2022 versus 2021, compared to the three-year period 2019-2021 in which the same index stood at 100.
In compliance with the provisions of IAS 21, the profits and losses on the net monetary position were directly reflected in the Consolidated Net Equity Conversion Reserve as at 31 December 2023 and the previous period.

Principles of consolidation
The Consolidated financial statements comprise the financial statements of the parent company Barilla Holding and the subsidiaries in which Barilla Holding holds, either directly or indirectly, a controlling interest. Subsidiaries represent those companies over which Barilla Holding exercises the control, i.e. it has the power, either directly or indirectly, over the investee or it is exposed to variable returns from its involvement with the subsidiary, or it has the rights to variable returns based on the ability to affect those returns through its power over the investee's significant activities.
The financial statements of the subsidiaries are consolidated on a line-by-line basis from the date on which the parent gains effective control up to the date on which such control ceases. All the transactions between the Group's legal entities are eliminated.
The reporting date of all Group companies is 31 December.

Non-controlling interests
Non-controlling interests are measured at their proportionate share of the net assets from the date of the acquisition

Foreign currency transactions
All transactions are measured using the currency of the primary economic environment in which each Group company operates (the functional currency). Transactions denominated in currencies different from the functional currency of the Group companies are translated at the exchange rate prevailing on the transaction date. Monetary assets and liabilities are translated using year-end exchange rates and exchange differences are recognized in the consolidated income statement as financial items. Non-monetary assets and liabilities, which are measured at historical cost and denominated in foreign currency, are converted at the exchange rate prevailing on the transaction date.

Translation of financial statements denominated in foreign currencies
The financial statements of subsidiaries denominated in non-euro functional currencies, are translated as follows:
- assets and liabilities are translated at the year-end rate;
- revenues and expenses are translated at average exchange rates for the period, except for the income statement of companies operating in hyghperinflationary countries, that was converted at the period-end exchange rates;
- all resulting translation differences are reported in the statement of comprehensive income.

On disposal of those entities that gave rise to exchange differences, the cumulative amount of exchange differences deferred in a separate component of the statement of comprehensive income are recognized in the income statement.
The exchange rates used are presented in the appendix 3.

Intangible assets
Intangible assets with a finite useful life are valued at cost, net of amortization and impairment losses, while those with an indefinite useful life, comprising exclusively goodwill, are reviewed annually for impairment. Cost does not include capitalized borrowing costs. Amortization commences when the asset is available for use.

Goodwill
The positive difference between the purchase price and the Group's share of the fair value of assets, liabilities and contingent liabilities acquired as part of a business combination, is recorded as goodwill and is classified as an intangible asset with an indefinite useful life, if recoverable with future cash flows.
Goodwill is not amortized but is subjected to an annual impairment test. For the purpose of this assessment, goodwill is allocated to groups of cash generating units (CGU). Goodwill impairment losses may not be reversed under any circumstances.

Trademarks and licenses
Trademarks and licenses are valued at cost less amortization and accumulated impairment losses. Trademarks are amortized over their useful lifes while licenses are amortized over the lower of the contract duration and their useful lifes.

Software
The cost of software licenses, including other incremental costs, is capitalized and recorded in the financial statements net of amortization and accumulated impairment losses.

Research and development costs
The research costs relating to new products and/or processes are entirely expensed when incurred. Given the nature of the Group's business, no development costs, qualified for capitalization, are incurred.
The useful lifes of intangible assets are as follows:

Category	Useful life
Trademarks and Customer relationship	5 to 20 years
Software	3 to 5 years

Property, plant and equipment
Property, plant and equipment are stated at acquisition or production cost, potentially revalued without exceeding the fair value according to designated monetary revaluation laws, including directly attributable expenses, less accumulated depreciation and accumulated impairment losses, with the exception of land, which is not depreciated but valued at cost less accumulated impairment losses. Based on the type of investment activities, cost does not include capitalized borrowing costs.
Depreciation is recorded from the month in which the asset is available for use, or when it is potentially able to provide economic benefits.
Depreciation is calculated systematically on a monthly basis applying depreciation rates that allocate the depreciable amount of the asset over its useful life or, where the asset is disposed of, up until the last entire month of use.

The useful lifes of property, plant and equipment are as follows:

Category	Useful life
Buildings	15 - 50 years
Plant and machinery:	
- generic	10 - 30 years
- specific	5 - 30 years
- highly-technological	10 years
Industrial and commercial equipment:	
- furniture and fittings	8.33 years
- electronic machinery	2 – 3.5 years
Motor vehicles	5 years
Other equipments	2.5 years

Government grants relating to property, plant and equipment are recorded as a reduction in the value of the related asset and are recognized as income over the depreciation period.
Leasehold improvements that have a physical consistency are classified in property, plant and equipment in line with the nature of the cost incurred.
The depreciation period is the lower between the residual useful life

September. 2023 US Open women's singles won by Coco Gauff, brand Ambassador of Barilla.

March. Champion Mikaela Shiffrin, Barilla brand Ambassador, with her 87th victory, definitively enters the legend of sport and becomes the greatest skier of all time in alpine skiing. To celebrate this exceptional achievement, BluRhapsody® has created an exclusive 3D printed pasta format for her, which was produced in limited edition and sold at auction by Barilla (of which Mikaela Shiffrin has been a testimonial for several years) on the Charity Stars platform. The proceeds were entirely donated to support the Food for Soul charity.

of the asset and the residual period of the lease contract.
Spare parts that are significant in value are capitalized and depreciated over the useful life of the asset to which they relate; the cost of other spare parts is expensed in the income statement as incurred.

Leasing

Property, plant and equipment acquired under right-of-use whereby the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset it must involves the use of an identified asset and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. Furthermore when, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use and has the right to direct the use of the asset; this right is obtained when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The longer term of the useful life of the asset is considered if the lease transfers ownership of the asset to the lessee at the end of the lease term or if the value of the right of use also considers the fact that the lessee will exercise the purchase option.
The estimated useful lifes of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Impairment of property, plant and equipment and intangible assets

In the presence of specific indicators of a loss in value, an impairment test should be carried out on property, plant and equipment and intangible assets.
The impairment test consists in the measurement of the recoverable value of the assets and comparison with the related carrying amount. If the recoverable amount of an asset is lower than its carrying amount, the latter should be reduced to the recoverable amount. This reduction represents an impairment loss and should be recognized as an expense in the consolidated income statement. In respect to assets that are not amortized, the impairment test is carried out on an annual basis, irrespective of whether specific indicators exist.
During the year, the Group assesses whether there is any indication that property, plant and equipment and intangible assets with finite useful lifes may be impaired. For this purpose, both internal and external sources of information are taken into consideration.
With regard to internal sources, the following indicators are considered: obsolescence or physical deterioration of the asset, significant adverse changes in the extent to which an asset is used and deterioration in the expected level of the asset's performance.
With regard to external sources, these include: trend of the market price of the asset, significant adverse changes in the technological, market, and legal environment, the trend in market rates of return and the discount rate used in valuing investments.
The recoverable value of an asset is defined as the higher of the fair value net of selling costs and value in use. The value in use is determined as the present value of expected future cash flows generated by it calculated applying a discount rate that reflects the current market valuation of the time value of money and the risks inherent in the asset.
Where it is not possible to estimate the recoverable value of a single asset, the Group estimates the recoverable value of the cash generating unit to which it belongs. If the conditions that led to the reduction in value no longer exist, the carrying value of the asset or the cash generating unit is restated to the new estimated recoverable value, which may not exceed the carrying value that would have been recognized if the original impairment had not been incurred. This restatement is recorded in the consolidated income statement.
Purchased goodwill that is allocated to units or groups of cash generating units (CGU) during the year is subjected to an impairment test by the end of the financial period in which the purchase and allocation took place.
In order to assess its recoverability, the goodwill is allocated at the purchase date to each of the CGUs or groups of CGUs that are expected to benefit from the acquisition.
Where the carrying value of the CGU (or groups of CGUs) is higher than the respective recoverable amount, an impairment loss is recognized as an expense in the consolidated income statement. Under no circumstances the value of goodwill which was formerly impaired may be restored.
The impairment loss is initially recorded as a reduction in the carrying amount of the goodwill allocated to the CGU (or group of CGUs) and secondly to other assets in the CGU on a pro-rata basis considering the relative carrying amount of each asset in the CGU up to the recoverable amount of individual assets with a finite useful life.
The future cash flows derive from the business plans prepared by Group management, which normally cover a period not exceeding five years. The long-term growth rate used for the purpose of estimating the terminal value of the CGU (or group of CGUs) does not generally exceed the average long-term growth rate for the industry, the country or the market in which the CGU (or group of CGUs) operates.
The future cash flows are estimated with reference to current conditions of the CGUs and do not consider benefits that may arise from future restructuring to which the company is not yet committed, or future investments intended to improve or enhance the performance of the CGU.
The Group has identified the cash generating units at production line level.
For the purpose of the impairment test, goodwill and the trademarks are allocated to groups of CGUs, as described in Directors' Report in the paragraph 'Group operating activities'.

Amortized cost method of measuring financial assets and liabilities

The amortized cost method requires calculation of the effective interest rate at the time the transaction is entered into. The effective interest rate is the rate that exactly discounts the future cash flows to the net carrying amount at initial recognition.
Any changes in future cash flows, if not attributable to changes in market conditions, result in the restatement of the carrying value of the financial assets and liabilities with a corresponding entry to the income statement.

Financial assets

On initial recognition, financial assets are measured at fair value and divided based on their type:
- Debt instruments;
- equity instruments.

The purchase and sale of financial assets are recognized when the entity becomes party to the contractual provisions of the instrument. They are derecognized when the contractual rights to the financial asset have expired or the Group has substantially transferred all the risks and rewards relating to the asset.

Debt instruments are measured as follows:

(a) Amortized costs

Debt instruments measured at amortized costs are simple financial instruments that involve exclusively the payment of principal and interest and are owned with the aim to collect contractual cash flows ("Held to collect").
These financial assets are recognized initially at fair value, adding the transactions costs, and are subsequently accounted for at amortized cost using the effective interest rate, net of possible impairment losses. The interest, foreign exchange differences, impairment losses, gains/(losses) for cash flow forecast reviews and for derecognition are recorded in the consolidated income statement.
The instruments are classified as current assets, with the exception of those having contractual maturity after twelve months from the reporting date, which are classified as non-current assets.
Trade receivables due within one year are recognized at fair value, which normally coincides with the nominal value.
The receivables that have been securitized or transferred to factor, with or without recourse, which do not fulfil all the required conditions for derecognition of financial assets, are maintained among the assets in the statement of financial position; a financial liability with equivalent amount is recorded in the financial statements as "Payables due to banks".
The receivables that have been transferred, which fulfil all the required conditions for derecognition of financial assets, are derecognized at the time of the transfer. The gains or losses related to the transfer of these assets are recognized into the consolidated income statement when the same assets are removed from the statement of financial position, being the only aim of the transfer to collect cash flows.

(b) Fair Value through Other Comprehensive Income - OCI

The financial assets valued at Fair value through Other Comprehensive Income are represented by simple instruments that involve exclusively the payment of principal and interest held with the aim to collect contractual cash flows and potential/possible sales.
The gains and losses originating from the changes in fair value are recognized in the other comprehensive income (OCI) in the period that they are incurred. The possible reclassification to the consolidated income statement at the line "Profit/loss for change in fair value of financial assets" is made only when the financial asset is effectively transferred.
The interests, foreign exchange differences and the impairment losses are instead recorded in the consolidated income statement.

(c) Fair Value Through Profit and Loss

The assets valued at Fair value through Profit and Loss are those instruments that are held for other purposes than the collection of contractual cash flows.
The changes in fair value, foreign exchange differences and the gains/(losses) for derecognition are recognized in the consolidated income statement.

At each reporting date the Group evaluates the expected losses related to the debt instruments measured at amortized cost, mainly represented by trade receivables, and financial assets at Fair Value Through Profit and Loss.
According to the general principle, all financial assets at initial recognition are subject to impairment using the "12-month expected credit loss" methodology, that is assessing the expected loss of the asset for all default events that may occur within the next twelve months after the reporting date (Stage I financial assets).
In case a significant increase in credit risk occurs subsequently to the initial recognition (Stage 2 financial assets) and when there is objective evidence of impairment (Stage 3 financial assets), the loss allowance should be measured according to the "lifetime expected credit losses" methodology, that is assessing the expected loss for all default events that may occur over the whole lifetime of the instrument.
For the trade receivables without a significant financial component, a simplified approach is applied that allows to calculate the expected losses always based on the "lifetime expected credit losses" method.
Expected credit losses are calculated based on the probability of default, on the expected exposure at the time of default (EAD – Exposure at default) evaluated from the future cash flows and the estimated loss in case of default (LGD – Loss given default).
The loss allowance is accounted for as an adjustment of the carrying value of the instrument.

Equity instruments are valued as follows:

Equity instruments are valued at Fair Value Through Profit and Loss in case the entity does not opt for the irrevocable option at Fair Value through Other Comprehensive Income at initial recognition. If the aforesaid option is adopted, the initial carrying amount of the instrument will amount to the sum of fair value and transaction costs, if any. The subsequent changes in fair value, the foreign exchange differences, the impairment losses and the gains/(losses) for derecognition are recorded in the other comprehensive income applying the accrual basis.
So far, the Group has not exercised the option for any equity instrument.
If the option is not exercised, the changes in fair value, the gains and the losses for derecognition are recognized in the relative items of the consolidated income statement.
In any case, dividends coming from the equity participations are shown as dividend income in the consolidated income statement under the heading "Dividends" when the Group has acquired the right to receive this payment.

Financial liabilities

The financial liabilities that are not held for trading are initially recorded at fair value net of transaction costs, and subsequently to the initial recognition are measured at amortized cost applying the effective interest rate. The difference between amortized cost and the amount to be repaid is recognized in the income statement over the term of the liability.
Upon initial recognition, the fair value option can instead be exercised (Fair Value Through Profit and Loss) only to avoid an "accounting mismatch" between the asset and its respective liability or when the liability is based on fair value or in case the liability includes an embedded derivative to separate.

Financial liabilities are classified as current liabilities unless the Group has, at the reporting date, an unconditional right to extend the term of the financing at least over twelve months from the end of the period.
Trade payables and other payables whose maturity fall within the normal commercial terms are recognized at fair value which normally coincides with the nominal value.
In case of financial liabilities hedged by fair value hedge derivative instruments, their carrying value is determined based on the fair value of the corresponding hypothetical derivative, which represents a hypothetical derivative contract calibrated at a null value at the time of designation of the hedging relationship.

Inventories

Inventories are stated at the lowest between the cost, measured applying the FIFO (first in – first out) method, and net realizable value. To account for obsolete or slow-moving inventory provisions are recognized, that are reversed if the circumstances of the abovementioned provisions are no longer applicable. The repackaging materials and the CO_2 certificates are managed as inventory and valued at weighted average cost.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank and postal deposits and short-term highly liquid investments that are readily convertible into cash (three months from the date of acquisition) and not subject to significant fluctuations in value.

