20240617132200

ÅRSREDOVISNING

2023-01-01-2023-12-31

för

Bracco Imaging Scandinavia AB
556681-8497

Årsredovisningen omfattar: **Sida**

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FASTSTÄLLELSEINTYG

Undertecknad verkställande direktör i Bracco Imaging Scandinavia AB intygar härmed, dels att denna kopia av årsredovisningen och revisionsberättelsen stämmer överens med originalet, dels att resultaträkningen och balansräkningen för företaget har fastställts på årsstämma den 11/6 -2024 . Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Göteborg den 11/6 - 2024

Staffan Rosén

20240617322O2

Bracco Imaging Scandinavia AB
556681-8497

ÅRSREDOVISNING FÖR BRACCO IMAGING SCANDINAVIA AB

Styrelsen och verkställande direktören för Bracco Imaging Scandinavia AB avger härmed årsredovisning för räkenskapsåret 2023-01-01-2023-12-31.

FÖRVALTNINGSBERÄTTELSE

Verksamhetens art och inriktning

Bolagets huvudsakliga verksamhet består av att sälja och distribuera kontrastmedel och medicinteknisk utrustning. Bolaget fokuserar på bilddiagnostik och finns i alla modaliteter för bildanalys med ett brett spektrum av produkter. En del av bolagets framgång ligger i förmågan att förse kunden med en lösning, snarare än att enbart sälja en produkt. Till exempel utgör vetenskapliga utbildningar en viktig del av bolagets verksamhet till syfte att stödja kunderna.
Verksamheten bedrivs i Sverige, Norge, Danmark och Finland. Företaget har sitt säte i Göteborg.

Ägarförhållanden

Bolaget är sedan 1 september 2010 ett helägt dotterbolag till Bracco Imaging Holding BV (34.143.391) med säte i Nederländerna. Moderbolaget i hela koncernen är Bracco Imaging SpA (00825120157), Milano, Italien.

Väsentliga händelser under räkenskapsåret

Bracco Imaging Scandinavia (BIS) AB har under 2023 arbetat med prisutveckling av hela produktionsportföljen, men med särskilt fokus inom läkemedel. Prisjusteringarna väntas främst träda i kraft under 2024 och 2025. Inom läkemedelssegmentet röntgen/CT har det varit en bred omsättningsökning som koncentreratas till främst Finland och Sverige, men även varit synlig i Danmark och Norge. Till detta så blev planerad start för försäljning av registrerad produkt inom segmentet Nuklearmedicin försenad till den senare delen av året vilket ledde till att segmentet inte nådde sin fulla potential, jämfört med budget. I tillägg inkluderades Island från och med maj månad och utökade bolagets geografiska närvaro inom det Kardiovaskulära segmentet. Ett nytt avtal har ingåtts med den finska grossisten som innebär att bolaget nu äger lagret. Försäljningen av medicinteknik inom det Kardiovaskulära segmentet har under året utvecklats med en stor del nyinstallationer, med merförsäljning av förbrukningsartiklar under kommande år som resultat.

Utveckling av verksamhet, ställning och resultat

(Tkr)	2023	2022	2021	2020	2019
Nettoomsättning	157 819	144 947	118 447	120 633	122 364
Rörelseresultat	13 086	12 635	11 343	7 591	5 159
Resultat e. finansiella poster	9 890	11 272	9 465	7 881	4 864
Balansomslutning	77 941	97 673	90 726	93 183	86 471
Soliditet [1]	53,9%	47,5%	63,3%	60,2%	57,7%
Avkastning på eget kapital [2]	23,6%	24,3%	16,5%	14,1%	10,5%
Avkastning på totalt kapital [3]	20,1%	17,3%	13,2%	10,4%	7,0%
Medelantal anställda	12	12	11	11	11

[1] Justerat eget kapital / Balansomslutning. Med justerat eget kapital avses eget kapital + obeskattade reserver med avdrag för uppskjuten skatteskuld.

[2] Årets resultat före skatt / Justerat Eget kapital

[3] (Resultat efter finansiella intäkter och kostnader + räntekostnader) / Balansomslutning

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Väsentliga risker och osäkerhetsfaktorer
Bolagets huvudsakliga kundbas består av offentliga sjukhus vilka under de senaste åren har blivit mycket priskänsliga. Bolagets framgångar har sin grund i att bibehålla starka relationer med kunderna och erbjuda mervärde i all service samt att optimera lagernivåerna, vilket möjliggör att företaget kan utestänga flertalet riskfaktorer. Ytterligare föreligger inga direkta kreditrisker då den offentliga vården har statligt stöd.
Företaget bedriver verksamhet på flera olika geografiska marknader och i olika valutor och är därigenom exponerad för valutarisk. Exponeringen för valutarisk härrör huvudsakligen från betalningsflöden i utländsk valuta, så kallad transaktionsexponering samt från omräkning av balansposter i utländsk valuta. Företagets in- och utflöden består av SEK, DKK, NOK och EUR, och företaget påverkas därmed av förändringar i dessa valutakurser.

I och med långsiktiga kontrakt med flertalet kunder, i form av redan upphandlade anbud, har bolaget säkrat finansiella resurser. Detta gör att styrelsen anser att bolaget har goda förutsättningar att hantera verksamhetens risker med framgång.

Förväntad framtida utveckling
Marknaden för företagets produkter och tjänster utgör en viktig del i den utvecklade världens sjukvård. Utvecklingen och efterfrågan i marknaden går i linje med företagets marknadserbjudande och marknadstillväxten spås bli svag men stabil. Det mesta tyder på att marknaden för bolagets produkter kommer finnas kvar långt fram i tiden.

Till följd av ökade inköpspriser som konsekvens av ökad inflation och händelser i omvärlden, vidtar bolaget åtgärder för att upprätthålla marginaler och minska negativ påverkan på bolagets framtida utveckling. I tillägg vidtas åtgärder för att säkra produktion för den ökande efterfrågan av bolagets produkter.

Efter granskning ser styrelsen att bolaget har tillräckliga resurser för att fortsätta sin operativa verksamhet inom en överskådlig framtid. I enlighet därmed antas fortlevnadsprincipen vid utarbetandet av årsredovisningen och bokslut.

Resultatdisposition
Förslag till dispositioner beträffande vinst (kr)

Till årsstämmans förfogande står följande vinstmedel:

Balanserat resultat	34 256 214
Årets resultat	7 629 957
	41 886 171

Styrelsen föreslår att

till aktieägarna utdelas (1 000 aktier * 5 000 per aktie)	5 000 000
i ny räkning balanseras	36 886 171

Styrelsens yttrande över den föreslagna vinstutdelningen
Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § Aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Beträffande företagets resultat och ställning i övrigt hänvisas till efterföljande resultat-och balansräkning, rapport över förändringar i eget kapital, kassaflödesanalys samt noter. Alla belopp uttrycks i tusentals svenska kronor där ej annat anges.

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RESULTATRÄKNING
(Tkr)

	Not	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Rörelsens intäkter			
Nettoomsättning	4, 5	157 819	144 946
Övriga rörelseintäkter		4 582	6 178
		162 401	**151 124**
Rörelsens kostnader			
Handelsvaror	5	-98 274	-93 541
Övriga externa kostnader	6,7	-34 085	-29 367
Personalkostnader	8	-15 466	-13 837
Avskrivningar av materiella och immateriella anläggningstillgångar		-1 490	-1 745
Rörelseresultat		**13 086**	**12 634**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande intäkter	9	2 640	4 273
Nedskrivningar av finansiella anläggningstillgångar och kortfristiga placeringar		-82	
Räntekostnader och liknande kostnader	10	-5 754	-5 635
Resultat efter finansiella poster		**9 890**	**11 272**
Resultat före skatt		**9 890**	**11 272**
Skatt på årets resultat	11	-2 260	-2 316
ÅRETS RESULTAT		**7 630**	**8 956**

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BALANSRÄKNING

(Tkr)

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	12	6 146	3 660
		6 146	**3 660**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13	229	311
Andelar hos intresseföretag	14	1	1
Uppskjuten skattefordran	15		
Summa anläggningstillgångar		**6 376**	**3 972**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		17 562	23 581
		17 562	**23 581**
Kortfristiga fordringar			
Kundfordringar		40 529	34 081
Övriga fordringar			751
Förutbetalda kostnader och upplupna intäkter		500	536
		41 029	**35 368**
Kassa och bank	18	**12 974**	**34 752**
Summa omsättningstillgångar		**71 565**	**93 701**
SUMMA TILLGÅNGAR		**77 941**	**97 673**

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BALANSRÄKNING

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	16	100	100
		100	**100**
Fritt eget kapital			
Balanserad vinst eller förlust		34 256	37 300
Årets resultat		7 630	8 956
	20	**41 886**	**46 256**
Summa eget kapital		**41 986**	**46 356**
Kortfristiga skulder			
Leverantörsskulder		2 463	3 077
Skulder till koncernföretag		18 313	31 955
Aktuella skatteskulder		440	1 125
Övriga kortfristiga skulder		3 960	8 081
Upplupna kostnader och förutbetalda intäkter	17	10 779	7 079
		35 955	**51 317**
SUMMA EGET KAPITAL OCH SKULDER		77 941	97 673

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Bracco Imaging Scandinavia AB
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RAPPORT ÖVER FÖRÄNDRINGAR I EGET KAPITAL

(Tkr)

	Bundet eget kapital	*Fritt eget kapital*		
	Aktie-kapital	Balanserad vinst eller förlust	Årets resultat	**Summa eget kapital**
Ingående balans per 1 januari 2022	**100**	**49 886**	**7 414**	**57 400**
Disposition av föregående års resultat		7 414	-7 414	
Årets resultat			8 956	8 956
Utdelningar		-20 000		-20 000
Aktieägartillskott				
Utgående balans per 31 december 2022	**100**	**37 300**	**8 956**	**46 356**

	Bundet eget kapital	*Fritt eget kapital*		
	Aktie-kapital	Balanserad vinst eller förlust	Årets resultat	**Summa eget kapital**
Ingående balans per 1 januari 2023	**100**	**37 300**	**8 956**	**46 356**
Disposition av föregående års resultat		8 956	-8 956	
Årets resultat			7 630	7 630
Årets resultat				
Transaktioner med ägare:				
Utdelningar		-12 000		-12 000
Aktieägartillskott				
Summa transaktioner med aktieägare		**-12 000**		**-12 000**
Utgående balans per 31 december 2023	**100**	**34 256**	**7 630**	**41 986**

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KASSAFLÖDESANALYS

(Tkr)

	Not	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Den löpande verksamheten			
Rörelseresultat		13 086	12 634
Justeringar för poster som inte ingår i kassaflödet:			
Avskrivningar		1 572	1 745
Realisationsförlust		35	56
Erhållen ränta		-419	278
Betald inkomstskatt		-3 100	-2 155
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**11 174**	**12 558**
Kassaflöde från förändringar i rörelsekapital			
Minskning(+)/ökning(-) av varulager		7 534	21
Minskning(+)/ökning(-) av kundfordringar		-7 342	-9 058
Minskning(+)/ökning(-) av övriga kortfristiga fordringar		787	-432
Minskning(-)/ökning(+) leverantörsskulder		-17 078	15 377
Minskning(-)/ökning(+) av övriga kortfristiga skulder		-939	1 224
Kassaflöde från den löpande verksamheten		**-5 864**	**19 690**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-4 010	-2 152
Försäljning av materiella anläggningstillgångar		96	0
Kassaflöde från investeringsverksamheten		**-3 914**	**-2 152**
Finansieringsverksamheten			
Utbetald utdelning		-12 000	-20 000
Kassaflöde från finansieringsverksamheten		**-12 000**	**-20 000**
Årets kassaflöde		**-21 778**	**-2 462**
Likvida medel vid årets början		**34 752**	**37 214**
Likvida medel vid årets slut	18	**12 974**	**34 752**

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NOTER

Not 1 Allmän information

Bracco Imaging Scandinavia AB med organisationsnummer 556681-8497 är ett aktiebolag registrerat i Sverige med säte i Göteborg. Adressen till huvudkontoret är Drakegatan 6, vån 7, 412 50 Göteborg. Företagets verksamhet omfattar försäljning och distribuering av kontrastmedel och medicinteknisk utrustning.

Moderföretag i den största koncernen som Bracco Scandinavia AB är dotterföretag till är Bracco Imaging SpA, med säte i Milano, Italien. Moderföretag i den minsta koncernen som Bracco Imaging Scandinavia AB är dotterföretag till är Bracco Imaging Holding BV, med säte i Nederländerna.

Ingen koncernredovisning har upprättats med stöd av Årsredovisningslagen 7 kap. 2 § punkt 1.

Not 2 Redovisningsprinciper och värderingsprinciper

Företaget tillämpar Årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning ("K3").

Intäkter
Intäkter redovisas till det verkliga värdet av den ersättning som erhållits eller kommer att erhållas, med avdrag för mervärdeskatt, rabatter, returer och liknande avdrag.

Bracco Imaging Scandinavia ABs intäkter består i huvudsak av försäljning av kontrastmedel och medicinsk utrustning.