Employee benefits

(a) Pension funds

Group companies operate both defined contribution and defined benefit plans.
A defined contribution plan is a plan where the Group pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. With respect to defined contribution plans, the Group pays contributions, either voluntary or specified in the plan rules, to public and private insurance pension funds. Contributions are recognized as payroll costs applying the accrual basis.
The defined benefit obligation recorded in the financial statements corresponds to the present value of the obligation at the balance sheet date, less, where applicable, the fair value of any plan assets. The defined benefit obligations are determined on an annual basis by an independent actuary using the Projected Unit Credit Actuarial Method. The present value of the defined benefit plan is determined discounting future cash flows by a rate equal to that of high-quality corporate bonds of equivalent currency and term to the benefit obligations. Remeasurements of actuarial gains and losses arising on the above adjustments and changes in the actuarial assumptions are reflected in the statement of comprehensive income.
Service costs and net interest related to the time value in the actuarial calculation (classified within "Finance income and costs") are recognized in the consolidated income statement.

(b) Termination benefits

Termination benefits are those payable on termination of an employment before the normal retirement date, or when an employee accepts voluntary redundancy. The Group recognizes termination benefits when a demonstrable commitment exists and is governed by a detailed formal plan specifying details of the employment termination, or when payment of the benefit is the result of an offer made to encourage voluntary redundancy.

Provisions for other liabilities and charges

Provisions are recorded to cover the Group's legal, contractual or constructive obligations that derive from a past event. A provision is recognized where it is probable that an outflow of resources will be required and a reliable estimate of the amount can be made. Where it is estimated that these obligations will arise more than twelve months after the balance sheet date and that they will have a material impact on the financial statements, they are recorded at present value applying a discount rate that reflects current market assessments of the time value of money and the country risk. Any adjustment to the estimated provision is recognized in the consolidated income statement in the period in which the adjustment occurred. Where discounting is used, any increase in the provision to reflect the passage of time and the impact of changes in the discount rate are recognized as borrowing costs.
Restructuring provisions are recognized when there is a constructive obligation, which takes place when the Group has a detailed formal plan and has informed those affected by the plan or when the Group has announced the plan in sufficient detail to raise valid expectation in those affected by the plan that the restructuring will be carried out.
Provisions for tax risks are recognized in view of probable tax liabilities for assessments notified to the Group not yet settled at the reporting date.

Derivative financial instruments

Accounting for derivative financial instruments

Derivative financial instruments are measured at fair value, with any difference charged to the consolidated income statement, with the exception of cash flow hedges, where gains or losses are recognized in the statement of comprehensive income.

Derivatives that qualify for hedge accounting

In all cases where derivatives are designated as hedging instruments, the Group formally documents, from the inception of the hedge, the relationship between the hedging instrument and the related hedged item or transaction, the risk management objectives and the hedging strategy adopted.
The Group also documents the valuation methodology and the hedging instrument's effectiveness to compensate changes attributable to the hedged risk based on changes in the fair value of the hedging instrument compared to changes in the fair value of the hedged item. This assessment is carried out at inception and on a continuous basis throughout the life of the hedge. At the same time, the potential causes of hedging ineffectiveness are reported.

Categories of derivatives

Hedging instruments are categorized as follows:

i) Derivatives designated as cash flow hedge: if the hedging instrument is designated to cover the exposure to fluctuation in cash flows attributable to a particular risk associated with a recognized asset or liability, or a highly foreseeable transaction, the gains or losses on the effective portion of the hedging instrument are recognized in the statement of comprehensive income; the ineffective portion of the gain or loss on the hedging instrument is recognized in the consolidated income statement. Depending on the nature of the hedge, financial or commodity related, the ineffective portion is classified in either finance income/costs on financial transactions or operating income/costs, respectively.
The amounts directly recognized in the statement of comprehensive income are reclassified into the consolidated income statement in the period in which the hedged item affects profit or loss.
When a hedging instrument reaches maturity, or it is sold, or it no longer meets the conditions required to be classified as a hedge, the related fair value adjustments accumulated to date will be retained until the hedged item affects profit or loss, and only at that time will it be recognized in the consolidated income statement applying the accounting treatment relevant to the hedged item. If the forecast transaction that was subject to the hedge is no longer expected to affect the consolidated income statement, the accumulated fair value adjustments are immediately recognized in the consolidated income statement.
For the valuation of the financial liabilities hedged by cash flow hedges, please refer to the specific paragraph.

ii) Derivatives designated as fair value hedge are classified based on the hedged item. The accounting treatment of changes in fair value is the following:
a) when the hedge item relates to commodities, the variation is classified as operating income/costs;
b) when the hedged item is purely financial, the variation is classified as follows:
- the difference between the valuation, at reporting date, of the mark-to-market actual derivative, which includes the interest rate basis spread component (hereafter 'basis'), and the mark-to-market actual derivative without basis is recognized in the statement of comprehensive income;
- the basis component of the derivative, as calculated at the inception date, is spread over the consolidated income statement on a straight-line basis over the life of the instrument;
- the foreign exchange differences and the interest component, excluding the basis effect described above, are recognized in the consolidated income statement at the line "finance income and costs"; refer to the dedicated paragraph for further details about the valuation of the hedged item.

At the time the financial instrument is transferred, the residual portion of the basis recorded in the other comprehensive income (OCI) is reclassified into the consolidated income statement.

iii) Derivative financial instruments at fair value through profit or loss that are not designated as hedges are classified as current or non-current assets or liabilities based on their contractual maturity. The gain or loss arising from changes in the fair value of these instruments is recognized in the consolidated income statement. Depending on the nature of the underlying instrument, financial or commodity related, the variation of fair value is classified in either finance income/costs on financial transactions or operating income/costs, respectively.

Determination of the fair value of a hedging instrument

The fair value of an interest rate swap is determined based on the present value of the expected future cash flows, also considering the market interest rates and the creditworthiness of counterparties. The fair value of forward foreign exchange contracts is determined using the forward exchange market rates at the balance sheet date.
The fair value of other hedging instruments listed on an active market is based on the market prices prevailing at the balance sheet date. The fair value of unlisted instruments is determined using valuation techniques based on a commonly adopted methods and assumptions and market information at the balance sheet date.

Non-current assets and liabilities held for sale and discontinued operations

A non-current asset, or group of non-current assets and liabilities, is classified as held for sale when the carrying amount is to be recovered primarily from a sale transaction rather than through continuing use. The assets (or groups of assets) held for sale are measured at the lower of their carrying amount and their fair value less estimated selling costs.
The results and the carrying amount of a component of an entity that represents a separate major line of business or geographical area, or even a operative segment, of operations are classified separately in the income statement and in the balance sheet (in case of 'held for sale' only) when they meet the conditions to be classified as held for sale or discontinued operations. At reference date of this year there are no non-current assets or liabilities intended to be sold.

Total equity

Costs directly attributable to share capital transactions are recorded as a deduction from total equity.

Revenue recognition

Revenue is recognized at the fair value of the amount received for the sale of products or services, net of returns, discounts and consideration payables to customers (for example, couponing redemption costs) according to the accrual principle and to the standard that requires five steps: (i) identifying a contract with a customer; (ii) identifying the performance obligations entailed by the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; (v) recognizing revenues when the entity satisfies a performance obligation.

Sale of products

Revenues from product sales are recognized when for each performance obligation all of the following conditions are met, which normally take place upon the delivery to the customer:

- the significant risks and rewards arising from ownership of the goods are transferred to the buyer;
- effective control over the goods is transferred;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Dividends

Dividends received from not consolidated entities are recognized when the legal right to receive a payment is established.

Government grants

Revenue based government grants are recognized in the income statement when the right to receive the payment is established.

Finance income and costs

Finance income and costs are recorded on an accrual basis and comprise: interest payable accrued on all the borrowings, interest income on cash and cash equivalents and similar securities, dividends, foreign exchange gains and losses and the financial impact arising from hedging transactions over the exposure to interest rate and foreign exchange risk that are booked in the consolidated income statement.

May. From the first days of the hydrogeological emergency, Barilla has been active in supporting the populations affected by the flood in Emilia-Romagna. The Barilla Mobile Column/Kitchen, provided to the Civil Protection of Parma, operated in the areas between Ravenna and Faenza with 8 vehicles donated by Barilla. About 70 people, including about 20 volunteers of the "Angeli Barilla" team, were mainly involved in the preparation and serving of meals and breakfasts for displaced populations, for a total of about 3,000 meals/breakfasts per day.

Taxation

Taxation includes both current and deferred income taxes. Current income taxes are based on the estimated amount that the Group expects to pay calculated by applying to the taxable income the enacted tax rates, or those substantially enacted, in each of the relevant tax jurisdictions.
Deferred income tax assets and liabilities are determined applying the liability method, whereby all of the temporary differences between the tax bases of assets and liabilities and the carrying amounts at the balance sheet date, except for goodwill, are calculated. Deferred income tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset will be realized or the liability settled. Income taxes arising upon distribution of dividends are recognized at the time of distribution.
For the purpose of recognizing deferred tax assets, the Group assesses the likelihood that sufficient future taxable income will be available to recover these assets. Tax assets and liabilities, both current and deferred, may only be offset where the amounts relate to the same tax authority, when the reversal period is the same and there is a legally enforceable right to offset the recognized amounts.

Distribution of dividends

Dividends payable to shareholders are recognized when the legal obligation of payment is established..

Transactions with non-controlling interests

The acquisition and disposal of non-controlling interests in companies whose control is already effective are classified as transactions with Group shareholders. Any differences between the carrying value and the purchase price paid or received are recorded in equity.

Put options over non-controlling interests

The unconditional put options granted to minority shareholders as per the shareholders' agreements are recognized in the Consolidated financial statements by recording the liability resulting from the possible exercise of the option. It is recorded at a value equal to the expected exercise price, based on the best information available at the date of reference of the financial statements. These financial liabilities are valued at net present value or at amortized cost, using the effective interest method. At the end of each period, the corresponding adjustment is recognized in the consolidated income statement, respectively for the difference in fair value and for the difference between the amortized cost and the expected repayment value, over the life of the liability..

Accounting standards for high inflation countries

Group companies operating in high-inflation countries restate the values of their respective original financial statements to eliminate the distorting effects due to the loss of purchasing power of the currency. The inflation rate used for the purpose of adopting inflation accounting corresponds to the consumer price index (CPI). Companies operating in countries where the cumulative rate of inflation over a three-year period approaches or exceeds 100% adopt inflation accounting and interrupt it if the cumulative rate of inflation over a three-year period falls below 100%.
Gains and losses on the net monetary position are recognized to the consolidated income statement.

5. Change in the scope of consolidation and other operations of the year

Change in the scope of consolidation:

On January 3, 2023, the Group completed the acquisition of the Back to Nature business from B&G Foods Inc (USA) through its subsidiary Back to Nature Foods LLC (formerly BA Brussels LLC), based in Illinois, a company established at the end of last year with the aim of finalizing the aforementioned business combination.

The "Back to Nature" brand products, founded in 1960 and primarily distributed through specialized channels in the United States of America, were conceived to provide people with food prepared with recipes inspired by nature. The new business offers a portfolio of plant-based and non-GMO baked goods, mainly in North America. With these premises, the acquisition is consistent with the Group's long-term strategy to build a significant multi-brand baked goods platform in the United States of America, where the Group is already a market leader in the crispy bread category.

With reference to the business combination, for which a consideration of USD 51.4 million was agreed upon, fully paid at the beginning of 2023, the Group proceeded with the identification of the fair value of the acquired assets, liabilities, and potential liabilities assumed within the timelines prescribed by IFRS 3. As stipulated by the standard, the positive difference between the purchase price and the fair value of the acquired assets, liabilities, and potential liabilities was allocated to goodwill, amounting to USD 11.4 million, which in turn was attributed to the cash generating unit 'America Bakery category'.

Below is the fair value of the assets and liabilities, expressed in the acquisition currency, United States dollars (USD), and in thousands of euros, converted at the exchange rate on the day the business combination was completed:

	Back to Nature Fair Value of assets and liabilities acquired	Back to Nature Fair Value of assets and liabilities acquired
	(USD thousands)	**(EUR thousands)**
Inventories	4,965	4,708
Customer relationship	16,500	15,647
Other intangible assets	20,300	19,251
Total assets acquired	**41,765**	**39,606**
Deferred tax liabilities	(1,723)	(1,634)
Total liabilities acquired	**(1,723)**	**(1,634)**
Purchased price	**(51,414)**	**(48,757)**
Goddwill	11,372	10,784

In the second half of 2023, the Italian companies Barilla CO S.r.l. and Barilla Iniziative 2 S.r.l., and the Dutch company Barilla International B.V., were established to address, from a corporate perspective, the new reorganization plan starting from the beginning of 2024. The aim of this plan is to shape a global Group, not only in terms of market presence but also and above all in its management structure with strategic and marketing direction functions, with the objective of driving growth through product category management.

Finally, in July 2023, the liquidation procedure of the two reference companies for American restaurants, previously closed, IKRG – Midtown West LLC and IKRG – OC1 LLC, was concluded. These liquidations did not have significant effects on the consolidated financial statements.

Please, refer to appendixes 1 and 2 for a list of subsidiaries.

6. Notes to the consolidated financial statementsi

Statement of financial position

6.1 Cash and cash equivalents
Cash and cash equivalents, which amounts to euro 400,048 (euro 520,079), include bank and postal deposit accounts held in primary financial institutions, cheques and other cash on hand.
The balance includes secured deposits, for euro 4,340 (euro 2,130), linked to the Mark-to-Market performance of some hedging derivatives; the deposit is payable in short term.
The change in cash and cash equivalents recorded during the year is reported in the statement of cash flow.

6.2 Trade receivables

	2023	2022
Trade Receivable	596,997	566,828
Allowance for doubtful accounts	(30,917)	(32,852)
Total	**566,080**	**533,976**

Trade receivables consist of amounts due from customers in relation to the sale of goods and provision of services, net of allowances for doubtful accounts.
The fair value of trade receivables approximates their carrying amount at the year-end. This also represents the maximum exposure to credit risk.

Detail of receivables by maturity, net of allowance for doubtful accounts, is as follows:

	2023	2022
Not yet overdue	555,843	518,104
Less than 3 months	9,216	12,922
Beetween 3 and 6 months	165	2,133
Beetween 6 and 12 months	856	817
Total	**566,080**	**533,976**

On December 31, 2023 all trade receivables, past due or not, are subject to certain analyses for the identification of possible risks of customer insolvency. Receivables past due for more than 12 months have been totally written down.

Movements in the allowance for doubtful accounts are as follows:

	2023	2022
Opening Balance	**32,852**	**35,609**
Charges	1,360	942
Utilization and release	(3,093)	(4,010)
Foreign exchange differences	(202)	311
Closing Balance	**30,917**	**32,852**

The charges to and utilization of the allowance for doubtful accounts are included in "Other income and expenses" in the consolidated income statement.

6.3 Tax credits
Tax credits for euro 130,791 (euro 94,726) represent the amounts due from tax authorities in the various countries where the Group operates. The item includes the receivable from the Italian tax authorities following the Group's participation in the national tax consolidation, of which Barilla Holding S.r.l. is the Parent Company. The fair value of tax credits substantially approximates their nominal and carrying value.

6.4 Other assets
The balance is detailed as follow:

	2023	2022
VAT receivables	95,540	84,255
Amounts due from factoring entities	52,426	41,549
Other receivables	5,675	13,665
Accrued income and prepayments	9,760	5,433
Amounts due from social security authorities	3,836	3,721
Supplier advances	6,489	5,211
Amounts due from employees	3,554	3,855
Guarantee deposits	1,062	908
Total	**178,342**	**158,597**

During the year, VAT receivables were collected in Italy for euro 103.2 million.
The decrease in the item "Other receivables" compared to 2022 is mainly due to the utilization through offsetting of the energy bonus credits accumulated in the previous year.
The "Amounts due from factoring entities" item comprises receivables due from factoring companies in respect of trade receivables sold but not yet paid.
The item "Accrued income and prepaid expenses" pertains to costs for legal services, consultancy, and other services already paid but pertaining to future periods, as well as costs for short-term rentals or related to low-value assets, insurance, and marketing.
The fair value of the credits approximates the nominal and book value.

6.5 Inventories
Inventories are detailed as follows:

	2023	2022
Raw materials and semi-finished goods	193,935	220,808
Finished goods	264,268	279,074
Advances	7,600	7,861
Total	**465,803**	**507,743**

The item 'Advances' mainly refers to advance payments given to raw material suppliers in Italy.

Movements in the inventory obsolescence provision are detailed as follows:

	2023	2022
Opening Balance	**8,069**	**7,554**
Charges	4,513	4,616
Utilization	(3,535)	(3,729)
Monetary correction	(4)	8
Foreign exchange differences	(180)	(1)
Variation in scope	-	(379)
Closing Balance	**8,863**	**8,069**

In 2022, the decrease in the item 'Changes in the scope of consolidation' was related to the sale of the company Harry's Restauration SAS.

6.6 Other asset at Fair Value
Other assets at fair value, as at 31 December 2023, for euro 253,226 (euro 240,361), mainly consist of Investment Grade bond portfolios (issued by private companies and government), valued at fair value and subscribed by the subsidiaries Barilla Sverige AB and Barilla Netherlands B.V. The debt securities, readily releasable on demand and denominated in EUR currency, with an average maturity less than 1 year, are diversified by sector and geographical area. The above-mentioned securities are directly owned, with the exception of 4% of the portfolio invested through mutual funds.

May. Colors, scents, melodies and flavors were the ingredients of an engaging experience designed for the launch of the new Barilla Basil and Lemon Pesto: the Urban Lemon House in Milan. Three days entirely dedicated to food masterclasses and Italian craftsmanship masterclasses.

Barilla Roadshow Pesto Basilico e Limone in one of the six German cities where promotional events were held to highlight the product and the brand.

6.7 Property, plant and equipment

Movements in property, plant and equipment are as follows

	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other Asset	Assets under construction	Total
Movements 2022							
Net book amounts at 1/1	**54,444**	**344,222**	**752,452**	**23,809**	**36,494**	**107,075**	**1,318,494**
Hyperinflation 1/1	65	2,103	2,130	1	120	-	4,419
Capital expenditure	-	-	-	-	-	186,658	186,658
Capitalization	1,462	22,552	130,119	4,677	6,269	(165,079)	-
Grants cashed	-	(104)	(8,086)	-	-	-	(8,190)
Disposal Cost	(834)	(10,506)	(25,074)	(3,641)	(30,564)	(648)	(71,267)
Disposal Accumulated Depreciation	-	8,806	48,786	3,720	7,680	-	68,992
Depretiation and impairment losses	-	(22,891)	(106,937)	(8,416)	(5,978)	-	(144,222)
Foreing exchange differences	609	2,418	5,809	75	47	5,768	14,728
Monetary correction	51	1,472	2,359	1	28	-	3,911
Variation in scope	(13)	(1,164)	(1,866)	-	(20)	(76)	(3,139)
Net book amount at 12/31	**55,784**	**346,908**	**799,692**	**20,226**	**14,076**	**133,698**	**1,370,384**
Of which:							
Historical cost	55,784	798,641	2,838,454	125,164	79,740	133,698	4,031,481
Depreciation and accumulated impairments losses	-	(451,733)	(2,038,762)	(104,938)	(65,664)	-	(2,661,097)
Movements 2023							
Net book amounts at 1/1	**55,784**	**346,908**	**799,692**	**20,226**	**14,076**	**133,698**	**1,370,384**
Capital expenditure	-	-	-	-	-	190,392	190,392
Capitalization	729	28,603	152,081	8,001	8,170	(197,584)	-
Grants cashed	-	-	(342)	-	-	-	(342)
Disposal Cost	(276)	(5,572)	(62,575)	(16,123)	(1,300)	-	(85,846)
Disposal Accumulated Depreciation	-	5,449	51,232	10,682	1,713	-	69,076
Depreciation and impairment losses	-	(24,139)	(113,069)	(7,365)	(6,669)	-	(151,242)
Foreing exchange differences	(703)	(5,657)	(11,938)	(63)	(347)	(7,582)	(26,290)
Monetary correction	52	1,402	2,448	-	75	-	3,977
Net book amount at 12/31	**55,586**	**346,994**	**817,529**	**15,358**	**15,718**	**118,924**	**1,370,109**
Of which:							
Historical cost	55,586	811,179	2,910,333	115,651	85,471	118,924	4,097,143
Depreciation and accumulated impairments losses	-	(464,185)	(2,092,803)	(100,293)	(69,753)	-	(2,727,034)

In 2022, the item 'Variation in scope' of consolidation was related to the disposal of the subsidiary Harry's Restauration SAS, which was divested in December.

The accumulated loss as on December 31, 2023 amount to euro 20,177 (euro 22,913).

6.8 Right-of-use Asset

Below are the movements by category of the right-of-use of fixed assets, relating to year 2023 and related comparative data:

	Land	Buildings and Warehouse	Plant and machinery	Cars and other trasportation	Total
Movements 2022					
Net book amounts at 1/1	**273**	**23,508**	**5,029**	**6,001**	**34,811**
Hyperinflation 1/1	-	24	8	24	56
Capital Expenditure	-	17,483	2,166	2,368	22,017
Remeasurement	106	2,484	455	211	3,256
Derecognition	-	(19)		(15)	(34)
Depreciation and impairment losses	(19)	(7,271)	(2,715)	(3,371)	(13,376)
Monetary correction	-	19	14	77	110
Foreing exchange differences	18	(61)	52	60	69
Variation in scope	-	-	(22)	-	(22)
Net book amount at 12/31	**378**	**36,167**	**4,987**	**5,355**	**46,887**
Of which:					
Historical cost	475	53,474	51,078	12,139	117,166
Depreciation and accumulated impairments losses	(97)	(17,307)	(46,091)	(6,784)	(70,279)
Movements 2023					
Net book amounts at 1/1	**378**	**36,167**	**4,987**	**5,355**	**46,887**
Capital Expenditure	-	11,729	1,850	3,260	16,839
Remeasurement	4	1,611	914	221	2,750
Derecognition	-	(3,381)	(187)	(47)	(3,615)
Depreciation and impairment losses	(19)	(10,696)	(2,501)	(3,545)	(16,761)
Monetary correction	(83)	(24)	(58)	(321)	(486)
Foreing exchange differences	-	(6)	11	152	157
Net book amount at 12/31	**280**	**35,400**	**5,016**	**5,075**	**45,771**
Of which:					
Historical cost	384	61,895	49,194	9,870	121,343
Depreciation and accumulated impairments losses	(104)	(26,495)	(44,178)	(4,795)	(75,572)

The total value of future financial minimum lease payments, included in the scope of application of IFRS 16 undiscounted, by period of maturity is as follows:

	2023	2022
Not later than one year	14,262	13,815
Later than 1 year and not later than 5 years	23,376	26,095
Later than 5 years	13,483	11,979
Total value of future minimum lease payments	**51,121**	**51,889**

The reconciliation between the future minimum lease payments and the present value of the lease payments is as follows:

	2023	2022
Total future minimum lease payments	51,121	51,889
Interests	(3,636)	(3,832)
Present value of lease payments	**47,485**	**48,057**

The net amount lease payments, not included in the valuation of the IFRS 16 Leasing liabilities and, therefore, recognized in the consolidated operating income statement as at December 31, 2023, amounts to euro 24,034 (euro 22,615).

Please, refer to note 6.26 for the analysis of rental costs not included in the total amount of leasing liabilities in compliance with the IFRS 16 accounting principle.

6.9 Goodwill

Movements in goodwill are as follows:

	Goodwill
Movements 2022	
Opening balance at 1/1	**537,369**
Foreign exchange differences	(9,333)
Business Combination	(12,966)
Total at 12/31	**515,070**
Movements 2023	
Variation in scope	636
Foreign exchange differences	10,784
Total at 12/31	**526,490**
- of wihch gross value	717,273
- of which accumulated impairments	(190,783)

In 2023, the increase in the item 'Business combination,' amounting to euro 10,784, is attributable to the acquisition of the bakery business, America Back to Nature, in the United States of America, completed in January and converted at the exchange rate on the day the transaction was finalized. As of December 31, 2023, the goodwill, converted at the year-end exchange rate, has a value of euro 10,291.

In 2022, the 'Variation in the scope' of consolidation were related to a portion of the goodwill of the bakery business in Europe, associated with the sale of Harry's Restauration SAS, which occurred in December.

An analysis of goodwill by groups of Cash Generating Unit - CGU for impairment test purposes at 31 December 2023 is summarized in the table below:

CGU Groups identified	Amount
Europe - Bakery	436,451
Europe - Fresh Pasta	41,683
Europe - Pasta	20,442
Canada - Pasta	15,526
America - Bakery	10,291
Other minor	2,097
Total	**526,490**

The annual impairment test on goodwill consists in estimating the recoverable amount of the groups of cash generating units to which the goodwill is allocated and compared with the carrying value of the related assets including goodwill. The recoverable amount of the groups of cash generating units was determined based on the value in use, calculated at the present value of the expected future cash flows relating to the groups of cash generating units.
The cash flows utilized to determine value in use cover a five-year period plus a terminal value. The plans are prepared with varying detail depending on specific requirements and the relevance of the selected variables, starting from a series of key macroeconomic indicators (e.g. foreign exchange rates, inflation rates, market assumptions) and economic-financial targets.
Group management formulates the qualitative and quantitative content of the plan used for the relevant impairment. The flows deriving from groups of CGU at the end of the plan period correspond to the perpetual income based on the final year of the plan, appropriately normalized.

The key assumptions used to perform the impairment test are as follows:

	Discount Rate		Growth Rate	
	2023	2022	2023	2022
CGU identified groups – average values	5.3%	5.5%	2.2%	2.3%

The value test exercise of the carrying amount with reference to 31 December 2023 did not entail the need for further write-downs for any CGU.
Specifically, for the 'Bakery - Europe' the sensitivity analysis carried out on the key assumptions reported that a change in the same, such as to cause a loss in value of the CGUs to which goodwill is allocated, is highly unlikely due to the significant excess value of the same compared to the related carrying amount.

Goodwill denominated in foreign currencies, mainly in Swedish and Danish Kroners, Great Britain Pounds, Canadian and American Dollars, has undergone a change in value due to the exchange rate effect. At 31 December 2023, the conversion effect shows an accumulated negative net balance of euro 27,894.

6.10 Intangible Assets
The Intangible Assets are composed as follows

	Licenses and software	Trademarks	Customer Relationship	Other	Assets under construction	Total
2022 Movements						
Opening balance at 1/1	**42,498**	**41,603**	**-**	**271**	**10,004**	**94,376**
Hyperinflation 1/1	7	8	-	11	-	26
Acquisitions and capitalizations	24,387	1,874	-	782	(2,027)	25,016
Foreign exchange differences	39	35	-	(8)	119	185
Amortization	(16,271)	(5,169)	-	(275)	-	(21,715)
Monetary correction	9	12	-	37	-	58
Total at 12/31	**50,669**	**38,363**	**-**	**818**	**8,096**	**97,946**
Of which:						
Historical cost	196,112	311,256	-	1,511	8,096	516,975
Amortization and accumulated impairment losses	(145,443)	(272,893)	-	(693)	-	(419,029)
2023 Movements						
Opening balance at 1/1	**50,669**	**38,363**	**-**	**818**	**8,096**	**97,946**
Acquisitions and capitalizations	21,046	1,831	-	603	3,108	26,588
Foreign exchange differences	(396)	(1,373)	(693)	(163)	(40)	(2,665)
Amortization	(19,370)	(5,768)	(1,012)	(410)	-	(26,560)
Monetary correction	72	10	-	125	-	207
Business combination	-	19,251	15,647	-	-	34,898
Total at 12/31	**52,021**	**52,314**	**13,942**	**973**	**11,164**	**130,414**
Of which:						
Historical cost	213,894	330,960	14,932	2,135	11,164	573,085
Amortization and accumulated impairment losses	(161,873)	(278,646)	(990)	(1,162)	-	(442,671)

Norway: launch of Wasa Delicate Sea Salt and Wasa Falu Chia.

March. Colleagues from the German team present at the Internorga Fair, dedicated to the foodservice and hospitality sector, held in Hamburg.

The item 'Trademarks' includes Catelli, Splendor and Lancia brands acquired in 2021, and the brand Tolerant, acquired in 2018, specialized in the production of gluten-free, legume-based pasta.
Furthermore, following the business combination completed at the beginning of 2023, the Group acquired the new American brand Back to Nature, for a value of USD 20.3 million.
The trademarks of Barilla G. e R. (Barilla, Mulino Bianco) have not been recognized in the financial statements as they were developed internally.

In 2023, the Group acquired the Customer Relationship for an amount of USD 16.5 million, representing the acquired customer portfolio and market shares of the American business, Back to Nature. This value is attributable to the customer loyalty that the business has built throughout its history.
Both intangible assets recognized following the mentioned business combination are supported by external expertise
The increase in "Licenses and software" and "Assets under construction", for euro 23,100, refers to different process,
as Transform Customer Services & Supply Chain Planning, SAP BW integration process for new American business Back to Nature, acquired during the year, and to the integration systems for the application Data related to Finance, Supply Chain downstream and upstream, Purchasing, RDQ, Sales and HR functions, as well as the migration of the infrastructure and data from SAP BW to SAP BW/4.
The assets under construction mainly refers to the software costs not yet used.

6.11 Trade and other receivables
The balance comprises of:

	2023	2022
Guarantee deposits	1,450	714
Other non-current receivables	3,399	2,683
Total	**4,849**	**3,397**

The fair value of trade and other receivables approximates their carrying value.