Varuförsäljning
Intäkter från försäljning av varor redovisas när varorna levererats och äganderätten har överförts till kunden, varmed samtliga villkor nedan är uppfyllda:
• företaget har överfört de väsentliga risker och fördelar som är förknippade med varornas ägande,
• företaget inte längre har något sådant engagemang i den löpande förvaltningen som vanligtvis förknippas med ägande och utövar inte heller någon reell kontroll över de sålda varorna,
• inkomsten kan beräknas på ett tillförlitligt sätt,
• det ekonomiska fördelar som är förknippade med transaktionen sannolikt kommer att tillfalla företaget, och
• *de utgifter som uppkommit eller som förväntas uppkomma till följd av transaktionen kan beräknas på ett tillförlitligt sätt.*

Leasingavtal
Ett finansiellt leasingavtal är ett avtal enligt vilket de ekonomiska risker och fördelar som förknippas med ägandet av en tillgång i allt väsentligt överförs från leasegivaren till leasetagaren. Övriga leasingavtal klassificeras som operationella leasingavtal. Samtliga leasingavtal hos Bracco Imaging Scandinavia AB redovisas enligt reglerna för operationell leasing.

Leasetagare
Leasingavgifter vid operationella leasingavtal kostnadsförs linjärt över leasingperioden, såvida inte ett annat systematiskt sätt bättre återspeglar användarens ekonomiska nytta över tiden.

Utländsk valuta

Företagets redovisningsvaluta är svenska kronor (SEK).

Omräkning av poster i utländsk valuta
Vid varje balansdag räknas monetära poster i utländsk valuta om till balansdagens kurs. Icke-monetära poster, som värderas till historiskt anskaffningsvärde i en utländsk valuta, räknas inte om. Valutakursdifferenser redovisas i rörelseresultatet eller som finansiell post utifrån den underliggande affärshändelsen, i den period de uppstår, med undantag för transaktioner som utgör säkring och som uppfyller villkoren för säkringsredovisning av kassaflöden eller av nettoinvesteringar.

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Ersättningar till anställda
Ersättningar till anställda i form av löner, bonus, betald semester, betald sjukfrånvaro m m samt pensioner redovisas i takt med intjänandet. Beträffande pensioner och andra ersättningar efter avslutad anställning klassificeras dessa som avgiftsbestämda eller förmånsbestämda pensionsplaner. Företaget har endast avgiftsbestämda pensionsplaner. Det finns inga övriga långfristiga ersättningar till anställda.

Avgiftsbestämda planer
För avgiftsbestämda planer betalar företaget fastställda avgifter till en separat oberoende juridisk enhet och har ingen förpliktelse att betala ytterligare avgifter. Företagets resultat belastas för kostnader i takt med att förmånerna intjänas vilket normalt sammanfaller med tidpunkten för när premier erläggs.

Inkomstskatter
Skattekostnaden utgörs av summan av aktuell skatt och uppskjuten skatt.

Aktuell skatt
Aktuell skatt beräknas på det skattepliktiga resultatet för perioden. Skattepliktigt resultat skiljer sig från det redovisade resultatet i resultaträkningen då det har justerats för ej skattepliktiga intäkter och ej avdragsgilla kostnader samt för intäkter och kostnader som är skattepliktiga eller avdragsgilla i andra perioder. Aktuell skatteskuld beräknas enligt de skattesatser som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt redovisas på temporära skillnader mellan det redovisade värdet på tillgångar och skulder i de finansiella rapporterna och det skattemässiga värdet som används vid beräkning av skattepliktigt resultat. Uppskjuten skatt redovisas enligt den s k balansräkningsmetoden. Uppskjutna skatteskulder redovisas för i princip alla skattepliktiga temporära skillnader, och uppskjutna skattefordringar redovisas i princip för alla avdragsgilla temporära skillnader i den omfattning det är sannolikt att beloppen kan utnyttjas mot framtida skattepliktiga överskott. Obeskattade reserver redovisas inklusive uppskjuten skatteskuld.

Det redovisade värdet på uppskjutna skattefordringar omprövas varje balansdag och reduceras till den del det inte längre är sannolikt att tillräckliga skattepliktiga resultat kommer att finnas tillgängliga för att utnyttjas, helt eller delvis, mot den uppskjutna skattefordran.

Värderingen av uppskjuten skatt baseras på hur företaget, per balansdagen, förväntar sig att återvinna det redovisade värdet för motsvarande tillgång eller reglera det redovisade värdet för motsvarande skuld. Uppskjuten skatt beräknas baserat på de skattesatser och skatteregler som har beslutats före balansdagen.

Aktuell och uppskjuten skatt för perioden
Aktuell och uppskjuten skatt redovisas som en kostnad eller intäkt i resultaträkningen, utom när skatten är hänförlig till transaktioner som redovisats direkt mot eget kapital. I sådana fall ska även skatten redovisas direkt mot eget kapital.

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Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde efter avdrag för ackumulerade avskrivningar och eventuella nedskrivningar.

Anskaffningsvärdet består av inköpspriset och utgifter som är direkt hänförliga till förvärvet för att bringa den på plats och i skick att användas. Tillkommande utgifter inkluderas endast i tillgången eller redovisas som en separat tillgång, när det är sannolikt att framtida ekonomiska fördelar som är förknippade med posten kommer att tillfalla företaget och att anskaffningsvärdet för densamma kan mätas på ett tillförlitligt sätt. Alla övriga kostnader för reparationer och underhåll samt tillkommande utgifter redovisas i resultaträkningen i den period då de uppkommer.

Avskrivningar på materiella anläggningstillgångar kostnadsförs så att tillgångens anskaffningsvärde, eventuellt minskat med beräknat restvärde vid nyttjandeperiodens slut, skrivs av linjärt över dess bedömda nyttjandeperiod. Om en tillgång har delats upp på olika komponenter skrivs respektive komponent av separat över dess nyttjandeperiod. Avskrivning påbörjas när den materiella anläggningstillgången kan tas i bruk. Materiella anläggningstillgångars nyttjandeperioder uppskattas till:

Maskiner och andra tekniska anläggningar:	
Inventarier, verktyg och installationer	5-8 år

Bedömda nyttjandeperioder och avskrivningsmetoder omprövas om det finns indikationer på att förväntad förbrukning har förändrats väsentligt jämfört med uppskattningen vid föregående balansdag. Då företaget ändrar bedömning av nyttjandeperioder omprövas även tillgångens eventuella restvärde.

Borttagande från balansräkningen
Det redovisade värdet för en materiell anläggningstillgang tas bort från balansräkningen vid utrangering eller avyttring, eller när inte några framtida ekonomiska fördelar väntas från användning eller utrangering/avyttring av tillgången eller komponenten. När tillkommande utgifter räknas in i anskaffningsvärdet (se ovan) tas det redovisade värdet på de delar som byts ut bort från balansräkningen.

Den vinst eller förlust som uppkommer när en materiell anläggningstillgång eller en komponent tas bort från balansräkningen är skillnaden mellan vad som eventuellt erhålls, efter avdrag för direkta försäljningskostnader, och tillgångens redovisade värde. Den realisationsvinst eller realisationsförlust som uppkommer när en materiell anläggningstillgång eller en komponent tas bort från balansräkningen redovisas i resultaträkningen som en övrig rörelseintäkt eller övrig rörelsekostnad.

Nedskrivningar av materiella anläggningstillgångar
Vid varje balansdag analyserar företaget de redovisade värdena för materiella anläggningstillgångar och för att fastställa om det finns någon indikation på att dessa tillgångar har minskat i värde. Om så är fallet, beräknas tillgångens återvinningsvärde för att kunna fastställa värdet av en eventuell nedskrivning. Där det inte är möjligt att beräkna återvinningsvärdet för en enskild tillgång, beräknas återvinningsvärdet för den kassagenererande enhet till vilken tillgången hör.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet. Verkligt värde med avdrag för försäljningskostnader är det pris som företaget beräknar kunna erhålla vid en försäljning mellan kunniga, av varandra oberoende parter, och som har ett intresse av att transaktionen genomförs, med avdrag för sådana kostnader som är direkt hänförliga till försäljningen. Vid beräkning av nyttjandevärde diskonteras uppskattat framtida kassaflöde till nuvärde med en diskonteringsränta före skatt som återspeglar aktuell marknadsbedömning av pengars tidsvärde och de risker som förknippas med tillgången. För att beräkna de framtida kassaflödena har företaget använt budget och prognoser för de kommande fem åren.

Om återvinningsvärdet för en tillgång (eller kassagenererande enhet) fastställs till ett lägre värde än det redovisade värdet, skrivs det redovisade värdet på tillgången (eller den kassagenererande enheten) ned till återvinningsvärdet. En nedskrivning har omedelbart kostnadsföras i resultaträkningen.

Vid varje balansdag gör företaget en bedömning om den tidigare nedskrivningen inte längre är motiverad. Om så är fallet återförs nedskrivningen delvis eller helt. Då en nedskrivning återförs, ökar tillgångens (den kassagenererande enhetens) *redovisade värde. Det redovisade värdet efter återföring av nedskrivning får inte överskrida det redovisade värde som skulle* fastställts om ingen nedskrivning gjorts av tillgången (den kassagenererande enheten) under tidigare år. En återföring av en nedskrivning redovisas direkt i resultaträkningen.

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Andelar i koncernföretag
Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Andelar i intresseföretag och gemensamt styrda företag
Andelar i intresseföretag och gemensamt styrda företag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. Utdelning från andelar i intresseföretag och gemensamt styrda företag redovisas som intäkt i resultaträkningen.

Finansiella instrument
En finansiell tillgång eller finansiell skuld redovisas i balansräkningen när företaget blir part till instrumentets avtalsenliga villkor. En finansiell tillgång bokas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör, regleras eller när företaget förlorar kontrollen över den. En finansiell skuld, eller del av finansiell skuld, bokas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller på annat sätt upphör.

Vid värdering efter det första redovisningstillfället värderas omsättningstillgångar enligt lägsta värdets princip, dvs. det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen. Kortfristiga skulder värderas till nominellt belopp.

Varulager
Varulager värderas till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen. Anskaffningsvärdet beräknas genom tillämpning av först- in-först-ut-metoden (FIFU). Nettoförsäljningsvärde är försäljningsvärdet efter avdrag för beräknade kostnader som direkt kan hänföras till försäljningstransaktionen.

I anskaffningsvärdet ingår utgifter för inköp, tillverkning samt andra utgifter för att bringa varorna till deras aktuella plats och skick. I anskaffningsvärdet för en egentillverkad tillgång ingår, utöver sådana kostnader som direkt kan hänföras till produktionen av tillgången, en skälig andel av indirekta tillverkningskostnader.

Likvida medel
Likvida medel inkluderar kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut samt andra kortfristiga likvida placeringar som lätt kan omvandlas till kontanter och är föremål för en obetydlig risk för värdefluktuationer. För att klassificeras som likvida medel får löptiden inte överskrida tre månader från tidpunkten för förvärvet.

Aktieägartillskott
Aktieägartillskott som en ägare lämnar redovisas som en ökning av andelens redovisade värde. Aktieägartillskott som en ägare erhåller redovisas direkt i fritt eget kapital.

Kassaflödesanalys
Kassaflödesanalysen visar företagets förändringar av företagets likvida medel under räkenskapsåret. Kassaflödesanalysen har upprättats enligt den indirekta metoden. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- och utbetalningar.

Not 3 Viktiga uppskattningar och bedömningar

Viktiga källor till osäkerhet i uppskattningar
Nedan redogörs för de viktigaste antagandena om framtiden, och andra viktiga källor till osäkerhet i uppskattningar per balansdagen, som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästa räkenskapsår.

Rabatter
Företaget gör avsättningar för kommande rabattutbetalningar på den svenska och norska marknaden. Förutsättningarna för rabatter och reglering av uppbokad skuld beskrivs i avtal med berörda kunder.

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Not 4 Nettoomsättningens fördelning

Nettoomsättning per verksamhetsgren	2023	2022
Försäljning läkemedel	96 995	81 358
Försäljning medicinteknisk utrustning	60 824	63 588
Summa	**157 819**	**144 946**

Nettoomsättning per geografisk marknad	2023	2022
Sverige	49 945	46 511
Finland	15 793	14 134
Norge	28 222	28 166
Island	637	
Danmark	63 222	56 135
Summa	**157 819**	**144 946**

Not 5 Uppgift om inköp och försäljning inom samma koncern

	2023	2022
Inköp	100,0%	99,1%
Försäljning	0,0%	0,0%

Not 6 Upplysning om ersättning till revisorn

	2023	2022
Deloitte AB		
revisionsuppdrag	170	160
Summa	**170**	**160**

Med revisionsuppdrag avses revisorns ersättning för den lagstadgade revisionen. Arbetet innefattar granskningen av årsredovisningen och bokföringen, styrelsens och verkställande direktörens förvaltning samt arvode för revisionsrådgivning som lämnats i samband med revisionsuppdraget.