6.12 Imposte differite attive e passive
Deferred income tax assets and liabilities are recognized separately in the statement of financial position, exclusively in relation to temporary differences between the carrying value of assets and liabilities in the balance sheet and their tax base. Deferred tax assets on tax losses carried forward are only recognized where it is probable that sufficient future taxable profits will be earned to allow recovery of the tax differences that will be reversed.

The table below illustrates the composition and movements in deferred income tax assets and liabilities represented as net for each entity where they could be actually offset by underlying balance sheet items and period of generation:

2023	Opening Balance	Impact on equity	Reversals/charges through income statement	Foreign exchange impact	Monetary correction	Closing Balance
Deferred Taxes						
Property, plant and equipment	(29,296)	-	11,430	1,617	(795)	(17,044)
Right of Use Tangible Asset	(6,705)	-	1,885	25	(39)	(4,834)
Leasing	6,231	-	(908)	(91)	-	5,232
Intangible assets	197,135	-	(11,867)	(19)	(53)	185,196
Financial liabilities and derivatives	1,772	2,448	(2,581)	(28)	-	1,611
Inventories	(13,401)	-	7,836	70	60	(5,435)
Spare Parts	8,180	-	584	(185)	-	8,579
Provisions for other liabilities and charges	34,755	-	11,819	2	-	46,576
Pension funds	6,613	1,656	734	(175)	-	8,828
Tax losses carried forward	8,831	-	24,566	(81)	-	33,316
Other	12,580	-	1,342	(813)	(5)	13,104
Total	**226,695**	**4,104**	**44,840**	**322**	**(832)**	**275,129**
Deferred income tax assets	231,654					292,272
Deferred income tax liabilities	(4,959)					(17,143)
Total	**226,695**					**275,129**

2022	Opening Balance	Reversals/charges through income statement	Impact on equity	Foreign exchange impact	Monetary correction	Variation in scope	Closing Balance
Deferred Taxes							
Property, plant and equipment	(31,073)	3,523	-	(523)	(1,666)	443	(29,296)
Leasing	5,322	1,053	-	(144)	-	-	6,231
Right of Use Tangible Asset IFRS 16	(5,574)	(1,181)	-	83	(33)	-	(6,705)
Intangible assets	207,835	(10,618)	-	(65)	(17)	-	197,135
Financial liabilities and derivatives	(826)	1,963	669	(34)	-	-	1,772
Inventories	(4,012)	(9,293)	-	123	(191)	(28)	(13,401)
Spare Parts	7,309	704	-	96	-	71	8,180
Provisions for other liabilities and charges	31,916	3,007	-	40	-	(208)	34,755
Pension funds	16,489	(632)	(8,981)	(229)	-	(34)	6,613
Tax losses carried forward	3,779	4,896	-	156	-	-	8,831
Other	12,830	(850)	-	602	(2)		12,580
Total	**243,995**	**(7,428)**	**(8,312)**	**105**	**(1,909)**	**244**	**226,695**
Deferred income tax assets	247,269						231,654
Deferred income tax liabilities	(3,274)						(4,959)
Total	**243,995**						**226,695**

The deferred tax assets related to intangible assets primarily pertain to the deferred taxes recognized following the civil and tax revaluation of trademarks that occurred in 2020 at the subsidiary Barilla G. & R. Fratelli Società per Azioni. These deferred taxes represent the future tax benefit accruing to the Group net of the tax substitute debt included in the balance as of December 31, 2022, under the item "Other current liabilities" for a total of euro 7,499, a debt extinguished in the second half of 2023. Deferred income taxes have not been recognized on the undistributed earnings of subsidiaries, as the Group is able to control the timing of these distributions and it is probable that they will not be distributed in the near future.
The item "Tax losses carried forward " refers to deferred taxes assets set aside for tax losses that can be recovered in future years.

6.13 Equity instruments
The item principally comprises equity investments in BRW S.p.A., amounting to euro 680 and other minor non-current financial assets amounting to euro 3,613 (euro 3,388).

6.14 Financial Receivables
The item represents the financial receivables due from the minority shareholders of the English subsidiary Pasta Evangelists Ltd, for euro 763 (euro 652). Financial receivables are valued using the amortized cost criterion at an effective interest rate.

6.15 Trade payables
Trade payables, which amounted to euro 1,024,134 (euro 1,000,816), represent amounts due in relation to the purchase of goods and services. Trade payables are recorded at nominal value, which substantially approximates their fair value. All amounts are payable within one year.
The total amount includes euro 3,537 (euro 1,442) due to BRW S.p.A. The balance includes the amounts due to co-packers, which are governed by medium/long-term supply contracts negotiated at arm's

6.16 Borrowings
The item Borrowings, included among current and non-current liabilities, is represented by financial payables for which repayment is expected, respectively, within and beyond twelve months. Details of the item are provided below:

	2023	2022
Bonds	-	47,448
Short-term portion of bank overdrafts and leasing obligations	218,956	321,956
Total Short Term Borrowings	**218,956**	**369,404**
Bonds	291,494	299,241
Long term portion of bank overdrafts and leasing obligations	83,906	133,869
Put option held of minority shareholders	14,265	17,590
Total Long Term Borrowings	**389,665**	**450,700**
Total borrowings	**608,621**	**820,104**

The 'short-term portion of banks overdrafts and lease obligations' mainly includes the portion, due within 12 months, of the loans subscribed with the Intesa Sanpaolo, for euro 50,000 (euro 50,000), lease payables, due within 12 months, for euro 15,758 (euro 14,216), and loans maturing within one year, for euro 152,339 (euro 224,740). The decrease in this latter item is attributable to the full repayment of the revolving line of credit drawn down for euro 75,000 as of December 31, 2022. In the previous period, the same item also included a financing arrangement with Mediobanca, for euro 30,000, which was paid off during 2023.

The Long term portion of 'Bank borrowings and leasing obligations' mainly refers to a loan with Intesa Sanpaolo subscribed in 2020, at a fixed rate and repayable in four equal tranches starting from the fiscal year 2022. At 12.31.2023 has a residual amount of euro 100,000, evenly distributed within and beyond 12 months.
The same line item includes the portion of medium/long-term leasing obligations for the effect of the adjustment for the standard IFRS 16, with a balance at year-end amounting to euro 31,727 (euro 33,841).

The financial cash flow for the year 2023, relating to leasing contracts subject to the Standard IFRS 16-Leases, amounted to euro 20.6 million (euro 11 million).

The "Put option held of minority shareholders" is attributable to the agreements with the minority shareholders of Barilla Rus LLC that, signed by the Group in June 2020, foresees the recognition of a put option exercisable in the year 2025 and a call option exercisable in the year 2029. By virtue of these agreements in place as of December 31, 2023, a non-current liability is recognized in the consolidated balance sheet, it is evalueted at the present value of its assumed extinguishment value and converted into euro currency at the current exchange rate, amounting to euro 11,245 (8,332 euro). The variation in term of fair value of this liability was booked in the consolidated income statement as 'Financial expenses and income'.
The same item, 'Put option held to minority shareholders', also includes the valuation of the agreements signed by the Group, in January 2021, with the minority shareholders of the acquired company 'Pasta Evangelists Ltd', amounting to euro 3,019 (euro 9,258). These agreements foresee the recognition of a put option, valued at net present value and classified under non-current liabilities in the consolidated balance sheet, as it can be exercised in 2026.

The total amount of revolving credit facility, maturing in December 2025, is equal to 500 million of euro (with an option to increase to euro 800 million). At the end the year 2023, the revolving credit facility resulted unused. While, it resulted drawn down for euro 75,000 on 31 December 2022, totally reimbursed during the 2023.
As a result of contractual changes made during the year, effective from 5 January 2024, Barilla International B.V. becomes guarantor of that operation, in place of Barilla International Ltd; Barilla G. e R. Fratelli Società per Azioni and Barilla Iniziative S.p.A. remain co-borrowers and co-garantors, for them self or for Group's companies.

Current borrowings are measured at amortized cost, which is deemed to represent their fair value.
Bank borrowings are not guaranteed by any property, plant or equipment.

Below is the breakdown of outstanding bonds:

	Nominal value in currency	Nominal coupon in USD	Maturity	Carrying value	Hedging transaction		Effective interest rate in euro
					Nominal value in euro	Effective average interest rate	
	150,000	4.43%	13 Dec. 2025	132,423	115,050	4.35% (V)	4.39%
	185,000	4.03%	28 Oct. 2027	159,071	169,867	4.30% (V)	4.37%
Total Notes	**335,000**			**291,494**	**284,917**		

During the month of July 2023, the tranche with a maturity date of 2023, originally subscribed by the subsidiary Barilla France Sas, was repaid; therefore, the debt as of December 31, 2023, is represented by the tranches originally issued by Barilla Iniziative S.p.A. with maturity dates in 2025 and 2027.

The interest rate and foreign exchange rate risks are hedged by cross currency and interest rate swaps, details of which are provided in note 7.
The maturity dates of medium/long-term borrowings are illustrated in the table below:

	From 2 to 5 years	Over 5 years	Total
Bonds	291,494	-	291,494
Bank borrowings and leasing obligations	71,563	12,343	83,906
Put option held of minority shareholders	14,265	-	14,265
Total medium/long-term bank borrowings	**377,322**	**12,343**	**389,665**

May. In the external gardens of the Parma Pasta Factory arrives Echinoidea, the new artistic installation created by GG-loop in partnership with Rubner Haus and Artemide, where nature, innovation and beauty meet and give life to a contemplative experience, focused on sustainability. An elegant structure usable both for the work of Barilla People outdoors or as a gathering space.

The following table depicts the borrowings (including the respective hedging instruments related to bond loans issued) by maturity date and type of interest rate:

Borrower	Description	Interest rate	At 12/31/2023	Maturity
Barilla Iniziative Spa	Bonds (including cross currency and interest rate swaps)	floating	281,608	2025 - 2027
Barilla Iniziative Spa	Intesa San Paolo loan	fixed	100,000	2024 - 2025
Barilla International Ltd	Put option held of minority shareholders	fixed	14,265	2025 - 2026
Various counterparts	Banks	floating	155,378	2024 - 2030
Various counterparts	Leasing	fixed	47,482	2024 - 2049
Total bank borrowings (either due within or after one year) *			**598,733**	

Borrowings (including the respective hedging instruments related to bond loans issued) due within one year and after more than one year are denominated in the following currencies:

Currency	Carrying value 2023	Carrying value 2022
Euro	271,355	422,945
USD (American Dollar)	284,479	320,207
GBP (British pound - UK)	19,232	25,151
TRY (Turkish Lira)	1,342	3,565
RUB (Rouble - Russia)	13,187	9,553
SEK (Krone - Svezia)	1,299	1,392
Other	7,838	7,022
Total borrowings due within one year and after more than one year *	**598,733**	**789,835**

Below is the reconciliation of the change in financial payables due within one year and after one year, highlighted under ‘Net cash flow from financing activities’ in the statement of cash flows, corresponds to the sum of "Borrowings disbursement/reimbursement", "Foreign exchange effect on foreign currency debts" and "Fair value changes through consolidated income statement", the Net of ‘Bank overdrafts’ movements:

	Total borrowings due with-in one year and after one year	*thereof: Bank overdraft*
Total net financial liabilities at December 31, 2021 * (a)	**711,490**	**90,961**
Total derivatives (assets)/liab at December 31, 2021	(48,858)	
Total Debt at December 31, 2021	760,348	
Movements in 2022:		
Monetary changes of the period:		
Borrowing disbursement/reimbursement, including those due to parent company	79,375	130,000
Total monetary changes of the period	**79,375**	**130,000**
Non-monetary changes of the period 2022:		
Foreign exchange effect on foreign currency debt	(2,880)	5
Fair value changes through income statement	4,636	
Fair value changes through OCI	(2,786)	
Total non-monetary changes of the period	**(1,030)**	**5**
Total changes (b)	**78,345**	**130,005**
Total net financial liabilities at December 31, 2022 * (a+b=c)	**789,835**	**220,966**
Total derivatives (assets)/liab at December 31, 2022	(30,268)	
Total Debt at December 31, 2022	820,103	220,966
Movements in 2023		
Monetary changes of the period:		
Borrowing disbursement/reimbursement, including those due to parent company	(154,690)	(68,967)
Total monetary changes of the period	**(154,690)**	**(68,967)**
Non-monetary changes of the period 2023:		
Foreign exchange effect on foreign currency debt	(1,597)	8
Fair value changes through income statement	(33,230)	
Fair value changes through OCI	(1,582)	
Total non-monetary changes of the period	**(36,409)**	**8**
Total changes (d)	**(191,099)**	**(68,959)**
Total net financial liabilities at December 31, 2023 * (c+d)	**598,736**	**152,007**
Total derivatives (assets)/liab at December 31, 2023 regulate to bonds	(27,090)	
Total Debt at December 31, 2022	625,824	

**Total borrowings due within one year and after one year, detailed in the tables, include negative derivatives and are expressed net of the positive value of derivatives, except for derivatives on commodities as disclosed in paragraph 6.21 "Derivate financial instruments".*

The effective interest rates on borrowings amount to 3.3% (1.4% in 2022). The calculation does not include non-recurring items relating to bonds or early repayment of loans, the put options due to minority shareholder and the fair value changes related to bonds.

The comparison between the carrying value and fair value of borrowings is disclosed in note 7.

Financial covenants and other contractual obligations

The Bonds and Bank facility currently outstanding (the "Financing") require the compliance with certain contractual obligations and financial covenants (collectively, the "Covenants").
The main Covenants, as defined in one or more Financing contracts, are in line with market practice for similar transactions, as follows:

Financial covenants

- Ratio of Net Borrowings to EBITDA;
- Ratio of EBITDA to Net Interest on borrowings;
- Ratio of borrowings of operating companies plus borrowings secured by real guarantees (except where permitted contractually) to Total Assets as resulting from the financial statements.

Other restrictions and contractual obligations

- Change of control;
- Undertaking not to subordinate the Financing to other debt ("pari passu") and/or not to grant liens/pledges in favour of such debtholders (except where permitted contractually);
- Undertaking not to dispose certain key assets (such as: key plants, trademarks, licenses and intellectual property);
- Limitations in disposal proceeds, acquisition policies and dividends (where applicable).

Events of Default

The main events of default, which are not applicable to non-material Group companies, are summarized as follows:
• Failure to pay any sum due under the Financing;
• Non-compliance with financial covenants and/or other contractual obligations (subject to materiality thresholds);
• Cross default (in relation to event of defaults under other Financing that exceed certain thresholds);
• Insolvency, bankruptcy and other insolvency proceeding;
• Significant change in the Group's business.

When an event of default occurs, which cannot be recovered within the applicable time limits, the Lenders have the right to request the immediate repayment of the borrowed amount, together with interest and any other sums contractually due.
No defaults arose either during the year or at the year end and moreover the Group was compliant with all the financial covenants.

6.17 Retirement benefit obligations

The "Retirement benefits obligation" includes provisions for defined benefit plans relating to the employment relationship such as severance pay, equivalent plans and pension funds. Total obligations relating to future benefits payable to employees amounts to euro 109,671 (euro 109,218), of which amount due within one year is euro 11,071 (euro 12,287) and amount due longer than one year is equal to euro 98,600 (euro 96,931), net of plan assets for euro 3,809 (euro 3,988).

In Italy, the TFR represents the deferred compensation payable by companies to employees on termination of employment, in accordance with article 2120 of the Italian Civil Code. Following reforms introduced in the Italian law, the TFR provision accrued until 31 December 2006 is still considered a defined contribution plan, while the portion further matured is annually paid to managing institution.

The main specific risks related to this plan refers to the accrued benefit that is payable to the members as a lump sum when retiring or leaving the company. According to the Italian law, it is also possible to receive an advance from the total accumulated benefit. Therefore, there is the risk that members will leave the plan sooner than expected or demand an advance payment in a larger size than expected, generating an actuarial loss in the plan due to cash flow acceleration. Other risks to which the plans are exposed are limited to inflation, to which the accrued benefits are linked, and discount rate.

The foreign other plans and pension schemes relate to companies operating in France, Greece, Germany, Sweden, Turkey, Norway, Mexico, Switzerland and Canada.

The principal features of some of the most significant plans are as follows:
- In France, there are the "Retirement Indemnity Plan" and the "Long Service Awards Plan". The first plan attributes the right to receive a sum of money on termination of employment upon retirement, in proportion to the number of years of service, final salary levels and whether termination was voluntary or not. The specific risks are related to the fact that Retirement Indemnity Plans are mandatory by law and are defined by national bargaining agreements, therefore these plans are subject to the legislative risk and rate of withdrawal of beneficiary from the plan. The "Seniority Award Scheme" pay benefits at any defined anniversary of working life related to the service in the company. The awards paid are exempt of payroll taxes within the value of one month of salary. The main risks on these plans are linked to changes of fiscal legislation risk characterizing them that could require additional costs. Other risks that can be identified are related to the change in the discount rate and withdrawal rate of employees;
- In Greece, there is the pension plan (Retirement Indemnity Plan) which provides that the employer is required to pay an indemnity where the employee has reached pensionable age or employment is terminated involuntarily.
The payment indemnity received from the employee depends on several factors including years of service, the equivalent monthly salary in the last year of service (including bonuses) and the reason for termination. The indemnity paid by the entity is for several months and not one-off, based on a scale of multiples in relation to years of service and also taking into consideration the reason for termination. Main risks are related to the changes in the discount rate;
- In Germany, there are three pension plans: "Pension", "Jubilee Plan" and "Early Retirement Plan". The pension plan paid by the entity when the employee has reached pensionable age or in case of disability, with the possibility of the right of pension plan for the assisting spouse. The pension plan provides for the payment of an ongoing pension and not a one-off lump sum. The plan is based on a pre-determined percentage of annual salary and taking into consideration the increase of salaries and longevity risk. The risk connected to this plan, linked to national contracts, is relating to pension increased established by the local law, that may have to be increased retrospectively (up to a limit of three years) as well as in respect of future increases;
- In Sweden, "IPT2 Plan" is the pension scheme for white collar employees based on the collective bargaining agreement. The risks are linked to any changes on the collective bargaining agreement. An external influence on the possible increase in pensions derives from the funding level in the short term of the monopoly insurer of plans in Sweden;

- In Canada, there is a pension plan called "Post-Retirement Plan", mainly related to Federal Government plans. The plan is based on different combinations of factors among which gains or contributes, the years of participation to the plan and the retirement age. The main risk is linked to the plan indexation (also named protection from inflation) with moderate increase every year based on the price to consume index increase (or a portion of the increase).

The retirement benefit obligations are determined applying actuarial calculations carried out by an independent expert or company and are adjusted for events that require changes to be reflected therein.

The last actuarial valuation was performed at December 31, 2023 using the projected unit credit method, on the basis of which the present value of the obligation for the company is determined relating to benefits to be paid to employees after termination of employment.

	2023	2022
Opening balance	**109,218**	**147,263**
Services costs	2,564	2,880
Finance costs	3,822	1,700
Actuarial (gains) / losses	5,828	(29,671)
Exchange differences for the year	(848)	(1,578)
Benefits paid	(10,913)	(11,125)
Variation in scope	-	(251)
Closing Balance	**109,671**	**109,218**
Of which:		
- Due within one year	11,071	12,287
- Due after one year	98,600	96,931

'Variation in scope' in previous year was refered to employee pension plans in France due to the sale of the company Harrys Restauration SAS.

The item "Services costs" comprehends the provision for the year.

The assumptions adopted in determining retirement benefit obligations may be summarized as follows:

2023	Discount rate	Expected rate of return on plan assets	Estimated salary growth	Inflation rate
Italy	3.20%	n.a.	4.25%	2.25%
Germany	3.85% 3.2% 3.15%	3.74%	3.00%	0.05%
France	3.20%	3.80%	2.25%	2.25%
Greece	3.20%	n.a.	2.75%	2.25%
Mexico	9.25%	9.25%	4.75%	3.50%
Norway	3.60%	3.00%	3.75%	2.25%
Sweden	3.25%	n.a.	3.00%	2.00%
Turkey	20.80%	n.a.	25.40%	23.90%
Switzerland	1.30%	2.20%	2.50%	1.25%
Canada	4.60%	n.a.	3.00%	n.a.

2022	Discount rate	Expected rate of return on plan assets	Estimated salary growth	Inflation rate
Italy	3.80%	n.a.	n.a.	2.50%
Germany	3.75% 3.8% 3.25%	1.08%	2.50%	2.50%
France	3.80%	0.99%	2.25%	2.50%
Greece	3.75%	n.a.	3.00%	2.50%
Mexico	9.25%	8.25%	4.75%	3.50%
Norway	3.00%	1.50%	3.50%	2.00%
Sweden	3.90%	n.a.	3.00%	2.00%
Turkey	11.00%	n.a.	13.50%	12.00%
Switzerland	2.20%	0.25%	2.50%	1.25%
Canada	5.10%	n.a.	3.00%	n.a.

The cost of future employee retirement benefits recognized in the income statement is classified under the following headings:

	2023	2022
Cost of sales	615	1,151
Logistics costs	147	268
Selling costs	1,484	749
Marketing costs	87	122
General and administrative expenses, techinical and development costs	231	590
Total	**2,564**	**2,880**

The plan assets composition is as follows:

	2023	2022
Listed shares and bonds	11	10
Cash and cash equivalents	5	6
Total listed assets	**16**	**16**
Insurance contracts	3,723	3,870
No listed - other	71	102
Total asset	**3,809**	**3,988**

The weighted duration of defined benefit obligations is equal to 12 years, split by plan as follows:

Years	Weighted duration	Average future working lifetime
Average	**10.43**	**9.16**
Italy	6.12	8.40
Germany	11.81	4.94
France	9.66	15.53
Mexico	10.58	15.62
Canada	10.2	7.04
Sweden	15.12	10.37
Greece	11.96	0
Turkey	18.75	20.37

The effect on the retirement benefit obligation of a reasonably possible change in the actuarial assumption considered in computing the defined-benefit obligation is provided below:

Effect in %	Increase in actuarial assumption	Decrease in actuarial assumption
Discount rate (0.5% movement)	3.94%	2.95%
Rate of salary increase (0.5% movement)	4.02%	3.09%
Inflation rate (0.25% movement)	2.13%	1.63%
Life expectancy (1 year variation)	3.61%	n.a

6.18 Current income tax liabilities

Current income tax liabilities amount to euro 27,163 (euro 23,548) and comprise provision for current taxes on profit for the year.

6.19 Other liabilities

Other liabilities consist of the following:

	2023	2022
Amounts due to employees	143,069	153,056
Amounts due to social security authorities	29,623	27,342
Withholding taxes from employees, consultants and freelance workers	24,553	11,455
Amounts due to customers	8,567	11,286
Other liabilities	3,154	2,639
Other taxes	4,247	11,154
VAT payable	2,034	2,459
Accruals and deferred income	6,962	12,065
Total	**222,209**	**231,456**

The item "Withholdings for employees, consultants and freelance workers" increased in 2023 mainly due to withholdings on royalties.
Accruals and deferred income mainly relate to accrued interest payables.
The fair value of other liabilities approximates the carrying value.

6.20 Provisions for other liabilities and charges

The current and non-current portions of provisions for other liabilities and charges may be detailed as follows:

	Intital Balance	Charges	Used / reversed / reclassification	Foreign exchange impact	Ending Balance
Employee risk provision	14,460	5,745	(10,831)	(78)	9,296
Restructuring provision	53,258	30,300	(2,886)	-	80,672
Price contest risk provision	1,460	2,272	(1,006)	57	2,783
Returns and unsold goods provision	2,611	-	(174)	(19)	2,418
Revocatory risk provision	12,544	2,772	(904)	-	14,412
Litigation provision	2,565	93	18	(54)	2,622
Other provisions	18,447	18,786	(6,576)	57	30,714
Total	**105,345**	**59,968**	**(22,359)**	**(37)**	**142,917**
Of which:					
Provisions for other liabilities and charges	67,866	-	-	-	96,405
Provisions for other liabilities and charges	37,479	-	-	-	46,512

The "Employee risk provision" and the "Restructuring provision" have been recognized in relation to reorganization programs that include redundancy incentives and other future employee obligations.
The "Revocatory risk provisions" were registered for collected commercial receivables for which there is a risk of a clawback action.

The "Other provisions" mainly include commercial risks and risks against distributors. The provisions due for longer than one year have not been discounted due to the uncertainty of the period of utilization.

March. A corporate volunteer initiative promoted by Mulino Bianco, which took place in 10 Italian locations of Banco Alimentare. About 200 Barilla People contributed to the preparation of food parcels for needy families, for a total of about 16 tons of donated products. The parcels were then distributed to various solidarity centers.

6.21 Derivative financial instruments

	12/31/2023		12/31/2022	
	Assets	Liabilities	Assets	Liabilities
- Fair value hedge - interest rate derivatives	18,488	8,602	21,645	5,069
- Held for trading - forward exchange contracts	-	-	-	1,452
- Cash flow hedge - commodities	-	543	3,930	-
Total non-current portion	**18,488**	**9,145**	**25,575**	**6,521**
- Cash flow hedge - interest rate derivatives	-	-	13,692	-
- Cash flow hedge - commodities	1,033	-	6,503	-
- Held for trading - forward exchange contracts	1,764	3,497	1,155	1,927
- Held for trading - commodities	2,493	-	5,920	-
Total current portion	**5,290**	**3,497**	**27,270**	**1,927**
Total derivative financial instruments	**23,778**	**12,642**	**52,845**	**8,448**

concerning the US Private Placement bonds, all designated as fair value hedge:

- contracts for the tranches, with a nominal value of USD 50 million, expired and reimbursed on 15 July 2023. The positive fair value at 31 December 2023 were reset to zero. The corresponding negative impact in 2023 was charged to the consolidated income statement;
- contracts for the tranche, with a nominal value of USD 150 million, expiring on 13 December 2025. The positive fair value at 31 December 2023 amounted to euro 18,488. Taking into account the release of the basis spread component, the negative impact on the consolidated income statement amounted to euro 2,736 and the negative impact on comprehensive income to euro 421;
- contracts for the tranches, with a nominal value of USD 185 million, that expire on 28 October 2027. The positive fair value at 31 December 2023 amounted to euro 8,602. Taking into account the release of the basis spread component, the negative impact on the consolidated income statement amounted to euro 3,925 and the negative impact on comprehensive income to euro 392.

"Derivative contracts on commodities" mainly includes hedging of the electricity costs, the price of wheat and the CO_2 certificates.

The movements of hedging reserve is the following:
The hedging reserve includes the hedge portion of derivatives on commodities and the effective portion related to the interest rate hedge for the derivatives designated as cash flow hedge, as well as the basis component for the currency and interest rate swap contracts designated as fair value hedge.

	Gross reserve	Tax effect
Movements in 2022		
Opening balance at 1/1/2022	**5,784**	**(1,317)**
Change in basis	(1,065)	418
Change in fair value	5,881	(1,316)
Total at 12/31/2022	**10,600**	**(2,215)**
Movimentazione 2023		
Change in basis	(1,064)	256
Change in fair value	(9,003)	1,819
Total at 12/31/2023	**533**	**(140)**

As of December 31, 2023, the notional value of the cross currency and interest rate swap contracts, designed as fair flow hedge, that expire from 2025 to 2027 and designated as fair value hedge is euro 291,494; and derivatives on commodities for energy in Sweden for euro 490.

The financial risk management policy is disclosed in note 7

6.22 Other payables

Other payables, that amounted to euro 4,763 (euro 4,309), includes, among other things, payables for social security contributions.

6.23 Equity

Fully paid share capital as of 31 December 2023, as in the prior year, is divided n. 112,720,000 ordinary shares with a nominal value of euro 1 each.

During 2023, the shareholders' meeting decided for a dividend distribution for euro 81,638, paid in July.

The Group does not own, nor has owned or has acquired own shares during the year, nor directly neither indirectly through subsidiary or associated Company.

6.24 Non-controlling interests

As at December 31, 2023, the Group has not recognized the minority interest but the recognition of put options exercisable by them under the agreements signed with the minority shareholders of the Business Combination, which took place in 2021, of Pasta Evangelists Limited, as well as for the agreements signed in 2020 with Perspective Industrial and Infrastructural Technologies-15 LLC (formerly RDIF Investment Management-19 LLC), for participation in the equity of the subsidiary Barilla Rus LLC.

The following table provides information on the subsidiary controlled by the Group with significant participation of non-controlling interests. The amounts are gross of intercompany eliminations:

	Barilla Mexico SA	Barilla Iniziative and Barilla International Ltd sub-groups and Barilla International BV, Barilla Iniziative 2 Srl and Barilla CO Srl	Barilla Mexico SA	Barilla Iniziative and Barilla International sub-groups
Percentage of non-controlling interests	**50%**	**15%**	**50%**	**15%**
	12/31/23	**12/31/23**	**12/31/22**	**12/31/22**
Revenue	154,134	4,868,663	125,670	4,663,289
Result of the period	12,291	230,015	10,254	191,874
Profit/(Loss) attributable to non-controlling interests	**6,145**	**40,497**	**5,127**	**33,659**
Total comprehensive income/(loss)	2,736	(7,221)	2,596	35,685
Total comprehensive income/(loss) attributable to non-controlling interests, without result	**2,736**	**(7,221)**	**2,596**	**5,353**
Total comprehensive income/(loss) attributable to non-controlling interests	**8,881**	**33,276**	**7,723**	**39,012**
Current assets	70,297	1,937,765	56,772	2,048,119
Non-current assets	27,304	2,392,769	23,289	1,588,472
Current liabilities	(32,754)	(1,549,154)	(33,076)	(1,676,251)
Non-current liabilities	(1,756)	(565,828)	(1,656)	(600,900)
Net assets	**63,091**	**2,190,053**	**45,329**	**1,359,440**
Net assets attributable to non-controlling interest	**31,546**	**328,508**	**22,664**	**203,916**
Net cash generated from/(used in) operating activities	(5,680)	80,724	869	47,593
Net cash generated from/(used in) investing activities	(1,227)	(39,155)	(3,319)	(31,370)
Net cash generated from/(used in) financing activities	-	(37,677)	(2,162)	(21,817)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(6,908)**	**(3,892)**	**(4,612)**	**(5,594)**
Total dividends paid to non-controlling interests (included in cash flow from financing activities)	**-**	**12,315**	**5,086**	**14,580**

2023 Open Doors Initiative: with over 4,000 visitors per year, the Parma Pasta Factory showcases the quality behind a pack of pasta.