Not 7 Leasingavtal

Operationella leasingavtal - leasetagare
Företaget är leasetagare genom operationella leasingavtal avseende bilar. Summan av årets kostnadsförda leasingavgifter avseende operationella leasingavtal uppgår till 1 490 tkr (1 414 tkr). Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal förfaller enligt följande:

Förfallotidpunkt:	2023	2022
Inom ett år	1 319	832
Senare än ett år men inom fem år	1 428	1 304
Summa	**2 747**	**2 136**

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Not 8 Antal anställda, löner, andra ersättningar och sociala kostnader

	2023		2022	
Medeltalet anställda	Antal anställda	Varav antal män	Antal anställda	Varav antal män
	12	5	12	4
Totalt	**12**	**5**	**12**	**4**

	2023-12-31	2022-12-31
Fördelning ledande befattningshavare per balansdagen		
styrelseledamöter	2	2
andra personer i företagets ledning inkl VD	1	1
Totalt	**3**	**3**

	2023		2022	
Löner, andra ersättningar m m	Löner och andra ersättningar	Soc kostn (varav pensions-kostnader)	Löner och andra ersättningar	Soc kostn (varav pensions-kostnader)
	11 334	3 639 (1 067)	10 166	3 243 (1 000)
Totalt	**11 334**	**3 639** **(1 067)**	**10 166**	**3 243** **(1 000)**

	2023		2022	
Löner och andra ersättningar fördelade mellan styrelse-ledamöter och anställda	Styrelse och VD (varav tantiem och dylikt)	Övriga anställda	Styrelse och VD (varav tantiem och dylikt)	Övriga anställda
	1 719 (502)	9 615 (1 233)	1 708 (592)	8 458 (1 457)
Totalt	**1 719** **(502)**	**9 615** **(1 233)**	**1 708** **(592)**	**8 458** **(1 457)**

Not 9 Övriga ränteintäkter och liknande intäkter

	2023	2022
Ränteintäkter	143	8
Kursdifferenser	2 497	4 265
Summa	**2 640**	**4 273**

Not 10 Räntekostnader och liknande kostnader

	2023	2022
Räntekostnader	-16	-11
Kursdifferenser	-5 748	-5 607
Övrigt	10	-17
Summa	**-5 754**	**-5 635**

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Not 11 Skatt på årets resultat

	2023	2022
Aktuell skatt	-2 260	-2 300
Uppskjuten skatt		-16
Skatt på årets resultat	**-2 260**	**-2 316**

Avstämning årets skattekostnad

	2023	2022
Redovisat resultat före skatt	9 890	11 272
Skatt beräknad med skattesats 20,6 %	-2 037	-2 322
Skatteeffekt av ej avdragsgilla kostnader	-135	-28
Skatteeffekt av ej skattepliktiga intäkter		50
Justering skatt föregående år	-88	0
Summa	**-2 260**	**-2 300**
Årets redovisade skattekostnad	**-2 260**	**-2 300**

Not 12 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	19 536	17 689
Inköp	4 010	2 189
Försäljningar/utrangeringar	-96	-342
Utgående ackumulerade anskaffningsvärden	**23 450**	**19 536**
Ingående avskrivningar	-15 876	-14 276
Försäljningar/utrangeringar	61	145
Årets avskrivningar	-1 489	-1 745
Utgående ackumulerade avskrivningar	**-17 304**	**-15 876**
Utgående redovisat värde	**6 146**	**3 660**

Not 13 Andelar i koncernföretag

Ingående anskaffningsvärden	747	416
Lämnade aktieägartillskott	0	331
Utgående ackumulerade anskaffningsvärden	**747**	**747**
Ingaende uppskrivningar	-436	0
Årets nedskrivningar	-82	-436
Utgående ackumulerade nedskrivningar	**-518**	**-436**
Utgående redovisat värde	**229**	**311**

Företagets innehav av andelar i koncernföretag

Företagets namn	Kapital-andel	Rösträtts-andel	Antal andelar	Redovisat värde 2023-12-31	Redovisat värde 2022-12-31
Bracco Imaging Baltics OU	100%	100%	1	229	311
Summa				**229**	**311**

Företagets namn	Org.nr	Säte	Eget Kapital	Resultat
Bracco Imaging Baltics OU	11 296 372	Tallin	191	-71

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Not 14 Andelar hos intresseföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärde	1	1
Utgående ackumulerade anskaffningsvärden	**1**	**1**
Utgående redovisat värde	**1**	**1**

Not 16 Aktiekapital

Aktiekapitalet består av 1 000 st A-aktier med ett kvotvärde om 100 kr.

Not 17 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna semesterlöner	609	512
Upplupna sociala avgifter	116	112
Förutbetalda intäkter	1 327	769
Rabattåterbetalningar	5 999	3 382
Upplupen kostnad bonus	1 622	1 879
Upplupen kostnad revision	120	170
Övriga poster	986	255
Summa	**10 779**	**7 079**

Not 18 Likvida medel i kassaflödet

	2023-12-31	2022-12-31
Disponibla tillgodohavanden hos banker och andra kreditinstitut	12 974	34 752
Summa	**12 974**	**34 752**

Not 19 Händelser efter balansdagen

Efter balansdagen har bolaget sagt upp hyreskontraktet på den kontorslokal som bolaget huserar i. En ny lokal utvärderas för flytt under året. Till detta så har omsättningsmässigt signifikanta läkemedelsavtal signerats i Finland, Norge och Sverige som kommer påverka bolagets marknadsandelar positivt.

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Not 20 Disposition av företagets vinst

Förslag till dispositioner beträffande vinst (Kr)

Till årsstämmans förfogande står följande vinstmedel:	
Balanserat resultat	34 256 214
Årets resultat	7 629 957
	41 886 171
Styrelsen föreslår att	
till aktieägarna utdelas	5 000 000
i ny räkning balanseras	36 886 171

Göteborg den 30/5 -2024

Enrico Tettamanti
Styrelsens ordförande

Angelo Gaiani

Staffan Rosén
Verkställande Direktör

Vår revisionsberättelse har avgivits den 5 juni 2024

Deloitte AB

Linn Palmgren
Auktoriserad revisor

20240617322218

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Bracco Imaging Scandinavia AB
organisationsnummer 556681-8497

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Bracco Imaging Scandinavia AB för räkenskapsåret 2023-01-01 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Bracco Imaging Scandinavia ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Bracco Imaging Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna

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kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Bracco Imaging Scandinavia AB för räkenskapsåret 2023-01-01 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Bracco Imaging Scandinavia AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

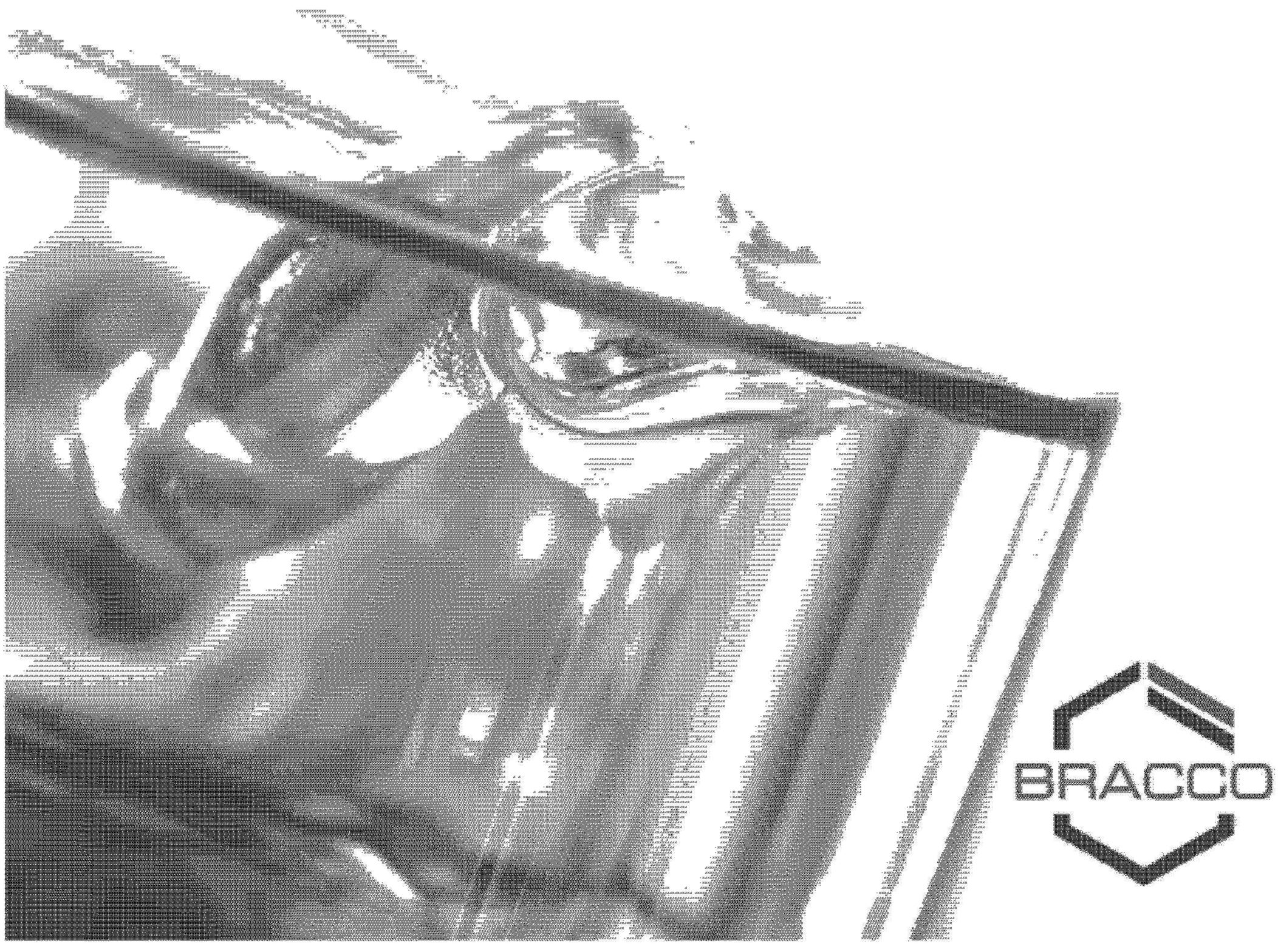
Kalmar den 5 juni 2024

Deloitte AB

Linn Palmgren
Auktoriserad revisor

BRACCO S.p.A.

ANNUAL REPORT 2023



BRACCO S.p.A.

Registered office in Via Folli 50, Milan (Italy)
Share capital €104,000,000 fully paid-in
Milan-Monza-Brianza-Lodi Companies Register number and Tax Code: 00825120157
Chamber of Commerce Business Register: MI - 348182

Disclaimer
The "Business outlook" section of this document contains forward-looking statements about future events and the operating, economic and financial performance of Bracco S.p.A. and the Bracco Group. By their very nature, such forward-looking statements contain an element of risk and uncertainty.

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BRACCO GROUP

DIRECTORS' REPORT

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GOVERNING BODIES

At the date of preparing the present Annual Report, the governing bodies of Bracco S.p.A., the group Parent, are as follows:

Board of Directors	
Chairman and Chief Executive Officer	Diana Bracco
Directors	Eva Baratta
	Fulvio Renoldi Bracco
	Mario Cattaneo
	Emma Marcegaglia
	Angelo Provasoli
	Alberto Santa Maria
	Alessandro Spada
	Veronica Squinzi

Board of Statutory Auditors	
Chairman	Angelo Casò
Statutory Auditors	Luca Giovanni Bonanno
	Paolo Golia
	Cecilia Elena Mottola
	Luca Petroni
Independent Auditors	Deloitte & Touche S.p.A.

EXECUTIVE SUMMARY

To our Shareholders,

The year 2023 continued to be characterized by a high degree of instability and uncertainty, with strong tensions on the global macroeconomic front. The factors influencing economic trends in the past year were: (i) geopolitical tensions between the world's major powers that have affected financial markets and investor confidence, (ii) growth in inflation, driven by a combination of factors, including rising commodity prices and sourcing problems, (iii) heightened concern about climate change and extreme weather events that have affected various parts of the world, and (iv) technology and digitalization that have continued to transform business models and market dynamics. Overall, 2023 was a year of transition and adaptation, in which the economic scenario sought to reconcile immediate challenges with the need to prepare for a more sustainable and resilient future.

In this context, the Group's market sector nevertheless confirmed a positive growth trend, also fuelled by the steady increase in demand for outpatient and diagnostic services; the Group therefore carried on its business on a continuous, efficient basis, guaranteeing the timely supply of products to its customers, and at the same time, implementing, as planned, major investment projects to expand industrial capacity.

Against this backdrop, financial year 2023 ended with net sales revenue of euro 1,812.4 million, operating profit of euro 90.3 million, with a margin of 5%, and net profit of euro 31.1 million; costs for research and development and medical-scientific activities amounted to euro 146.6 million, while net financial debt stood at euro 704 million at the end of the reporting period.