Commitments and guarantees

Contractual commitments at the year-end that are not recognized in the statement of financial position amount to euro 1,099,504 (euro 1,359,138) and comprise:

- commitments for the purchase of finished goods, wheat, other raw materials and packaging for euro 885,373 (euro 1,153,192);
- commitments for capital expenditure for euro 58,500 (euro 59,448);
- commitments for energy purchase for euro 155,631 (euro 146,498).

Group obligations guaranteed by third parties

The guarantees are mainly composed by the amounts issued by credit institutions to Barilla G. e R. Fratelli Società per Azioni and First S.p.A. to guarantee operations/prize contests and the quality of imported wheat equal to euro 8,954 (euro 3,954).

Contingent liabilities

The Group has contingent liabilities in respect of legal and tax claims arising in the normal course of the business. Those claims are not deemed to originate any material liabilities other than those already provided in the financial statements.

Consolidated income statement

The Group has contingent liabilities in respect of legal and tax claims arising in the normal course of the business. Those claims are not deemed to originate any material liabilities other than those already provided in the financial statements.

6.25 Revenue

The Group revenue, including the hyperinflationary effect described in paragraph IAS 29 - 'Accounting reporting in hyperinflationary economies', amounted to euro 4,868,663 (euro 4,663,288). While, the value of the Group revenue without considering the hyperinflationary effect above mentioned, stands to euro 4,841,928 (euro 4,646,639).

Below is the composition of revenues for the period, without considering the hyperinflationary effect, compared with those of the previous period:

	2023	2022
Total sales of finished goods	4,765,917	4,553,044
Sales of by-products	68,378	84,551
Sales of raw materials and others	7,633	9,044
Total	**4,841,928**	**4,646,639**

6.26 Detail of costs by nature

The following table sets out the composition of revenues and costs by nature; the reclassification by nature of the expenses refer to the sum of cost of sales, logistics expenses, selling expenses, marketing expenses, technical and development costs and general and administrative expenses that are presented in the consolidated income statement:

	2023	2022
Purchase of raw materials, semi-finished goods, finished goods, materials and change in inventories	2,205,672	2,177,602
Employee costs	647,280	600,596
Transport and warehousing services	422,145	440,023
Promotional and advertising services	354,246	271,386
Depreciation, amortization and impairment	196,119	180,506
Purchase of energy sources	170,230	166,602
Services	149,319	145,476
Third party manufacturing costs	111,678	96,418
Sales commissions	71,484	64,903
Maintenance costs	56,193	50,918
Consultancy costs	38,131	24,119
Purchase of other materials	29,384	27,783
Property leases, rentals and leases	24,034	22,615
Insurances	14,435	12,909
Travel and expenses	13,825	12,930
Customs duties	12,058	10,479
Green dot	9,905	10,367
Other taxes	7,652	8,046
Postage and telephone expenses	7,145	6,786
Directors' and statutory auditors' emoluments	5,247	5,251
Employee training costs	5,028	4,270
Canteen's costs	3,788	3,472
Demolition cost	3,226	2,618
Others	2,411	1,896
Guest expenses	2,132	1,513
Total	**4,562,766**	**4,349,481**

The increase in the item "Promotional and advertising services" is attributable to a higher investment in advertising campaigns.

The item 'Purchases of raw materials, semi-finished products, finished products, materials and changes in inventories' continues to be affected by the price increase already recorded in the previous year.
Lastly, the increase in the item "Third-party manufacturing costs" is largely attributable to the expansion of the delivery channel within the Pasta Evangelist subsidiary's business.

The detail of "Property leases, rentals and leases", for 24.03 million of euro, is as follows:

	Value in euro million
Agreements in scope IFRS16 adoption	
Services costs	4.3
Agreements not in scope IFRS16 adoption	
Contracts Exented:	
- short term	1.2
- low value of underline asset	12.8
Excleuded contracts	5.7

The agreements with low value of underline assets mainly refer to rent of pallets for euro 11.99 million (10.31 million of euro in 2022). It should also be noted that no variable lease payments were paid during the year.

The cost for depreciation and amortization charged to the consolidated income statement, including the hyperinflationary effect for the year 2023, as described in paragraph IAS 29 - 'Accounting reporting in hyperinflationary economies', is recognized in the following items

	2023	2022
Cost of sales	141,106	134,226
Logistic Costs	10,419	8,937
Selling Costs	4,719	3,883
Marketing Costs	224	305
General and administrative expenses, technical and development costs	39,652	33,152
Total	**196,120**	**180,503**

6.27 Other income and expenses

Other income and expenses comprise:

	2023	2022
Income and expenses from continuing operations:		
Income/(expenses) relating to other accounting periods	22,196	22,901
(Release) net utilization of/charges to provisions	(17,128)	(7,613)
Income/(Services) rendered and other minor amounts	11,602	17,384
Insurance repayments	403	474
Net gains/(losses) on disposals of property, plant and equipment	5,813	(4,141)
Membership fees	(1,686)	(1,899)
Employee leaving incentives	(3,165)	(12,930)
Bank commission and factoring services	(2,157)	(2,486)
Allowance and losses on trade receivables	(1,431)	(812)
Property and other taxes	(7,969)	(7,609)
Donations to employees and third parties	(10,995)	(8,609)
Total income/(expenses) from continuing operations	**(4,517)**	**(5,340)**

The net utilization of charges to provisions is attributable to the Group's restructuring programs.

6.28 Finance costs - net

Finance costs - net consisted of the following:

	2023	2022
Net costs relating to the net financial position:		
Interest income on bank accounts	7,200	2,639
Net income/(expense) on financial assets	12,329	(15,878)
Interest expense on short-term bank borrowings	(5,869)	(1,228)
Interest expense on medium/long-term bank borrowings	(1,135)	(4,564)
Interest expense on bonds	(13,101)	(3,632)
Positive/(negative) change in fair value of bonds and hedging instruments	1,453	963
Net income/(expense) on put options due to non-controlling interests	1,125	13,634
Interest expenses on leases	(1,599)	(910)
Total net finance costs relating to the net financial position	**403**	**(8,976)**
Other finance income/(costs):		
Net realized exchange gains/(losses)	(9,917)	(5,540)
Net unrealized exchange gains/(losses)	(7,071)	2,464
Net monetary correction gain/(loss)	(10,045)	(1,539)
Commissions on undrawn amounts	(759)	(781)
Interest costs on pension liabilities	(3,822)	(1,775)
Gain of disposal subsidiary company	-	3,211
Other income/(costs)	525	(49)
Total other finance income/(costs)	**(31,089)**	**(4,009)**
Total finance costs - net	**(30,686)**	**(12,985)**

The item 'Net income/(expenses) on financial assets' represents the net value of the negative valuation at fair value of Investment Grade bonds, shown net of income deriving from coupons accrued during the year. The aforementioned securities were purchased by the subsidiaries Barilla Sverige AB and Barilla Netherlands BV starting from 2019 and at the end of 2023 they have an average duration less than 1 year.

In the Consolidated income statement in 2023, the Group recognized income, equal to euro 1,125 (13,634 euro), deriving from the valuation at net present value of the put options by virtue of the agreements signed with the minority shareholders of the subsidiaries Barilla Rus Ltd and Pasta Evangelists Limited, described in the note 6.16.

The positive fair value impact of bond loans and derivatives instruments, written with the Fair Value Hedge method, depends from the application of amortized cost and the fair value on bonds, nets of variation of fair values hedge instruments. During the month of July 2023, the tranche with maturity in 2023 originally subscribed by the subsidiary Barilla France Sas, was repaid.

Considering the area variation includes an entity operating in Turkey which, as of 31 December 2022, has a hyperinflationary local currency, the item 'Profit/(loss) on the net monetary position' represents the related year adjustment of the non-monetary balance sheet items and income statement items. The value is the result of applying the general consumer price index (CPI) in order to express the real purchasing power of the period.

In 2022 the amount shown in the line 'Gain of disposal subsidiary company', equal to euro 3,211, was referred to the profit realized by the Group following the sale of Harry's Restauration SAS to a company belonging to Morato group.

Commissions on undrawn amounts relate to the committed Revolving Credit Facility - RCF, cost incurred during the period of non-use.

6.29 Income tax expense

The current and deferred tax expense for the period amounts to a positive euro 13,495, compared to a negative tax expense of euro 64,534 in the previous period. The variation in the tax burden compared to the previous year is mainly due to two factors. Firstly, there's an increase in benefits resulting from the Patent Box tax incentive, accrued by Barilla G. e R. Fratelli Società per Azioni. An agreement signed with the Tax Authority covers the years 2020-2024. As of December 31, 2023, benefits related to the period 2020-2023 amount to a total of euro 35.4 million, with euro 4.5 million pertaining to the closing period. Secondly, there's the recognition of deferred tax assets on tax losses incurred by some companies within the Group.

	Year ended 31 Dec 2023
Profit before income tax	270,694
Theoretical tax charge	67,604
Income tax previous year	(27,635)
Net non-deductible expenses/(income not subject to tax)	(25,805)
Remeasurement Deferred taxes	(27,659)
Effective tax charge	**(13,495)**

The lower effective tax burden compared to the theoretical one, calculated by weighting the tax rates of the various countries in which the Group operates by results produced locally, is mainly due to the reasons set out above.

In December 2021, the OECD Inclusive Framework approved, under 'Pillar 2', the Global Anti-Base Erosion Rules (GloBE Rules), aimed at curbing the transfer of profits to jurisdictions with very low or non-existent taxation, as well as tax competition between states. On December 14, 2022, the European Commission adopted EU Directive 2022/2523 introducing the Top-up tax for multinational groups and, to ensure compliance with EU Treaties, extending it to national groups of companies. This Directive must be transposed by the Member States by December 31, 2023.

Based on this new set of rules, large multinational groups with consolidated revenues of euro 750 million or more will face a minimum level of effective taxation of 15% in each jurisdiction in which they operate.

The rules entail the application of Top-Up Tax per jurisdiction, which is a supplemental tax - calculated as the difference between the agreed minimum tax rate (15%) and the effective tax rate (ETR), if lower - on the profits of the consolidated entities and permanent establishments (Constituent Entities) located in one of the jurisdictions where the group operates. The ETR is calculated as the ratio of covered taxes to qualified income (GloBE Income) on a per-jurisdiction basis.

The difference between the ETR of the individual jurisdiction and the minimum tax rate of 15% identifies the percentage of Top-Up Tax to be applied to excess profits, i.e., the portion of GloBE Income that exceeds routine profits determined based on the book value of labor costs and tangible assets present in the jurisdiction.

The Barilla Group, after an internal analysis, has assessed the application of Pillar II legislation based on the available information and believes that such changes do not have a material impact on the consolidated financial statements.

In accordance with IAS 12, an entity is required to reflect the deferred tax impacts of its assets and liabilities based on tax laws enacted or substantially enacted at the balance sheet date.

Based on the operational mechanisms of the Pillar 2 model, some application issues of IAS 12 have emerged, particularly regarding the accounting for deferred taxes:
• possible emergence of additional temporary differences;
• need to reassess assets and liabilities for deferred taxes to reflect potential effects arising from the Top-up tax;
• tax rate to be used to measure assets and liabilities for deferred taxes.

Due to the complexity of accounting issues and the limited time available to analyze them before the rules of Pillar Two are adopted in individual national jurisdictions, the IASB Board has decided to amend IAS 12 to ensure greater comparability of financial statements and avoid the risk of entities adopting accounting treatments that are inconsistent with the requirements of IAS 12, by introducing a temporary and mandatory exception to the accounting for deferred taxes related to Pillar Two tax legislation.

Therefore, the Barilla Group has applied the temporary exception introduced by IAS 12 for the recognition of deferred tax assets and liabilities arising from the OECD Pillar Two.

The nominal tax rates of the countries in which the main Group companies operate are as follows:

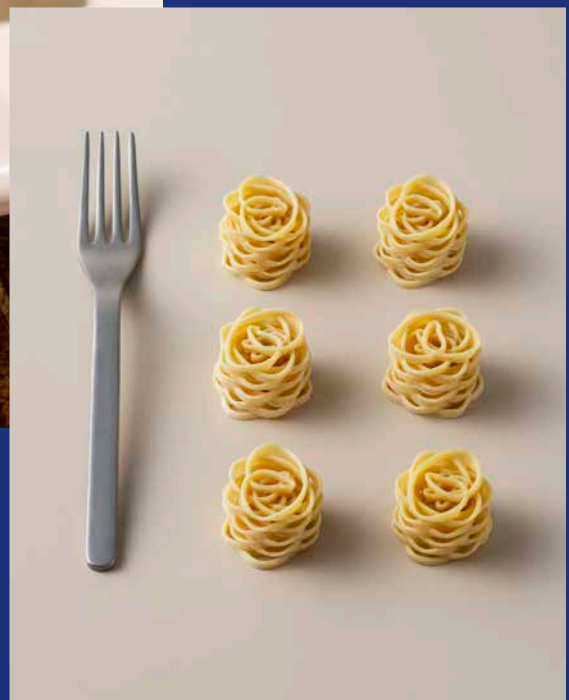
Europe	
Italy	27.90%
Germany	31.50%
Netherlands	25.80%
Sweden	20.60%
France	25.77%
Austria	24.00%
Turkey	25.00%
Greece	22.00%
Norway	22.00%
North America	
United States	21.00%
Canada	26.50%
Other Countries	
Russia	20.00%
Brasil	34.00%
Mexico	30.00%
Australia	30.00%
United Kingdom	25.00%

Tax losses carried forward and unrecognized deferred income tax assets are summarized as follows:

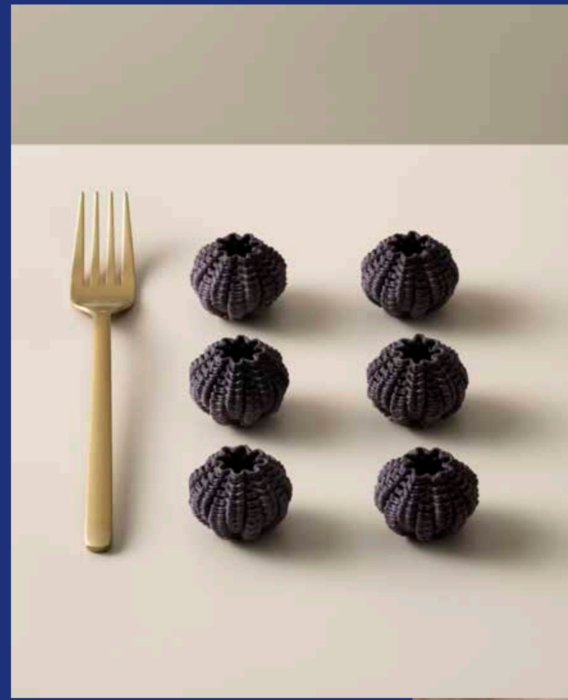
Company	Tax losses	Period for which losses may be carried forward	Rate %	Recognized deferred income tax assets	Unrecognized deferred income tax assets
Barilla America Inc*	22,766	20 years	various	2,015	-
Barilla Do Brazil LTDA	24,896	Unlimited	34%	8,465	-
Catelli Montreal Inc	15,902	20 years	26.50%	4,222	-
Barilla Belgium S.A.	130	Unlimited	25%	33	-
Barilla Netherlantds B.V.	1,726	Unlimited	25.80%	445	-
Barilla International B.V.	470	Unlimited	25.80%	121	-
Pasta Evangelists Ltd	22,169	Unlimited	25%	-	5,542
Barilla Singapore Pte Ltd	167	Unlimited	17%	28	-
Barilla Central Europe Service GmbH **	67,361	Unlimited	various	17,987	-
Total	**155,587**			**33,316**	**5,542**

** fiscal losses refer to State Tax related to several American states*
*** for Trade Tax purpose the amount of tax losses is 46,772 euro*

Sweden: Wasa Pesto Sandwich
USA: Chickpea Orzo - Barilla Love



From traditional spaghetti - the most beloved main dish in Italian cuisine - to 3D Spaghetti, a glamorous one-bite format designed to be the highlight of extraordinary aperitifs and destined to become iconic. A new gesture, a new ritual, offering consumption occasions that venture beyond the traditional comfort zone of pasta as a main course.



Sea Urchin, a tribute to the sea and the incredible creatures that inhabit it. This intricately designed 3D pasta creates delightful new textures on the palate for a truly extraordinary sensory experience.

7. Financial instruments and net financial position

Risk management policies

The Group's activities expose it to a variety of financial risks, among which: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

As part of its risk management policy and in order to minimize the impact of market risks, the Group also utilizes hedging instruments (whereas no instrument is used or held for speculative purposes). The Group manages all the hedging transactions centrally.The Group has introduced certain guidelines and procedures that govern risk management and control all derivative transactions.

(a) Market risk

(i) Interest rate risk

The exposure to market risk arising from changes in interest is mainly related to euro rates, the currency in which nearly all Group borrowings at floating rate are denominated or converted by virtue of the hedging contracts. The Group decided to keep a mix of fixed and floating rate debt, taking into consideration also the asset/ liablily management. At 31 December 2023 approximately 25% (33% in 2022) of gross indebtedness was at fixed rate, including derivatives financial instruments.

The Group analyzes its interest rate exposure on a dynamic basis. In particular, the Group simulates its financing requirements and prospective generation of cash flows on different scenarios applying varying assumptions based on economic expectations, existing positions and potential renewals, alternative financing, hedging policy and potential refinancing.

Sensitivity analysis:

The potential after-tax effects on the income statement and other comprehensive income of a +/-0.5 percentage point change in euro and in US dollar interest rates, with all other conditions remaining unchanged, applied to the Group's floating rate borrowings at 31 December would have amounted to:

Income – (cost)	2023		2022	
	+0.5%	-0.5%	+0.5%	-0.5%
Effect on Net Result	1,797	(1,797)	2,672	(2,694)
Effect on Other Comprehensive Income	(17)	17	(8)	8

The tax effects were calculated applying the Group's effective tax rates at 31 December 2023 and 2022.

(ii) Foreign exchange risk

Operating an international business, the Group is potentially exposed to the risk that exchange rate fluctuations may have on its assets, liabilities and cash flows generated outside the euro area. Actually, the Group is not heavily exposed to such risk as the risk that arises in the normal course of the business is managed through a policy of compensating assets and liabilities, using also, when necessary, derivative contracts (principally forward foreign exchange contracts).

Sensitivity analysis:

The analysis included receivables and payables denominated in foreign currencies and derivative financial instruments.

At 31 December 2023 and 2022 the potential after-tax effects on the net result and on other comprehensive income of a strengthening/ (devaluation) of the euro against the other foreign currencies (mainly US dollar), with all other conditions remaining equal, would have amounted to:

Income – (cost)	2023		2022	
	+10%	-10%	+10%	-10%
Effect on Net Result	11,481	(11,848)	24,655	(25,365)
Effect on Other Comprehensive Income	-	-	-	-

(iii)) Price risk

The Group manages the mitigation of operating risks relating to the trend in prices of those commodities used in the production process mainly through the adoption of medium-term purchasing contracts with its suppliers, partially integrated by derivative contracts on wheat and CO2. Hedging contracts are entered into in respect of the Swedish electrical energy market using the "Nord Pool" mechanism through the supplier.

Sensitivity analysis:

The analysis considers derivatives on commodities, mainly related to derivative contracts on wheat and electrical energy.

At 31 December 2023 and 2022 the potential after-tax effects on the income statement and other comprehensive income of a strengthening/(devaluation) of commodities' prices, with all other conditions remaining equal, would have amounted to:

Income – (cost)	2023		2022	
	+5%	-5%	+5%	-5%
Effect on Net Result	(1,990)	1,990	(4,724)	4,724
Effect on Other Comprehensive Income	391	(391)	(8,325)	8,325

(b) Credit risk

Credit risk represents the risk that one of the parties to a transaction does not fulfil the financial obligations undertaken. This risk relates to outstanding trade receivables, securities and cash and cash equivalents, and operations with banks and other financial institutions comprising: deposits and other transactions, derivative instruments and the ability to meet the commitment on the irrevocable credit facilities.

The Group's accounts receivable is concentrated in the large-scale retail channel.

The Group periodically assesses the creditworthiness of its counterparties and regularly monitors the respect of the credit limits assigned. Insurance policies have been also underwritten to cover potential losses related to commercial receivables.

The Group determines the value of debt instruments and the bank deposits in accordance with the expected credit losses criterion. As far as the credit risk on bank deposits and other financial investments is concerned, the Group has established exposure limits for each counterparty on the basis of the external credit rating, the level of credit default swaps and other market information. The Group believes not to be currently exposed to significant risks.

(c) Liquidity risk

The Group's policies aim to make the liquidity risk reasonably remote. This is achieved through the constant availability of funding through undrawn committed credit facilities, which cope with any reasonably foreseeable future financial commitments, also taking into account the Group's significant generation of cash flows.

At 31 December 2023, the Group held credit facilities expiring in 2025 of euro 500,000 (with the option of further increase until euro 800 millions) in addition to cash and cash equivalents in excess of euro 400,048.

An analysis of financial liabilities and derivatives assets/liabilities by maturity is provided in the table below. The maturity buckets are based on the period between the year-end date and the contractual maturity of the obligations.

The amounts in the table represent the undiscounted cash flows including interest estimated applying year-end exchange rates.

At 31 December 2023	Less than 1 year	From 2 to 5 years	Over 5 years	Total
Borrowings with banks, other lenders and finance leases	216,601	366,054	14,451	597,106
Derivative financial instruments through consolidated profit or loss	1,734	-	-	1,734
Put option held of minority shareholders	-	20,000	-	20,000
Trade and other payables	1,273,831	4,763	-	1,278,595
Total	**1,492,166**	**390,817**	**14,451**	**1,897,435**

At 31 December 2022	Less than 1 year	From 2 to 5 years	Over 5 years	Total
Borrowings with banks, other lenders and finance leases	314,870	262,010	11,979	588,858
Derivative financial instruments through consolidated profit or loss	772	-	-	772
Put option held of minority shareholders	-	9,258	44,628	53,886
Trade and other payables	1,255,820	4,309	-	1,260,129
Total	**1,571,462**	**275,577**	**56,607**	**1,903,646**

Categories of financial instruments

In order to provide full financial risk disclosures, the reconciliation between the categories of financial assets and liabilities as reported in the Group financial position and the categories of financial assets and liabilities identified in accordance with IFRS 7 is presented below, along with the information of fair value evaluation level provided for by IFRS 13:

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Equity instruments at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Hedging derivatives assets	Hedging derivatives liabilities	Fair value	Fair value evaluation Level
31 December 2023									
Equity instruments	-	-	3,613	-	-	-	-	**3,613**	Level 3
Derivatives (assets)	4,256	-	-	-	-	1,033	-	**5,289**	Level 2
Other activities at Fair value	253,226	-	-	-	-	-	-	**253,226**	Level 1
Trade and other receivables	-	880,826	-	-	-	-	-	**880,826**	-
Cash and cash equivalents and financial assets	-	400,048	-	-	-	-	-	**400,048**	-
Borrowings with banks and other lenders	-	-	-	284,628	314,105	-	-	**598,733**	-
Trade payables	-	-	-	-	1,024,127	-	-	**1,024,127**	-
Other payables	-	-	-	-	254,468	-	-	**254,468**	-
Derivatives (liabilities)	-	-	-	3,497	-	-	543	**4,040**	Level 2
Total	**257,482**	**1,280,874**	**3,613**	**288,125**	**1,592,700**	**1,033**	**543**		
31 December 2022									
Equity instruments	-	-	3,388	-	-	-	-	**3,388**	Level 3
Derivatives (assets)	7,075	-	-	-	-	45,770	-	**52,845**	Level 2
Other activities at Fair value	240,361	652	-	-	-	-	-	**241,013**	Level 1
Trade and other receivables	-	790,697	-	-	-	-	-	**790,697**	-
Cash and cash equivalents and financial assets	-	520,079	-	-	-	-	-	**520,079**	-
Borrowings with banks and other lenders	-	-	-	355,946	464,158	-	-	**820,104**	-
Trade payables	-	-	-	-	1,000,816	-	-	**1,000,816**	-
Other payables	-	-	-	-	259,313	-	-	**259,313**	-
Derivatives (liabilities)	-	-	-	3,378	-	-	5,070	**8,448**	Level 2
Total	**247,436**	**1,311,428**	**3,388**	**359,324**	**1,724,287**	**45,770**	**5,070**		

During the year, there was no transfer of financial assets or liabilities valued at fair value from level 1 to level 2. For the valuation techniques of the financial instruments in the level 2, refer to the previously described note on 'Accounting and valuation policies'.

The market value of borrowings with banks and other lenders was determined as follows:

- about the floating rate revolving facility, assuming the same credit rating, the nominal repayment value was used, as the adjustment of future lending rates in line with Euribor determined by the markets ensures the substantial alignment in values;
- with regard to the US dollar fixed rate US Private Placement, the valuation method for the portion qualified as cash flow hedge considers the amortized cost converted in euro at the current exchange rate; for the portion qualified as fair value hedge, the valuation method considers the amortised cost, net of the change in value of the hypothetical derivative which underlies the hedging relationship, with all amounts converted to euro at the current exchange rate;
- the unconditioned put options allowed to the minority shareholders in regard of the parasocial agreements have been booked in the consolidated financial statement and valued at amortized cost or net present value by using the effective interest method and converting all to the current exchange;
- for all other borrowings, given the low value and the fact that these largely relate to short-term and/or floating rate instruments, the carrying value is considered representative of their fair value.

The other debt instruments, consisting of Investment Grade bonds, they are measured at fair value through consolidated income statement.

Regarding equity investments in unlisted companies included in the category equity instruments, the Group during the year determined their fair values and adjusted accordingly the carrying values. Further details are provided in note 6.13.

Net financial position (alternative performance indicator not required by accounting standards)

The net financial position of the Group at the year-end represents the sum of financial receivables and payables that originated respectively from borrowings and deposits, cash, bank and postal accounts, securities classified as financial assets at amortized cost and fair value through profit or loss and mark-to-market derivatives.

The net financial position of the Group as of 31 December 2023 is positive for an amount of euro 56,552. In the previous year, the net financial position was negative for euro 14,615.

Derivatives relating to commodities used in the production process, included in the above total, have a positive mark-to-market of euro 2,983 (positive for euro 16,353 as of December 31, 2022).

The Group's net financial position may be summarized as follows:

	12/31/2023	12/31/2022
Bank accounts	399,944	519,951
Cash on hand	104	128
Current financial assets at fair value	253,226	240,361
Banks and other borrowings (including derivatives) - current	(217,163)	(344,061)
Short-term net financial position	**436,111**	**416,379**
Non-current financial assets at fair value (including derivatives)	18,488	25,575
Other financial receivable due after one year	763	652
Put option held of minority non current	(14,265)	(17,590)
Borrowings - non current	(375,400)	(433,110)
Derivatives financial instruments (liabilities)	(9,145)	(6,521)
Medium/long-term net financial position	**(379,559)**	**(430,994)**
Total net financial position	**56,552**	**(14,615)**

Capital risk management

The Group's objectives regarding capital risk management are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group also aims to maintain an optimal capital structure to reduce the cost of debt.

The Group monitors its capitalization based on the ratio between the net financial position and EBITDA. This ratio is an indicator of the ability to repay borrowings and is normalized to exclude non-recurring items.

Below is the analysis of operating profit from continuing operations (EBIT-EBITDA):

	12/31/2023		12/31/2022	
	with hyperinflation IAS 29 effect	with-out hyperinflation IAS 29 effect	with hyperinflation IAS 29 effect	with-out hyperinflation IAS 29 effect
Operating profit from continuing operations (EBIT)	**301,380**	**301,380**	**308,467**	**308,467**
Monetary correction IAS 29 of the period	-	(2,042)	-	(84)
Operating profit from continuing operations restated (EBIT)	**301,380**	**299,338**	**308,467**	**308,383**
Amortization and impairment losses of intangible fixed assets (continuing operations)	26,636	26,552	21,742	21,716
Depreciation and impairment losses of tangible fixed assets (continuing operations)	169,483	167,991	158,761	157,597
Operating profit from continuing operations before depreciation, amortization and impairment losses on fixed assets (EBITDA)	**497,499**	**493,881**	**488,970**	**487,696**

The ratio net financial position to EBITDA at 31 December is the following:

	12/31/2023	12/31/2022
Net financial position	56,552	(14,615)
EBITDA *	493,881	487,696
EBITDA/net financial position	**n.a.**	**0.03**

**without hyperinflationary effect as to paragraph IAS 29 - 'Accounting reporting in hyperinflationary economies'*

8. Disclosures in accordance with IAS 24 for related party transactions and key management compensation

8.1 Key management compensation

Key management with authority and responsibility for planning, directing and controlling the Group's activities are the executive and non-executive directors, represented by the Managing Directors and Finance Directors of Barilla Holding and the principal Group operating subsidiaries.