The year 2023 saw the achievement of some important milestones, including (i) the granting of approval by the Federal Drug Administration (FDA) to market in the US the new biomolecular agent (rh-PSMA - trade name Posluma®) for positron emission tomography (PET) procedures on patients with suspected prostate cancer recurrence, featuring more advanced technology than the Axumin® product, (ii) the establishment of Bracco Japan Ltd. which will gradually take over the commercial and distribution activities carried out in Japan by the former partner Eisai Co. Ltd,

thus transforming the local business model from sell-in to sell-out, and (iii) the regulatory approval of Vueway®, a magnetic resonance product, by the European Medicines Agency (EMA) in December, for marketing in Europe.

Sales for the year climbed by 1.7% on the previous reporting period: the good results achieved by the core Traditional Imaging business and those of the Injectors segment helped counteract the downturn in the Nuclear Oncology segment, namely by Axumin®, an agent for procedures on patients with suspected prostate cancer recurrence, and the unfavourable contribution of exchange rates, particularly the US dollar/Euro rate. Centro Diagnostico Italiano also reported a slight increase in turnover (+1.2%).

With reference to the Imaging business, the Group's principal market of North America reported revenue for the year, excluding Nuclear Oncology sales, of euro 605.3 million, an increase of 5%, or 8% at constant exchange rates, driven by a combination of higher volumes and higher sales prices.
Operations in China, the Group's second largest market, generated euro 190.9 million in revenue, again recording double-digit growth of +13.8% at constant exchange rates.

Good results were also achieved in Europe, where sales reached euro 338.1 million, a 9.3% increase, also reflecting an important contribution from price increases.

Rest of World sales amounted to euro 142.1 million, in line with the previous year, reflecting the combined result of growth in Brazil, Mexico and South Korea, offset by a contraction in the Japanese market, due not only to the phasing in of the new commercial model after terminating the joint venture with Eisai Co. Ltd. on 31 March 2023 but also to local market dynamics.

Axumin®, a product mainly marketed in the United States, suffered a steep roughly 85% drop in sales, due to the growing market success of new generation products (PSMA technology); pre-launch activities for our new-concept Posluma® product were started on the US market in 2023 whilst awaiting confirmation of the reimbursement price and hospital code (both obtained at year end).

The Medical Technologies business once again confirmed signs of strong growth in the year just ended; revenue of euro 387.7 million was 11.5% higher at constant exchange rates than in the previous year.
In particular, sales of injectors and related consumables for cardiovascular procedures, accounting for around 60% of overall segment revenue, reported a 12% increase, partly thanks to the contribution of higher prices, while injection systems for radiological procedures grew by 10.9%.

Centro Diagnostico Italiano reported revenue of euro 136.2 million in 2023, substantially in line with the previous year (+1.2%).

With regard to production costs, the good performance of the Group's industrial sites, which reported improvements in efficiency and yields and higher fixed cost absorption, made it possible to offset the significant increases in the price of raw materials (iodine first and foremost) and of other goods and materials (plastics, resins, components, packaging etc). During the year, the Group continued to work on various investment projects to expand production capacity and kept a constant focus on a number of strategic activities, aimed at continuously improving processes and production costs in general.

In 2023, operating expenses as a percentage of sales, in particular those for sales, marketing, and medical-scientific support activities, remained in line with the previous year, also thanks to the results of the various efficiency projects previously undertaken, as well as the favourable contribution of exchange rates.

R&D programs continued as planned; the main milestones in 2023 included the ongoing clinical trials for the development of new indications for the Vueway® product and its extension to new regions, as well as the start of the registration process in the United States for the lomeprolo product, which is expected to be approved at the end of 2024.

R&D activities in the Medical Technologies area focused on completing a new platform for managing cardiology procedures, a new radiology injector and integrated information systems.

The Group's EBITDA amounted to euro 272.6 million in 2023, with a margin of 15%, down from the previous year (-17.2%) due to the steep drop in Axumin® sales, the increase in production costs, especially raw material prices, as well as non-recurring factors.

In addition, the following corporate transactions were finalized during 2023:
- dissolution of the Bracco-Eisai Co Ltd joint venture at the end of March 2023, accompanied by acquisition of the non-controlling (49%) interest from Japanese partner Eisai Co Ltd for consideration of approximately euro 1.3 million; the company, now renamed Bracco Japan Ltd, will allow the Group to sell directly to end customers in Japan as of 1 April 2024;
- the transfer in December from the subsidiary Acist Inc. to Bracco Imaging Holding B.V. of all the shares in Acist Japan Inc. for consideration of euro 11.1 million; the purpose of this transaction is to strengthen and optimize product portfolio synergies on the Japanese market;
- the sale of the shares held in Humanitas S.p.A. by the subsidiary Claude Montana BV for euro 22.5 million, generating a post-tax gain of euro 13.7 million.

On the financial front, the year ended with net financial debt of euro 704.0 million, up euro 38.5 million from the level at the beginning of the year. Cash flow generated by operations made it possible to finance the major investments carried out in the year, while the higher exposure to debt mainly reflects the recognition of rights of use and related lease liabilities (under IFRS 16) pertaining to new openings by Centro Diagnostico Italiano, the negative mark-to-market of derivative instruments hedging the debt, and the payment of dividends to shareholders.

Finally, a brief word about exchange rates: the average euro/dollar exchange rate was 1.08 during 2023, up 2.7% from 2022. The European currency therefore appreciated against the US currency in a context in which the European Central Bank's monetary policy during 2023 was tighter than that of the US Federal Reserve.

FINANCIAL HIGHLIGHTS

(€/000)	**2023**	**2022**	**% change**
Sales revenue	1,812,429	1,782,470	*1.7%*
EBITDA [1]	272,597	306,314	*-11.0%*
% sales	*15.0%*	*17.2%*	
Operating profit	90,294	122,020	*-26.0%*
% sales	*5.0%*	*6.8%*	
Profit before tax	74,376	107,176	*-30.6%*
% sales	*4.1%*	*6.0%*	
Profit from continuing operations	31,362	68,349	*-54.1%*
% sales	*1.7%*	*3.8%*	
Profit for the year	31,110	36,603	*-15.0%*
% sales	*1.7%*	*2.1%*	

(€/000)	**31-Dec-23**	**31-Dec-22**	**Change**
Net invested capital	1,697,788	1,706,121	(8,333)
Equity	993,830	1,040,700	(46,870)
of which attributable to non-controlling interests	22,628	29,168	(6,540)
Net financial debt	703,958	665,421	38,537

(€/000)	**2023**	**2022**	**% change**
Capital expenditure [2]	121,196	144,668	-16.2%
R&D expenditure	146,572	147,305	-0.5%
Employees (at year end)	3,786	3,647	3.8%

[1] EBITDA is defined as earnings for the reporting period before depreciation, amortization and impairment, finance income and costs, equity investment write-downs and revaluations, and income taxes.

[2] Capital expenditure refers to additions to Property, plant and equipment and Intangible assets, excluding leased assets.

MACROECONOMIC SCENARIO

Global economic activity experienced another slowdown during 2023, particularly in the last quarter. International trade was severely impacted by weak demand for goods, global monetary tightening and, towards the end of the year, the situation in the Middle East.

Central banks in Europe and the US continued the tight monetary policy initiated in 2021, raising interest rates to their highest levels in 15-20 years, and maintained this stance throughout the year, despite a gradual decline in core inflation.

The most recent OECD estimates predict a further slowdown in the global economy during 2024, caused by tight monetary policies and worsening business and consumer confidence. In addition, current international political tensions are unlikely to result in any upgrade to the forecasts.

The US economy reported solid growth in the first few months of the year, but then lost steam in the last quarter, affected by persistent inflation and increasingly tight monetary and financial conditions. Despite this, GDP grew by 2.5% in 2023 (+1.9% in 2022).

The Federal Reserve gradually raised its key interest rates until the third quarter, then kept them unchanged in the latter part of the year, announcing that monetary policy will continue to maintain a restrictive stance until inflation is back on track with target.

The Chinese economy recorded positive growth in 2023, showing that it had overcome the 2022 downturn caused by Covid-19 restrictions. GDP grew by 5.2%, in line with government and central bank targets. Consumption, services and industrial output showed the same growth trends throughout the year, while foreign trade and private investment did not resume in the same manner, highlighting the uneven nature of the Asian economy's recovery.

In the Eurozone, the stagnation commencing in the second half of 2022 continued due to the persistent weakness of the manufacturing and services cycle. GDP remained stable throughout the year.

The Governing Council of the European Central Bank steadily raised key interest rates throughout 2023 until its September meeting, when it stated the intent of

keeping rates unchanged for a sufficiently long period to facilitate inflation's return to the 2% mark.

The Italian economy was up and down throughout the year: GDP expanded slightly in the first part of the year, supported both by household consumption, which benefited from a more favourable labour market, and by growth in investments. After that, growth was held back by persistent monetary tightening, still high energy prices and sustained weakness in foreign demand. GDP growth for 2023 was around 0.9%, while a slight increase is expected in 2024, excluding new exogenous factors.

In this context, the labour market continued the positive trend that started in 2022 with the participation rate at an all-time high and stable unemployment. The inflation rate was 5.9% in 2023, but is expected to fall back in line with the Central Bank's target as early as 2024.

GROUP PERFORMANCE AND RESULTS

Introduction

The comments on operating performance provided below refer to the reclassified statement of profit or loss, which best represents the Group's key results.

The intermediate result represented by EBITDA is a measure used by the Group to monitor and assess operating performance and is not defined as an accounting measure by international accounting standards. Therefore, the method applied by the Group to determine it may not be consistent or comparable with that adopted by other industry players. EBITDA can be reconciled with the Operating profit reported in the consolidated statement of profit or loss by simply reclassifying line items shown on the face of this statement, in particular those relating to depreciation, amortization and impairment of property, plant and equipment and intangible assets.

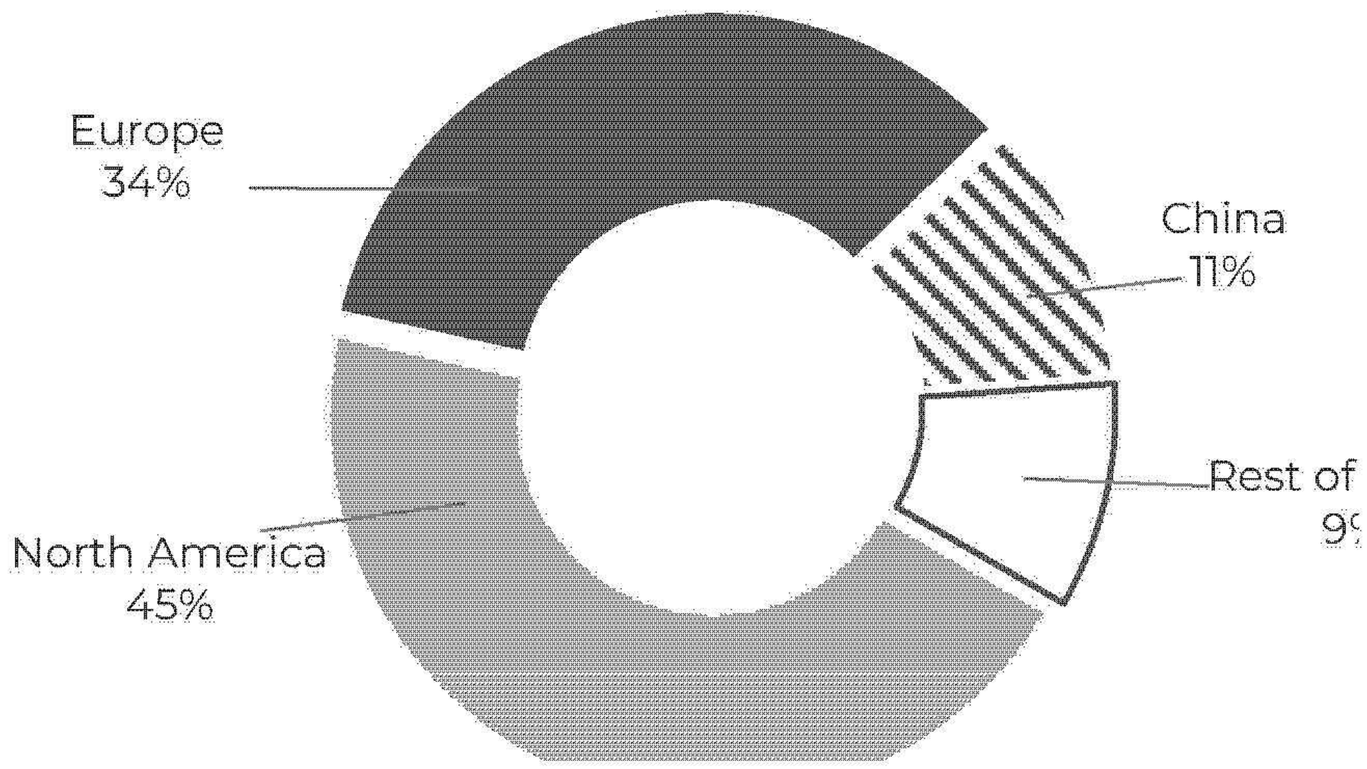
Net debt is determined as the algebraic sum of: Bank debt (non-current and current portion), Financial debt and liabilities (non-current and current portion), Current and non-current financial assets and Cash and cash equivalents. Please refer to Note 41 "Net financial debt" for the reconciliation with the amount required for presentation by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138).

GROUP SALES PERFORMANCE

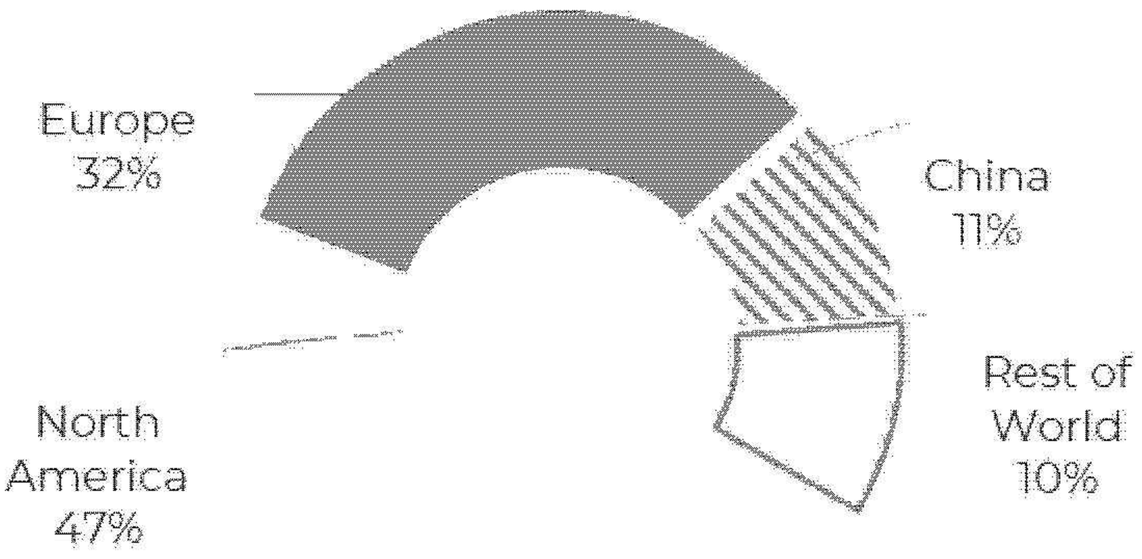
The breakdown of 2023 sales by geographical area and business, compared with the previous year, is as follows:

SALES BY GEOGRAPHICAL AREA

2023 – *Euro 1,812.4 million*

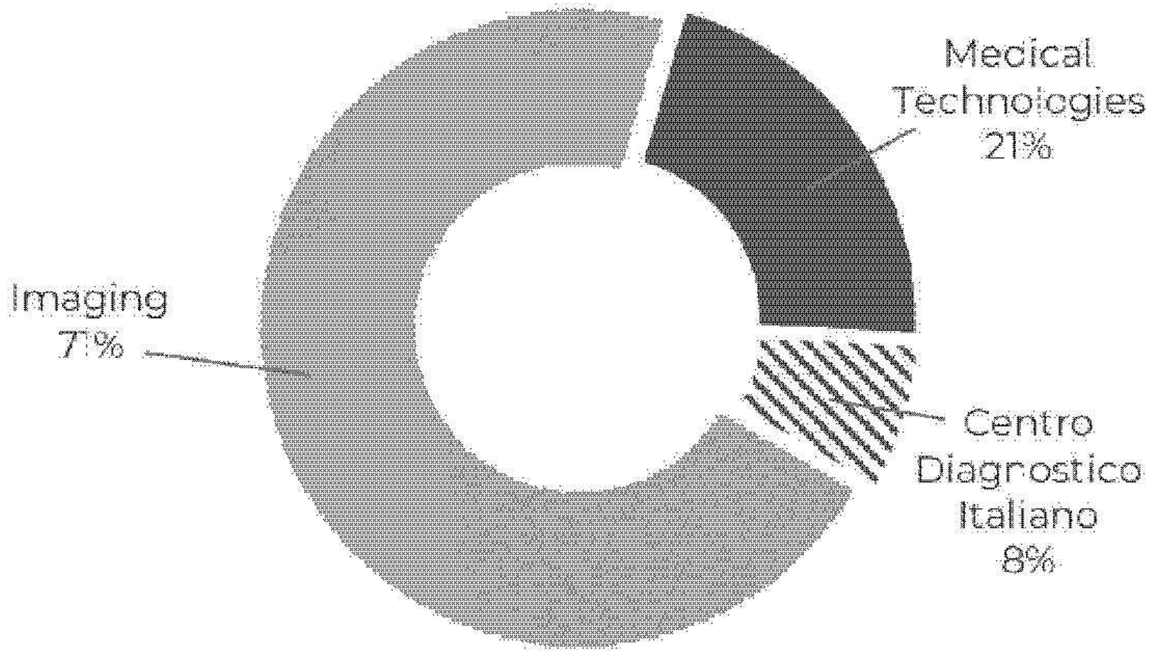


2022 – *Euro 1,782.5 million*

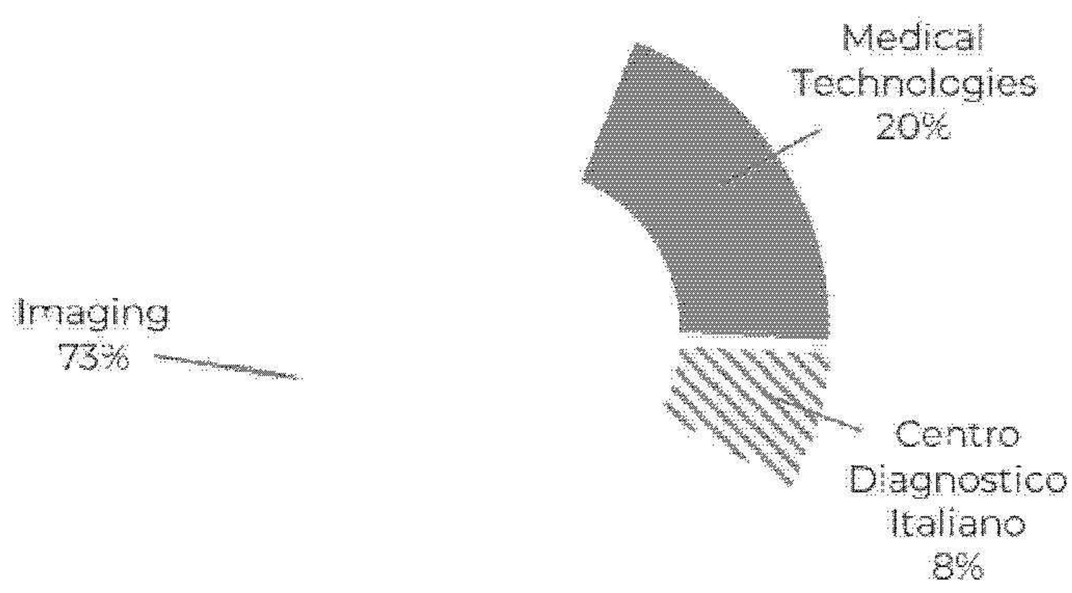


SALES BY BUSINESS

2023 – *Euro 1,812.4 million*



2022 – *Euro 1,782.5 million*



Financial year 2023 ended with overall sales of euro 1,812.4 million, up 1.7% on the previous year (+3.9% at constant exchange rates).

(€/000)	**2023**	**%**	**2022**	**%**	**Change**	**%**
Imaging	1,288,522	71.1%	1,293,278	72.6%	(4,756)	-0.4%
Medical Technologies	387,745	21.4%	354,638	19.9%	33,107	9.3%
Centro Diagnostico Italiano	136,162	7.5%	134,554	7.5%	1,608	1.2%
Total	**1,812,429**	**100.0%**	**1,782,470**	**100.0%**	**29,959**	**1.7%**

(€/000)	**2023**	**%**	**2022**	**%**	**Change**	**%**
North America	818,288	45.1%	845,498	47.4%	(27,211)	-3.2%
Europe	621,903	34.3%	577,006	32.4%	44,896	7.8%
China	201,179	11.1%	190,036	10.7%	11,143	5.9%
Rest of World	171,060	9.4%	169,928	9.5%	1,132	0.7%
Total	**1,812,429**	**100.0%**	**1,782,470**	**100.0%**	**29,959**	**1.7%**

I. IMAGING AGENTS

Market trend

During 2023, the market for Imaging Agents basically confirmed the growth of previous periods.

In fact, the rise in average age and therefore life expectancy is leading to a growing need for preventive diagnosis and monitoring of chronic diseases, with a consequent increase in the number of diagnostic procedures and therefore in the use of imaging agents, products that are vital for managing serious medical conditions.

Although the individual geographical areas experienced differing trends, as a whole they recorded considerable signs of growth.

The Group's operating segments cumulatively saw a healthy increase in volumes, with different growth rates between the various modalities.

Contrast agents for X-Ray/CT procedures increased by 5% on 2022, those for MRI procedures by 3% and those for Ultrasound procedures by 6%, reflecting rates of growth in line with the past trend.
More modest increases were recorded for oncological Nuclear Medicine PET (Positron Emission Tomography) procedures, where growth averaged around 2%, with higher rates for newer, high-priced products.
The sector of automatic contrast agent injector systems and related consumables continued to expand, posting the highest growth of all since their purchase is not strictly linked to general trends.

Sales by geographical area

(€/000)	**2023**	**2022**	**Change**	
North America	617,372	662,486	(45,114)	-6.8%
Europe	338,155	308,826	29,328	9.5%
China	190,939	179,574	11,365	6.3%
Rest of World	142,056	142,392	(336)	-0.2%
Total	**1,288,522**	**1,293,278**	**(4,756)**	***-0.4%***

The North American market contracted by 4.2% at constant exchange rates, reflecting the aforementioned downturn in the Nuclear Oncology segment (Axumin® product); the other product segments, on the other hand, recorded a general increase (+8% at constant exchange rates), reflecting higher volumes (+3.1%), accompanied by a rise in sales prices (+4.8%). The results of core products for X-ray/CT were particularly satisfying, with sales of euro 303.6 million (+13.5% at constant exchange rates).

In China, the Group's second largest market, 2023 performance was particularly positive, with a 13.4% increase in sales at constant exchange rates. The results of the Ultrasound segment were particularly strong, with an 18.2% increase in turnover at constant exchange rates, as were those of the Iomeron® product for X-Ray/CT (+47% at constant rates), which counteracted the penalization of the Iopamidol product following recent implementation of the nationwide Volume Based Procurement tender procedure aimed at promoting generic substitutes and reducing the price of drugs.

Revenue growth in Europe was also good (+9.3%), driven by increased volumes. The results achieved in Italy, France and Eastern Europe were particularly strong.

Rest of World sales were substantially in line with 2022 (+0.6%): the particularly strong performance achieved in Latin America (+47.2% at constant exchange rates), Mexico in particular, was offset by the drop in sales in Japan (-25.9% at constant exchange rates), due to the transition period following the transfer of business activities to the "newly formed" Bracco Japan from the previous local partner.

Sales by modality

(€/000)	**2023**	**2022**	**Change**	
X-Ray/CT scan	801,361	739,590	61,771	*8.4%*
Nuclear	172,764	249,051	(76,287)	*-30.6%*
Magnetic Resonance (MRI)	174,224	168,781	5,444	*3.2%*
Ultrasound	127,462	123,894	3,569	*2.9%*
Other	12,710	11,963	747	*6.2%*
Total	**1,288,522**	**1,293,278**	**(4,756)**	**-0.4%**

The core products of contrast agents for X-ray/CT procedures saw 10.6% constant exchange rate sales growth, with successful results in all regions.

The Nuclear Medicine segment, in which the Group is mainly active in the North American market, suffered from the steep contraction of Axumin®, while the results of the other products were stable.

The Magnetic Resonance segment, with sales of euro 174.2 million, posted 5.9% constant exchange rate growth, also thanks to the launch of Vueway® on the US market.
Particularly positive signals emerged from North America, China and Italy.

Ultrasound sales climbed 7.6% year-on-year at constant exchange rates to reach euro 127.5 million. Growth in China was particularly significant (+18.2% at constant exchange rates), while sales in North America recorded a slight decline (-2.1%).

II. MEDICAL TECHNOLOGIES

During 2023, the Medical Technologies segment carried on expanding the installed base of injection systems and medical devices, both for diagnostics (+10.9% at constant exchange rates) and cardiovascular surgery (+12% at constant exchange rates).

The prime markets were North America (+13% at constant exchange rates) and Europe (+10.5% at constant exchange rates), particularly France, Germany and the UK.