Total compensation paid to these individuals is presented below:

	2023	2022
Short-term benefits	24,196	19,017
Post-employment benefits	2,473	1,012
Other long-term benefits	5,507	8,343
Total	**32,176**	**28,372**

8.2 Related parties

Transactions with other Group companies and related parties are not considered to be uncharacteristic or unusual as they are carried out in the normal course of business. These transactions take place on an arm's length basis, where possible taking into account market conditions. Further information is presented in the Directors' Report.

8.3 Fees to Audit company

KPMG S.p.A. has been engaged for a three-year period, from year 2022 to 2024, to perform the audit of the Consolidated financial statements, as required by the Italian law (Article n. 14 Legislative Decree 39/ 2010 and articles n. 2409-bis et seq. of the Italian Civil Code).

The 2023 fees in respect of the legal activities for the statutory audit of the annual accounts, the other audit services and the other assistance services amounted to euro 1,807.

8.4 Relationships with company bodies

The emoluments of the directors of Barilla Holding S.r.l. for the year 2023 amounted to euro 4,099.

The remuneration of the Board of Statutory Auditors of Barilla Holding S.r.l. related to Group appointments amounted to a total euro 362 in 2023.

Fifth edition of Good Food Makers: a global open innovation program for Ag-tech and Food-tech startups. Thanks to the know-how of the startup Plug and Play in the scouting and selection process of startups, Barilla collaborates with entities that, with their ideas, contribute to shaping a more sustainable food future. In the photo, the Nosh Bio group, one of the winning teams that worked with Barilla on the theme "fermentation for clean label."

Appendices

Appendix 1.

List of companies included in the scope of consolidation

Company, headquarter and activity	Currency	Share Capital (nominal value)	% Group ownership	Through	%
Barilla Iniziative S.p.A. Via Mantova 166 – Parma (Italy) Financial services	EURO	2,000,000	85.00	Barilla Holding S.r.l.	85.00
Barilla Iniziative 2 S.r.l. Via Mantova 166 – Parma (Italy) Financial services	EURO	10,000	85.00	Barilla Holding S.r.l.	85.00
Barilla International Limited Harella House 90-98, Goswell Road - London (United Kingdom) Holding Company	GBP	100	85.00	Barilla Holding S.r.l.	85.00
Barilla International B.V. Orteliuslaan 1000, 3528BD Utrecht (Netherlands) Financial services	EURO	10,000	85.00	Barilla Holding S.r.l.	85.00
Barilla CO s.r.l. Via Mantova 166 – Parma (Italy) Services	EURO	10,000	85.00	Barilla Holding S.r.l.	85.00
3D Food S.r.l. Via Madre Teresa di Calcutta 3/A – Parma (Italy) Production and trade	EURO	25,000	85.00	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	100.00
Barilla Central Europe Service GmbH Fritz-Vomfelde-Strasse 14-20 – Dusseldorf (Germany) Financial services	EURO	25,000	85.00	Barilla Iniziative S.p.A.	100.00
Barilla G. e R. Fratelli Società per Azioni - Socio Unico Via Mantova 166 – Parma (Italy) Production and trade	EURO	180,639,990	85.00	Barilla Iniziative S.p.A.	100.00
Barilla Servizi Finanziari S.p.A. - Socio Unico Via Mantova 166 – Parma (Italy) Leasing company	EURO	30,000,000	85.00	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	100.00
FIRST S.p.A. - Socio Unico Via Mantova 166 – Parma (Italy) Commission company	EURO	5,000,000	85.00	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	100.00
FIRST Commerciale S.r.l. - Socio Unico Via Mantova 166 – Parma (Italy) Selling company	EURO	10,000	85.00	FIRST S.p.A. - Socio Unico	100.00
Barilla Hellas S.A. 2, Paradeisou Str. – Marousi (Greece) Production and trade	EURO	7,611,840	85.00	Barilla International Limited	100.00
Barilla America Inc. 191 North Wacker Drive – Chicago, IL (USA) Production and trade	USD	1,000	85.00	Barilla International Limited	100.00
Catelli Montreal Inc. 151 Yonge Street, Suite 1500 c/o Torkin Manes LLP – Toronto (Canada) Production and trade	CAD	79,000,300	85.00	Barilla International Limited	100.00
Barilla Japan K.K. 9F, 2-7-3 Hirakawacho Chiyoda-ku -Tokyo (Japan) Trade	JPY	400,050,000	85.00	Barilla Singapore Pte Ltd	100.00
Barilla Do Brasil LTDA Avenida Brigadeiro Faria Lima 1336 block 121, 12° Andar - San Paolo (Brasil) Trade	BRL	127,937,135	85.00	Barilla International Limited Barilla Servizi Finanziari S.p.A. - Socio Unico	99.99 0.01
Barilla Austria GmbH Grabenweg 64 - Innsbruck (Austria) Trade	EURO	436,000	85.00	Barilla Central Europe Service GmbH	100.00
Barilla Mexico S.A. de C.V. Calzada San Bartolo Naucalpan 360 Col. Argentina Ponente Deleg. M. Hildalgo - Mexico City (Mexico) Production and trade	MXN	227,348,096	42.5	Barilla International Limited	50.00
Barilla Acceleration Limited Goswell Road, Harella House, 90-98 – Londra (United Kingdom) Services	GBP	100	85.00	Barilla International Limited	100,00

Company, headquarter and activity	Currency	Share Capital (nominal value)	% Group ownership	Through	%
Barilla Singapore Pte Ltd 27 Kreta Ayer Road - Singapore (Singapore) Holding and Trade	SGD USD	1,000,000 38,000,000	85.00	Barilla International Limited	100.00
Barilla (SHANGHAI) Trading Company Limited Unit 1902, Floor 19, Hongyi Plaza, No. 288 Jiujiang Road, Huangpu District- Shanghai (Cina) Trade	USD	15,120,000	85.00	Barilla Singapore Pte Ltd	100.00
Barilla Middle East FZE Office No. LB191803, Jebel Ali – Dubai (United Arab Emirates) Trade	AED	1,000,000	85.00	Barilla Singapore Pte Ltd	100.00
Barilla Espana S.L. Zurbano 43 – Madrid (Spain) Trade	EURO	3,100	85.00	Barilla International Limited	100.00
Barilla Gida A.S. Askent sokak n.3A Kosifler Plaza D.11 Ataşehir – Istanbul (Turkey) Production and trade	TRY	409,550,000	85.00	Barilla International Limited	100.00
Barilla Switzerland AG Zugerstrasse 76B – Baar (Switzeland) Trade	CHF	1,000,000	85.00	Barilla Central Europe Service GmbH	100.00
Barilla Sverige AB Dalagatan 100, 113 43- Stockholm (Sweden) Production and trade	SEK	5,000,000	85.00	Barilla International Limited	100.00
Barilla Norge AS Sandvikavegen 55 - Ottestad (Norway) Trade	NOK	1,952,000	85.00	Barilla Sverige AB	100.00
Barilla Poland Sp. Z.o.o. ul. Bobrowiecka 8,00-728 – Warsaw (Poland) Trade	PLN	14,050,000	85.00	Barilla Central Europe Service GmbH	100.00
Barilla Deutschland GmbH Gustav-Heinemann-Ufer 72 c - Cologne (Germany) Production and trade	EURO	51,100	85.00	Barilla Central Europe Service GmbH Barilla Sverige AB	89.9002 10.0998
Barilla Australia PTY Limited c\o Deloitte Private PtyLtd Level 1, Grosvenor Place, 225 George Street– Sydney (Australia) Trade	AUD	30,050,000	85.00	Barilla International Limited	100.00
Barilla Netherlands B.V. Orteliuslaan 1000 – Utrecht (The Netherlands) Trade	EURO	18,000	85.00	Barilla International Limited	100.00
Barilla Adriatik d.o.o. Bravničarjeva ulica, 13 – Ljubljiana (Slovenia) Trade	EURO	50,000	85.00	Barilla International Limited	100.00
Barilla Hrvatska d.o.o. Radnička cesta 39 - Zagreb (Croatia) Trade	EURO	10,000	85.00	Barilla International Limited	100.00
Barilla America N.Y. Inc. Livington County - New York NY (USA) Production and trade	USD	10,000	85.00	Barilla International Limited	100.00
Barilla Rus LLC 1 Butyrski Tupik 1 Solnečnogorsk - Moscow (Russia) Production and trade	RUB	661,401,820	74.628725	Barilla International Limited Barilla Servizi Finanziari S.p.A. - Socio Unico	87.0425 0.7560
Barilla Rus Production LLC Shmatovo rural area, Stupino urban district – Moscow (Russia) Production and trade	RUB	10,000,000	74.628725	Barilla Rus LLC	100.00
Barilla Romania 48 Nicolae Titulescu - Bucharest (Romania) Trade	RON	45,000	85.00	Barilla Hellas	100.00
Barilla France SAS 30 Cours de l'île Seguin – Boulogne Billancourt (France) Production, trade and finacial services	EURO	126,683,296	85.00	Barilla International Limited	100.00

Company, headquarter and activity	Currency	Share Capital (nominal value)	% Group ownership	Through	%
Barilla Belgium S.A. Chaussée de la Hulpe 166 - Bruxelles (Belgium) Trade	EURO	693,882	85.00	Barilla Netherlands B.V. Barilla France SAS	71.20 28.80
Barilla Canada Inc. 26 Yonge Street - Toronto (Canada) Trade	CAD	2,010,000	85.00	Barilla International Limited	100.00
BACK TO NATURE FOODS LLC (già BA Brussels LLC) 191 North Wacker Drive - Chicago, IL (USA) Trade	USD	65,010,000	85.00	Barilla America Inc	100.00
Pasta Evangelists LTD 14 Bonhill Street– Londra (United Kingdom) Production and trade	GBP	9,361	63.104	Barilla International Limited	74.24

Appendix 2.

List of investments in associated and other companies

Company, headquarter and activity	Currency	Share Capital (nominal value)	% Group ownership	Through	%
BRW S.p.A. Via Savona 16 - Milan (Italy) Advertising	EURO	5,440,085	28.577	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	33.620
Food Farms s.c.p.a. Strada ponte Caprazucca 6/A - Parma (Italy) Environmental development	EURO	58,000	11.7215	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	13.79
Fiere di Parma S.p.A. Via delle Esposizioni 393A, Baganzola - Parma (Italy) Fair Activities	EURO	25,401,010	0.23919	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.2814
C.E.P.I.M. – Centro padano interscambio merci S.p.A. Piazza Europa 1, Fontevivo – Parma (Italy) Warehousing	EURO	6,642,928	0.323	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.380
Immobiliare Caprazucca S.p.A. Strada al Ponte Caprazucca 6 - Parma (Italy) Real estate trade	EURO	7,517,948	0.00002125	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.000025
SOGEAP – Aeroporto di Parma Società per la gestione S.p.A. Via Ferretti Licinio 50/A - Parma (Italy) Other -airport related activities	EURO	110,280	0.527	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.620
Pallino Pastaria Company 2020 124th Ave NE, Suite C-207 – Bellevue, WA (USA) Production and trade	USD	501,500	9.401	Barilla America Inc.	11.060
Italia del Gusto – Consorzio Export La gastronomia di marca Via delle Esposizioni 393/A, Baganzola - Parma (Italy) Trade	EURO	157,500	2.431	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	2.860
COMIECO Via Litta Pompeo 5 - Milano (Italy) Other	EURO	1,161,900	0.000102	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.00012
CO.NA.I. Via Tomacelli 132 – Roma (Italy) Other	EURO	15,159,873	0.119	Barilla G. e R. Fratelli Società per Azioni - Socio Unico	0.140
FASTIGHETSAKTIEBOLAGET TAREDOM Pumpgatan 5 - Karlstad (Sweden) Other	SEK	796,700	0.17	Barilla Sverige AB	0.200
STOREBRAND ABA Professor Kohts vei 9 - Lysaker (Norway) Other	NOK	2,250,000,000	0.000255	Barilla Norge AS	0.0003
TÅGÅKERIET I BERGSLAGEN AB Bangardsgatan 2, Kristinehamn (Sweden) Other	SEK	3,000,000	8.5	Barilla Sverige AB	10.000

Appendix 3.

Currency rates of exchange

The main foreign exchange rates used to translate the financial statements are set below:

Currency		Average Change 2023	Year end 12/31/2023
AED	Arab Emirates Dirham	3.9710	4.0581
AUD	Australian Dollar	1.6288	1.6263
BRL	Brazilian Real	5.4010	5.3618
CAD	Canandian Dollar	1.4595	1.4642
CHF	Swiss Franc	0.9718	0.9260
CNY	Chinese Yuan	7.6600	7.8509
DKK	Danish Krone	7.4509	7.4529
GBP	British Pound	0.8698	0.8690
JPY	Japanese Yen	151.9903	156.3300
MXN	Mexican Pesos	19.1830	18.7231
NOK	Norwegian Krone	11.42483	11.2405
PLN	Polish Zloty	4.5420	4.3395
RON	Romanian Leu	4.9467	4.9756
RUB	Russian Ruble	91.8432	100.5506
SEK	Swedish Krone	11.4788	11.0960
TRY*	Turkish Lira	32.6531	32.6531
USD	United States Dollar	1.0813	1.1050

** The average exchange rate of the Turkish Lira is equal to the final reference exchange rate for the application of IAS 29 - 'Accounting reporting in hyperinflationary economies'*

Appendix 4.

Summary of public disbursements in accordance with article 1 of Italian Law n. 124/2017

Receiving subject name	Receiving subject fiscal mame	Lending subject name	Reeceived amount (in Euro unit)	Receiving Date	Purpose
Barilla G. e R. Fratelli Società per Azioni	01654010345	EUROPEAN UNION	62,269	01/17/2023	*Smart protein*
Barilla G. e R. Fratelli Società per Azioni	01654010345	EUROPEAN UNION	35,123	09/25/2023	*HIFLEX*
		Total	**97,392**		

Report of Indipendent Auditors

(Translation from the Italian original which remains the definitive version)

Barilla Holding Group

Consolidated financial statements as at 31 December 2023

(with independent auditors' report thereon)

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the sole shareholder of
Barilla Holding S.r.l.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Barilla Holding Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Independent auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of Barilla Holding S.r.l. in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Report of Indipendent Auditors

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The company's directors are responsible for the preparation of a directors' report at 31 December 2023 and for the consistency of such report with the related consolidated financial statements and its compliance with applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the group's consolidated financial statements at 31 December 2023 and its compliance with applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report is consistent with group's consolidated financial statements at 31 December 2023 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Parma, 9 April 2024

KPMG S.p.A.

(signed on the original)

Gianluca Tagliavini
Director of Audit

Barilla Holding S.r.l.

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