(€/000)	**2023**	**2022**	**Change**	
North America	200,925	182,910	18,016	*9.8%*
Europe	147,587	133,599	13,988	*10.5%*
Rest of World	39,234	38,130	1,104	*2.9%*
Total	**387,746**	**354,638**	**33,108**	**9.3%**

(€/000)	**2023**	**2022**	**Change**	
Cardiovascular	237,414	216,700	20,714	9.6%
Radiological	150,331	137,938	12,394	*9.0%*
Total	**387,746**	**354,638**	**33,108**	**9.3%**

The Cardiovascular segment enjoyed robust growth both in North America (+11.7% at constant exchange rates) and Europe (+12.4% at constant exchange rates), partly due to the increase in sales prices; in the Radiological segment, however, growth was driven by increased volumes in the North American market (+15.1% at constant exchange rates) and in European countries (+7.7%).

III. CENTRO DIAGNOSTICO ITALIANO

Overall activity in 2023 was in line with the previous year, with a slight increase in revenue (+1.2%).

	2023	2022	Change	
Private patients	27,727	28,068	(341)	*-1.2%*
Medical benefit plans	62,351	55,900	6,451	*11.5%*
Institutions and companies	15,747	14,415	1,332	*9.2%*
Italian national health service	30,337	36,171	(5,834)	*-16.1%*
Total	**136,162**	**134,554**	**1,605**	***+1.2%***

The various channels of business reported differing trends:

- Medical benefit plans: the growing interest in supplementary healthcare (healthcare funds, insurance, welfare plans) continued in 2023, as a means of guaranteeing greater accessibility to care and "intermediating" the costs of private healthcare spending by families. In this context, the demand for intermediate healthcare services has grown significantly by around 11%;
- Italian national health service: as regards services provided under the accreditation system, 2023 saw an increase in the demand for laboratory services, in particular for the mass market (clinical chemistry, immunometry, microbiology and haematology) but a drop in demand for imaging diagnostics. Overall turnover was down by about 16% on the previous year. This included the effect of forecast tariff reductions, related to overrun of the allocated budget;
- Private patients: private spending, firmly established in the pre-pandemic years and now representing a structural component of the model for access to care, recorded a modest drop in the volume of services provided to paying patients compared with the previous year (-1.2%);
- Institutions and companies: services to companies reported an increase of about +9%.

REVIEW OF GROUP RESULTS

(€/000)	**2023**	**2022**	**Change**	
Net revenue	**1,812,429**	**1,782,470**	**29,959**	**1.7%**
Purchases and change in inventories	(556,670)	(489,508)	(67,162)	13.7%
Employees	(406,681)	(401,963)	(4,718)	1.2%
Services	(559,279)	(557,781)	(1,498)	0.3%
Other income (expenses)	(17,203)	(26,904)	9,701	-36.1%
EBITDA	**272,597**	**306,314**	**(33,717)**	**-11.0%**
% Net revenue	*15.0%*	*17.2%*		
Depreciation, amortization, impairment/impairment reversals	(182,302)	(184,294)	1,993	-1.1%
Operating profit	**90,294**	**122,020**	**(31,726)**	**-26.0%**
% Net revenue	*5.0%*	*6.8%*		
Gains (losses) on non-current financial assets	9,922	(247)	10,169	-
Net finance costs	(25,841)	(14,597)	(11,243)	77.0%
Profit before tax	**74,376**	**107,176**	**(32,800)**	**-30.6%**
% Net revenue	*4.1%*	*6.0%*		
Income tax	(43,014)	(38,827)	(4,187)	10.8%
Profit from continuing operations	**31,362**	**68,349**	**(36,987)**	**-54.1%**
Profit (loss) from discontinued operations	(252)	(31,746)		
Profit (loss) for the year	**31,110**	**36,603**	**(5,493)**	**-15.0%**

EBITDA for 2023 amounted to euro 272.6 million (15% of revenue), down by euro 33.7 million on 2022; the decline in both absolute value and profitability is attributable to the steep reduction in Axumin® sales and the increased cost of purchasing raw materials (iodine above all) and other goods and materials.

Efficient production activities ensured continuous and on-time market supply; greater absorption of site production capacity and improved yields only partially offset the significant increase in production costs caused by steep prices rises.

Operating costs remained in line with the previous year, also thanks to the positive results of various ongoing continuous process improvement programs ("Organizational Efficiency", "Fit for Growth" and "Digital Transformation") and the contribution of exchange rates, which successfully counteracted the effects of inflation.

Investment in R&D came to euro 146.6 million; the various programs included continued clinical work to develop new indications for the Axumin® product aimed at diagnosing brain metastases, which saw completion of phase III clinical trials in the United States; in parallel, the phase I clinical study of the rhPSMA molecule was initiated for testing in treatments.
R&D activities in the Medical Technologies area focused on completing a new platform for managing cardiology procedures, a new radiology injector and integrated information systems.

Operating profit came to euro 90.3 million, confirming the contraction in EBITDA.

Operating profit includes the write-down of certain intangible assets that showed evidence of impairment during the year; testing of the recoverable value of these assets revealed the need to recognize overall impairment losses of euro 47.6 million, (euro 52.9 million in 2022).

"Gains (losses) on non-current financial assets" include the gain of euro 18.7 million realized on the sale of the shares in Humanitas S.p.A. by Claude Montana B.V. and euro 9.2 million in negative fair value adjustments against other equity investments, mainly to mark to market the non-controlling interest in Polarean Imaging Plc.

Net finance costs of euro 25.8 million were euro 11.2 million higher than in the previous year mainly because of the rise in interest rates.

The Group's profit for 2023 was euro 31.1 million, versus euro 36.6 million in 2022.

REVIEW OF THE GROUP'S STATEMENT OF FINANCIAL POSITION

Reclassified statement of financial position

(€/000)	**31-Dec-23**		**31-Dec-22**		**Change**
Net fixed assets	1,414,055		1,478,808		(64,753)
Net working capital	348,586		316,106		32,480
Provisions and other liabilities	(64,853)		(88,793)		23,940
Net invested capital	**1,697,788**		**1,706,121**		**(8,333)**
Total equity	993,830		1,040,700		(46,870)
of which attributable to non-controlling interests	*22,628*		*29,168*		*(6,540)*
Net financial debt	703,958		665,421		38,537
Total equity and sources of finance	**1,697,788**		**1,706,121**		**(8,333)**

Net invested capital reported an overall decrease of euro 8.3 million at the end of 2023, determined by the changes discussed below.

Net fixed assets

The main changes in this aggregate, which decreased by euro 64.8 million, were:

Increases:

- additions of euro 121.2 million to property, plant and equipment and intangible assets;
- increase of euro 23.8 million in rights to use property, plant and equipment, mainly as a result of recognizing new leases.

Decreases:

- amortization and depreciation charges for the year of euro 134.7 million;
- net impairment of euro 47.6 million against intangible assets and property, plant and equipment;
- exchange rate changes (mainly involving the US dollar) of euro 13.8 million;
- fair value changes of euro 9.2 million in non-current financial assets.

The major investment projects continued in 2023 and mainly focused on production, including a medium-term plan to expand the capacity of the Group's sites. The main investments in the year concerned the Italian plants in Torviscosa and Ceriano Laghetto and the Swiss plant in Geneva, along with investments in the Group's progress towards energy transition and generation of energy from renewable sources. In particular, the first step was completed of expanding the Torviscosa

plant's production capacity for the active ingredient lomeprole, which went from 1,300 tonnes/year to 1,400 tonnes/year, while activities continued to raise it still further to 2,000 tonnes/year.

During the year work was completed on the Group's new headquarters in Via Folli, Milan resulting from the renovation of its existing head office.

Centro Diagnostico Italiano continued to invest in the opening of new centres in the Milan area, in enlarging existing ones, as well as in usual upgrades of its technology platform.

Net working capital

Net working capital, which reports a year-on-year increase of euro 32.5 million at the end of 2023, is composed as follows:

(€/000)	**31-Dec-23**	**31-Dec-22**	**Change**
Inventories	509,154	404,653	104,500
Trade receivables	224,586	210,567	14,019
Other current receivables and assets	89,215	111,135	(21,920)
Current assets	**822,955**	**726,355**	**96,600**
Trade payables	284,425	238,043	46,382
Other current payables and liabilities	189,944	172,206	17,738
Current liabilities	**474,369**	**410,249**	**64,120**
Net working capital	**348,586**	**316,106**	**32,480**

The change in net working capital was primarily dictated by the increased value of inventories, reflecting both growth in volume and the effect of "revaluation" consistent with the higher purchase price of the Group's raw materials.

Net financial debt

(€/000)	**31-Dec-23**	**31-Dec-22**	**Change**
Cash and cash equivalents	157,784	177,989	(20,205)
Current third-party financial assets	25,049	24,820	229
Current third-party financial liabilities	(131,086)	(126,884)	(4,202)
Short-term net cash	**51,747**	**75,925**	**(24,179)**
Non-current debt and financial liabilities	(667,274)	(673,757)	6,483
Non-current financial assets	12,401	32,118	(19,717)
Non-current net financial debt	**(654,873)**	**(641,639)**	**(13,234)**
Net financial debt before IFRS 16 lease liabilities	**(603,126)**	**(565,714)**	**(37,412)**
IFRS 16 lease liabilities	(100,833)	(99,708)	(1,125)
Net financial debt	**(703,958)**	**(665,421)**	**(38,537)**

The year 2023 closed with net financial debt of euro 704 million, up euro 38.5 million on its level at the beginning of the year.

Cash flow generated by operations made it possible to finance the major investments carried out in the year, while the higher level of debt reflects not only non-cash effects arising from the negative mark-to-market of derivative instruments and the recognition of IFRS 16 lease liabilities, primarily concerning the business of Centro Diagnostico Italiano, but also the payment of dividends to shareholders.

REVIEW OF THE PERFORMANCE OF THE GROUP PARENT BRACCO S.p.A.

In 2023, the Company reported euro 25.4 million in net income from equity investments, euro 5.4 million in profit before tax and euro 9.5 million in profit for the year versus euro 37 million in 2022.

(€/000)	**2023**	**2022**	**% change**
Income from equity investments	25,400	51,000	-50.2%
(Impairment) revaluation of equity investments	(62)	(84)	-25.7%
Net income from equity investments	**25,338**	**50,917**	**-50.2%**
Other revenue and income	4,854	5,448	-10.9%
Employee costs	(5,118)	(5,017)	2.0%
Other operating costs	(14,178)	(14,357)	-1.2%
Depreciation and amortization	(2,294)	(2,257)	1.7%
Net finance income/(costs)	(3,247)	(761)	326.5%
Profit before tax	**5,355**	**33,973**	**-84.2%**
Income tax	4,142	3,044	36.1%
Profit for the year	**9,497**	**37,017**	**-74.3%**

Net income from equity investments in 2023 consisted of: (i) a dividend of euro 24.5 million received from the subsidiary Bracco Imaging S.p.A. and (ii) a dividend of euro 0.9 million received from the subsidiary Claude Montana B.v.. In the previous year dividends received from Bracco Imaging S.p.A. amounted to euro 49 million, while those from Claude Montana B.v. were euro 2 million.

Other revenue and income refer to recharges, made through the subsidiary Bracco Imaging S.p.A. of a portion of head office costs (so-called "management costs") that pertain to the activities of governance, coordination and support performed by certain functions within Bracco S.p.A., as well as recharges for tax, legal and other services provided to the Italian companies.

The Company's net financial debt amounted to euro 105.8 million at the end of 2023, compared with euro 77.9 million at the beginning of the year.

(€/000)	**31-Dec-23**	**31-Dec-22**
Cash and cash equivalents	16,063	8,210
Current third-party financial assets	7,291	30,225
Current third-party financial liabilities	(73,610)	(59,493)
Short-term net financial debt	**(50,257)**	**(21,058)**
Non-current debt and financial liabilities	(43,669)	(43,999)
Net financial debt before IFRS 16 lease liabilities	**(93,925)**	**(65,057)**
IFRS 16 lease liabilities	(11,886)	(12,826)
Net financial debt	**(105,811)**	**(77,883)**

The increase in indebtedness was mainly due to lower dividends received from subsidiaries and to capital paid into the subsidiary Bracco R.E. S.r.l. to cover its losses.

The Company had 40 employees at 31 December 2023, 7 fewer than at the end of 2022.

RESEARCH AND DEVELOPMENT

R&D is a strategic priority for Bracco and an essential part of its continuous growth process.

The Group is one of the globe's key players able to offer advanced products and solutions serving different imaging modalities. Research programs are focused on developing highly innovative molecules and diagnostic technologies to manage procedures for a wide spectrum of serious medical conditions ever more effectively.

With diagnostics and treatment in constant evolution, like their mutual interaction, it is important to develop increasingly personalized care.

The Group conducts research activities at its facilities in Geneva (Switzerland), Colleretto Giacosa, in the province of Turin (Italy), Oxford (UK), Munich (Germany), Eden Prairie (Minnesota, USA) and Monroe (New Jersey, USA), supported by local and international partnerships with top universities, hospitals and research bodies.

The Group's research facilities are working on product innovation projects in the field of MRI diagnostics and microbubble diagnostics and treatment with Ultrasound procedures, and on projects to develop innovative agents for applications in oncological imaging in fluorescence-guided surgery and Nuclear Medicine. Significant progress has also been made in the development of new software, new medical devices for injecting contrast agents, and hardware technologies for fluorescence imaging.

R&D activities in the field of Ultrasonography are mainly focused on two projects:
- the first involves the development of a phospholipid microbubble for molecular imaging applications, intended to significantly improve the diagnosis and treatment of cancer patients and those affected by severe inflammatory conditions. The clinical trial, which started in 2022 in China, has almost completed patient recruitment, and a preliminary study has shown encouraging results;
- the second project aims to use microbubbles as "resonators" to weaken the biological barriers that limit the penetration of drugs, making it possible to direct various kinds of treatment more effectively to specific target organs. Several

partnerships in this regard were formed during 2023 with academic institutions and private companies.

Major investments are being concentrated in the field of Nuclear Oncology, culminating in 2023 with the regulatory approval by the US Food and Drug Administration (FDA) of the new product Posluma® (flotufolastat F18 injection), which specifically recognizes the PSMA antigen overexpressed by prostate cancer cells, for the diagnosis using PET procedures of primary prostate cancer in high-risk patients and its recurrence.
At the same time, clinical activities continued for new indications of the Axumin® product, aimed at diagnosing brain metastases, for which a phase III clinical trial was completed in 2023 in the USA. In parallel, a phase I clinical trial was started in the USA for a rhPSMA therapeutic molecule, armed with a radioisotope capable of emitting radiation to irreversibly damage cancer cells.

In the field of fluorescence-guided surgery, preparatory activities were finalized for the clinical application of a new fluorescent contrast agent capable of highlighting cancerous lesions characterized by integrin overexpression, an oncological marker of diagnostic and therapeutic interest.

R&D in the Medical Technologies area focused on completing a new platform to manage cardiology procedures, a new injector and integrated IT systems.

In addition, the Group has recently established a line of research into the application of Artificial Intelligence (more specifically machine learning methods) in the field of radiology with the aim of creating solutions that work in synergy with current and future contrast agents. The specific goals include (i) improving the quality of diagnostic information compared to present; (ii) greater efficiency by reducing the workload of radiologists and speeding up the processes of acquiring information and writing reports; (iii) increasing organizational flexibility through tools that facilitate the flow of information using web and mobile platforms; (iv) optimizing the dose of contrast agent administered to the patient.

Last but not least are the Group's investments in research into production equipment, involving evaluation of methods and technologies in order to identify

sustainable solutions that guarantee continuous improvement of processes with a strong focus on the environment.

In 2023, the Group spent euro 146.6 million on R&D and related activities, equating to around 8.1% of revenue.

GROUP PERSONNEL

Headcount

The Group's workforce numbered 3,786 at 31 December 2023, a net increase of 139 from a year earlier.

The year-end headcount is broken down as follows:

BY CATEGORY	2023	2022	Change
Senior managers	255	250	5
Middle managers	656	629	27
White-collar employees	2,202	2,132	70
Blue-collar employees	673	636	37
Total headcount	**3,786**	**3,647**	**139**

BY GEOGRAPHICAL AREA	2023	2022	Change
Italy	1,493	1,399	94
Rest of Europe	804	813	(9)
North America	893	877	16
Rest of World	596	558	38
Total headcount	**3,786**	**3,647**	**139**

During 2023, the Group consolidated the transformation and change process based on the BraccoPeopleWay roadmap, launched in 2022.

There are three pillars guiding this roadmap's implementation.
The first pillar is that of "development" and aims to build processes that provide structure to and make the experience of people working at Bracco sustainable. The second pillar is that of "learning" and focuses on people's need to receive resources to learn and reflect in order to support not only the business's expectations but also development processes. And lastly, the third pillar is that of "change", at the heart of which is the big challenge of acting on the work environment to enable people to adopt new behaviours, practices and rituals.

BraccoPeopleWay builds on the Group's model of values and behaviour and has the ambition and responsibility to make this model active and practised throughout the organization.
In particular, the Group has launched a training and co-development program concerning DE&I (diversity, equity, and inclusion), involving a masterclass that envisages managing these issues through an Inclusion and Diversity Management framework, with the aim of identifying and knowing how to display inclusive behaviour every day.

ENVIRONMENT AND SAFETY

All Bracco Group companies participate in the Responsible Care program and the SusChem Italy Technology Platform, both initiatives promoted by Federchimica (the federation of the Italian chemical industry) to strengthen the competitiveness of the European chemical industry by defining innovation and development priorities with a view to sustainability.
Attention to the environment and the protection of workers' health and safety has led the Bracco Group to voluntarily adopt, at its production sites, integrated environmental and safety management systems, certified according to ISO 14001 and ISO 45001 international standards.

Aware of the influence it has on the economic and social well-being of the places in which it operates, the Group considers compliance with the principles of ethics, fairness and transparency an essential requirement for its ongoing growth.

All the Group's production units are committed to increasing the quantity of renewable energy purchased; the Ceriano Laghetto site, one of the most energy-intensive, gets its electricity and steam from a high-efficiency co-generation plant.
The Group's Italian sites are ISO 50001 certified and are investing in energy efficiency, through annual and multi-year programs, with implications also for the operations of the foreign sites; in 2023, this included, for example, the installation and commissioning of a photovoltaic plant for self-generation of electricity in Shanghai.
In addition, the new head office in Milan has been built in accordance with the LEED principles of sustainable design.

Particular attention is paid to the separate collection and recovery of materials, facilitating the recycling of those containing plastic, wood, paper, aluminium, iron and raw materials that can be put back on the market in a process typical of the circular economy, considered one of the keys to relaunching the European and world economies.

Great attention is paid to the recycling of raw materials such as organic solvents and iodine using new systems and processes. In addition, a new drying plant that exploits energy that would otherwise be lost at the Ceriano Laghetto site has drastically reduced the quantity of bio-sludge sent to landfills and lowered the

volume of groundwater consumed, thus contributing to achievement of the Group's objectives.
Circular economy, use of fewer resources, energy efficiency and use of energy from renewable sources are the cornerstones of the environmental Sustainability Plan that will guide the Group to carbon neutrality in coming years.

One of the initiatives adopted for continuous improvement, and to spread knowledge of best practices throughout the Group, is the BRACCO HSE AWARDS scheme, now in its seventh year, and in response to which over one hundred projects have been presented. This program aims to reward the best sustainability projects proposed by employees concerning environment, health and safety.

A program to achieve the Net Zero CO2 target in coming years has been defined and projects aimed at achieving this target are being implemented.

Ongoing training is one of the ways to develop staff awareness of health and safety issues. The Group's HSE department defines specific annual training programs for its production sites and other locations.

OBSERVATIONS ON FINANCIAL PROFILE AND BUSINESS CONTINUITY

MAIN RISKS AND UNCERTAINTIES

In compliance with the provisions of art. 2428 of the Italian Civil Code, as amended by art. 1 of Italian Legislative Decree 32 of 2 February 2007, the main risks and uncertainties to which the Group is exposed are described below.

Based on the approach developed in collaboration with the Corporate Internal Audit department, the Group identifies and periodically measures the risks to which it is potentially exposed, mapping the organizational, operational, procedural and strategic safeguards implemented to mitigate such risks to an acceptable level according to quantitative and qualitative parameters.

The risks and uncertainties considered to be most significant are described below.

Strategic risks

Reputational risk

The Group's success on the market is linked to the image and reputation of its name and of the people who work at all its sites. Reputation is considered synonymous with credibility, conscious choices and conduct, reliability of published information, integrity and honouring of commitments, respect and trust by all the stakeholders. This obviously depends on many factors, including the quality of products and production processes, as well as the ability to comply with the highest safety standards dictated by regulatory authorities or to respond promptly to any operational crisis that could threaten personal health and safety, environmental stewardship, the integrity of information and corporate assets. Maintaining a high reputation has always been a priority for the Group.

External risks

International and economic context

From the end of 2022 and throughout 2023, international trade was severely impacted by weak demand for goods, global monetary tightening and, towards the end of the year, the situation in the Middle East.

Central banks in Europe and the US continued their tight monetary policy, raising interest rates to their highest levels in 15-20 years, and maintained this stance throughout the year, despite the gradual decline in inflation.

Meanwhile, right from the start of the year GDP growth in China was much lower than expected at 3.2% year-on-year, accompanied by declining house prices and business investment. On the flipside, youth unemployment is rising and so China finds itself facing a real risk of deflation, with prices falling in the face of flagging economic activity.

This Chinese weakness has clear repercussions at the macro level. In fact, China is the world's second largest economy and what happens there has huge consequences for the rest of the world. Parallel to the economic debate, a broader political debate has also unfolded concerning the possible nature of this crisis. Some Western economists and observers point to the issue of the economic sustainability of the development model adopted by China over the past thirty years, based on property development and infrastructure. In order to continue growing as the country has done so far, transitional adjustments will no longer suffice, but major structural reforms may become necessary, economically, socially and perhaps even politically.

In the Eurozone, the European Central Bank's Governing Council has been steadily raising key interest rates.

With reference to Italy, GDP growth in 2023 has been confirmed at +0.7%. GDP growth over 2023-2024 is being supported mainly by the contribution of domestic demand, primarily in the form of private consumption (+1.4% in 2023 and +1% in 2024), underpinned by declining inflation (from +5.4% in 2023 to +2.5% in 2024), by a partial recovery of wages and salaries, and by growth in employment. The healthy trend in consumption and solid labour market conditions are not expected to trigger any effects on inflation; prices are therefore expected to slow down, also thanks to the drop in energy prices, so far slow to respond despite the now global geopolitical tensions (not only the Russia-Ukraine war, but the increasingly violent Israel-Palestine conflict, as well as the intensification of attacks by the Yemeni Houthi group on shipping at the entrance to the Red Sea, resulting in the suspension of transit through the Suez Canal by major international shipping companies).

Climate change and ESG risks

After experiencing since last year prolonged periods of severe drought, European governments now find themselves facing an even more severe crisis, which is already producing severe disruption and threatening to cause devastating problems for agriculture, industry and individuals.

According to various sources, droughts in the northern hemisphere of our planet have become twenty times more likely due to the greenhouse effect and, as the Earth heats up, periods of extreme water shortages will become increasingly severe and frequent.

The Group assesses the impacts of ESG risks within its current risk categories in order to identify them at all stages of the risk assessment process and to mitigate the occurrence of such risks.

These safeguards are also aimed at preventing the concentration of exposures to significant areas and/or sectors: in this context, particular attention is given to climate change and its impact on business activities and processes.

The main ESG risk areas identified relate to climate change, the growth in social polarization, socio-demographic change, society's technological progress, the violation of human and workers' rights, environmental damage and every type of behaviour that violates the integrity of business conduct.

Bracco believes it is essential to combine economic growth with sustainability, and strategic business choices with environmental stewardship. The Group pursues a model of sustainable and socially responsible growth in all its activities, capable of creating value for the business and for the community in which it operates, with the goal of promoting the circular economy and increasing its share of electricity used from renewable energy sources. An important energy efficiency milestone has been achieved with the renewal of ISO 50001:2018 certification for the sites in Ceriano Laghetto, Colleretto Giacosa, and Torviscosa (Spin), as well as for the Milan headquarters. Receipt of this certification attests to the Group's strategic commitment to sustainability.

In addition, with reference to the Planet, the Group has fully embraced sustainable transformation, investing in the best available technologies. New opportunities for the circular economy are being promoted and responsible best practices are being strengthened along the entire value chain.

In fact, the Bracco Group is committed to reducing emissions and waste production, and to a carbon-neutral policy by investing in self-generation and migrating towards green sources such as bio-methane and hydrogen, until such time as the Group is able to acquire energy from renewable sources alone.

Cyber risks related to management of IT resources and data security

Cyber risks are defined as the set of internal and external threats that can compromise business continuity, cause civil liability damages in the event of loss or

disclosure of sensitive data, and facilitate fraudulent activities to the detriment of businesses. From an internal perspective, IT operational risks are intrinsically linked to the Group's activities.
The level of attention and monitoring has increased over the years, even though the Group has long had disaster recovery and IT business continuity processes that ensure immediate back-up of the main or critical systems on workstations.
In addition, the active security of data and business applications is guaranteed by multiple levels of physical and logical protection at both server and client level. The systems and procedures undergo an annual VAPT (Vulnerability Assessment and Penetration Test) and additional periodic IT security audits by leading external firms. The outcome of these tests and audits has always shown the Group's IT systems to be adequately protected. With regard to potential IT fraud, the Group has introduced, with outside assistance, an ongoing training program for employees in order to raise their awareness about the correct use of the IT resources and applications assigned to them.

Risks related to changes in the pharmaceutical sector's legal and regulatory framework

New government guidelines and regulatory measures enacted locally, as well as any new decisions by the regulatory agencies (AIFA - EMA - FDA - PMDA) and, more generally, changes in the specific legislative framework or the length of new product authorization processes, could have a significant impact on the Group's operations, financial results and condition.
In fact, the pharmaceutical sector features a high degree of local, national and international regulation, with an impact on activities at all levels. Most of the Group's sales are to public entities or other forms of insurance and to private facilities. While this situation protects the Group from general economic trends, it also exposes it to the consequences of local legislative measures to control public healthcare spending.
Among such measures certainly worth mentioning are the French amendment to the reimbursement scheme for contrast agents, the new reimbursement classifications for medical devices (especially for the cardio area) in the US, and certain pay-back mechanisms for drugs and medical devices in Italy.
Another example is Volume-Based Procurement in China, which is essentially the implementation, under certain conditions, of a centrally managed tender that aims

to guarantee a saving by obtaining lower drug purchase prices through mass centralized buying.

Commodity risk

The main commodity to which Bracco is exposed is iodine, which is used in large quantities in its production processes. Its value is subject to price fluctuations, as it is produced and distributed by just a few suppliers who have tight control over the quantities sold on the world market.

Bracco recently signed a long-term contract that should cover about 45% of the Group's needs. Contracts with other suppliers, on the other hand, tend to be shorter term. At present, therefore, the commodity variable remains as a risk factor due to strong price fluctuations, which also depend on developments on the global political and military front.

Exchange rate fluctuation risks

The Group manufactures and distributes its products in international markets and is exposed to exchange rate risk arising from the currencies of the countries in which the Group operates, mainly the US dollar and Chinese renminbi.

Exchange rate risk arises from future transactions or recognized assets and liabilities that are denominated in a currency other than a Group company's functional currency.

To manage this risk the Group has arranged hedges (using financial instruments found on the market, such as forward contracts and options) in order to mitigate exchange rate risks on transactions carried out in currencies other than the functional currency. However, it should also be noted that preparation of the consolidated financial statements in euro exposes the Group to exchange rate risk when translating the financial statements of consolidated companies expressed in foreign currencies. This consolidation process exposes the Group to fluctuations in the figures reported in its statement of profit or loss, statement of financial position and statement of cash flows.

A more detailed analysis of this risk is provided in Note 6 of the Explanatory Notes to the Consolidated Financial Statements. However, there is no certainty as to the terms and conditions under which similar hedges may be arranged in the future.

Interest rate fluctuation risks

The Group is exposed to this risk mainly on its short-term and medium/long-term financial debt carrying variable interest rates. This risk arises from changes in

interest rates, mainly on euro-denominated debt, which affect net finance costs. To mitigate this effect, the Group can enter into derivative contracts that transform the variable rate into a fixed rate. A more detailed analysis of this risk is provided in Note 6 of the Explanatory Notes to the Consolidated Financial Statements.

Risks related to funding requirements

The Group expects to meet its obligations in respect of maturing debt and capital expenditure programs thanks to cash generated by its operations, readily available liquidity and access to credit markets.

The Group's policy is to keep its available liquidity in demand or short-term bank deposits or readily liquidated money market instruments, and to split these deposits and investments between a suitable number of leading banks, with the primary purpose of ensuring that such investments can be readily liquidated.

Operational risks

Production disruption risks

The Group's manufacturing activities are, by their very nature, exposed to potential risks of disruption, which, if significant or for long periods of time - due, for example, to natural disasters, epidemics, fires, revocation of production permits/licences, plant or machinery malfunction, exceptional disruption in the supply of raw materials or energy - could have adverse consequences on the continuity and regularity of sales.

More generally, in order to mitigate the effects of production disruptions, the Group adopts a policy of safeguarding its assets, through machinery maintenance programs and suitable automatic fire detection and extinguishing systems. In addition, the Group has taken out All Risk insurance on its buildings, which provides cover against risks of direct and indirect damage. Lastly, the Group constantly monitors the availability of raw materials and maintains an adequate level of stocks to cope with any difficulties in procuring supplies.

Production process risks

The Group owns factories that both produce active ingredients and transform them into finished products. The Group also outsources the latter activity to third-party manufacturers under specific production agreements.

The production sites are equipped with suitable facilities and qualified personnel, in accordance with industry standards, to ensure that the production process

complies with Good Manufacturing Practices. The Group's ability to meet its obligations to customers therefore depends on its ability to achieve required levels of output and quality standards and on third-party manufacturers properly fulfilling their contractual obligations.

Supply chain risks

The Group is exposed to the risk of an unintentional and sudden interruption in the supply of a specific item, which may depend on factors external or internal to the supplier with whom a supply contract is in place. Should all or part of the goods supplied under some of the current manufacturing agreements cease, for whatever reason, there is no certainty that the remaining manufacturers would be able to absorb the production quota of the manufacturer in breach or with whom the relationship has ceased, nor can there be any certainty as to the immediate availability in the market of alternative manufacturers.

In order to minimize this risk, where possible, the Group diversifies its sources of supply, and reviews the economic and financial solidity of all its suppliers, as well as their ethical and reputational compliance, periodically updating this review in order to avoid relations with parties deemed unsuitable and to gauge its exposure to possible insolvency risks by its chosen suppliers.

Product distribution risks

The Group markets its products in the various world markets both through its own subsidiaries and through a series of agreements with third-party licensees and distributors.

Should third parties cease to be able to comply with contractual provisions in terms of distribution, for whatever reason, due to internal or external events, there could be a temporary shortage of the product on the market.

Moreover, should some of these agreements be terminated prematurely, the transfer of activities to the Group or to a different partner could entail temporary losses of market share due to delays, difficulties in terms of the transition to new regulators or marketing authorizations, with possible negative impacts on the Group's operating results and financial condition.

These risks are mitigated by carefully reviewing the financial solidity as well as the ethical-reputational compliance of all distributors, updating this review periodically, and by drafting contracts that provide for suitable notice periods in the event of early termination by one of the parties.

Supply chain disruption

The rebound in the market has led to changes in the supply chain and sales channels used to date. Besides the general increase in costs, other important issues are the availability of transport to distribute products and the prompt fulfilment of commitments undertaken. In this context, partners and routes considered most at risk continue to be monitored specifically.

Market risk

As a global market leader in several business areas, the Group is increasingly exposed to competition from new competitors and new market entrants (especially in the United States and China) offering generic products, with the risk of a loss of market share.

To duly mitigate this risk, management carries out different simulations and risk assessment activities on an ongoing basis.

In addition, the Group has put in place various operational and organizational safeguards, and actively monitors and assesses its exposure, including through market sizing activities by specialist consultants.

Product liability risks

Like any pharmaceutical market player, the Group could be exposed to the risk of claims for damages caused by its products, despite strict compliance with the relevant legislation. In order to mitigate this potential liability, the Group has taken out insurance cover for all its products currently sold or under development, the maximum amount of which is deemed sufficient and whose adequacy is constantly monitored with the support of market analyses and studies conducted by leading insurance brokers.

Compliance risks

All of the Group's operational and commercial activities, both in Italy and abroad, are carried out in compliance with the rules and regulations applicable in the countries in which it operates, including the national and international regulations and technical standards applicable to the pharmaceutical sector, governing the research and development, production, distribution and scientific information of pharmaceutical products. The Group implements a policy of constantly monitoring regulatory developments in all the markets in which it operates, through dedicated organizational teams at headquarters and local unit level, in order to coordinate

ever more effectively and have information to identify and promptly adopt the most appropriate response strategies.

With reference to Italian Legislative Decree 231/2001 on the administrative liability of legal persons, the Group's Italian companies have adopted an Organization, Management and Control Model that is updated on an ongoing basis to reflect the most recent regulatory changes in this area (further details can be found in the later section of this document entitled "Actions to defend against corporate criminal liability under Italian Legislative Decree 231/2001").

With regard to anti-corruption, a specific operational and behavioural policy has been implemented that defines the measures necessary to mitigate risks of bribery and corruption. The same solution has been adopted to manage business conduct in the field of competition and antitrust compliance in general. Furthermore, as regards anti-terrorism, a policy has been implemented to monitor and manage transactions with counterparties residing in countries under sanctions or embargoes.

Lastly, when choosing business partners (whether suppliers or consultants, wholesalers or distributors), particular attention is paid to the selection process, through checks and due diligence designed to evaluate the reliability of the potential partner.

ACTIONS TO DEFEND AGAINST CORPORATE CRIMINAL LIABILITY UNDER ITALIAN LEGISLATIVE DECREE 231/2001

The group Parent has adopted the "Organization, Management and Control Model" under Italian Legislative Decree 231/2001 and has established a Supervisory Body, a committee of three members, of whom the chairman and one other are external appointees, tasked with monitoring the Model's actual implementation and submitting proposals for revisions and updates.

The measures put in place reflect the group Parent's commitment to act fairly and transparently in managing its business activities and also serve to protect its image and the interests of all those who work in its name and on its behalf.

In carrying out its duties the Supervisory Body is assisted by the Corporate Internal Audit department, tasked with providing support in revising the Model and in verifying the compliance of business operations in areas "sensitive" to the risk of offences defined under Italian Legislative Decree 231/2001 and identified in the Model.

During 2023, the Supervisory Board received the results of the audit activities performed on sensitive processes and met with the main risk owners, from whom it also received six-monthly reports: these activities did not reveal any critical issues or shortcomings in the Model's management.

The Supervisory Board also received updates on the provision of 231 training to employees.

The Supervisory Board also reported on the regulatory changes of interest, in relation to which it will oversee the related updating of the Organization, Management and Control Model.

On the subject of Whistleblowing, the Supervisory Board received and endorsed the new version of the Group Policy, suggesting that the other relevant documents, such as the general section of the Organization, Management and Control Model, the Group Code of Ethics, the compliance programs adopted and relevant procedures, also be updated accordingly.

Lastly, the group Parent's Supervisory Body met periodically with the Board of Statutory Auditors to coordinate and exchange information, and reported every six months to the group Parent's Board of Directors on the results of its work and the adequacy and effective functioning of the Model.

ACTIONS TO IMPLEMENT DATA PROTECTION LEGISLATION

Bracco S.p.A., the group Parent, complies with all obligations regarding personal data protection and specifically acts in accordance not only with the provisions of Regulation (EU) no. 2016/679 of the European Parliament and of the Council of 27 April 2016 ("GDPR") on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC, but also with the provisions of Italian Legislative Decree 196/2003 as amended by Legislative Decree 101/2018, containing provisions that update national legislation for the GDPR.
The Company has a Data Protection Officer ("DPO"), in accordance with the provisions of art. 37-39 of the GDPR.

The Company also keeps and updates electronic registers of processing activities (art. 30, para. 3, GDPR) and carries out data protection impact assessments (art. 35 GDPR) where a type of processing, particularly using new technologies, is likely to result in a high risk to the rights and freedoms of natural persons.

During 2023, the Group consistently ensured that processing carried out on its behalf by third parties was entrusted to providers that provided sufficient guarantees that they would put in place adequate technical and organizational measures so that the processing met GDPR requirements, by making appropriate data processing agreements ("DPAs") with such parties, in accordance with the provisions of art. 28, para. 3 GDPR.
The Group has continued to provide training for the persons authorized to process data and has carried out monitoring and auditing activities of the main suppliers relevant to the processing of personal data. The Group has ensured that the legal rights of data subjects (art. 15 et seq. GDPR) are administered on an ongoing basis.

BUSINESS OUTLOOK

The market context in the first few months of the year continues to be characterized by significant economic and geopolitical uncertainty, as well as strong price volatility.

Under the budget, the Traditional Imaging and Medical Technologies businesses are forecast to confirm their upward growth trend, while the Posluma® and Vueway® products are expected to consolidate their position in the United States and the latter is scheduled to launch in Europe.

During the first quarter of 2024, the Group submitted an application to the Food and Drug Administration for approval to market in the United States its new platform for the management of cardiology procedures, forming part of its Medical Technologies business.

The industrial sites will continue to be engaged in projects to expand capacity and improve production yields, but are still expected to come under pressure from commodity purchase prices.

The Group also confirms its major commitment to numerous research programs particularly focused on the MRI, Microbubbles and Nuclear Oncology segments.

No situations or particular strains on the Group's financial structure are currently foreseen that could jeopardize business continuity.

Lastly, it is noted that sales revenue in the initial months of 2024 has been in line with budget.

OTHER INFORMATION

TREASURY SHARES

Currently, Bracco S.p.A., the group Parent, holds 20,000,000 treasury shares with a total par value of euro 10,400,000, corresponding to 10% of its share capital. These shares are recorded in the financial statements at their purchase cost of euro 146.3 million, accounted for as a direct reduction of equity, as required by IAS/IFRS.

It should also be noted that Bracco S.p.A., the group Parent, does not hold any shares in ultimate parent companies either directly or indirectly.

RELATED PARTY TRANSACTIONS

Related party transactions do not qualify as either atypical or unusual since they are part of the normal course of business by Group companies. Such transactions are conducted on an arm's length basis, taking account of the nature of the goods and services supplied.

Information on related party transactions is presented in the Explanatory Notes to the Consolidated Financial Statements at 31 December 2023.

SECONDARY LOCATIONS AND BASIC CORPORATE INFORMATION

The list of secondary locations and basic corporate information about the legal entities making up the Group can be found in Appendix A of the Explanatory Notes to the Consolidated Financial Statements.

FINANCIAL RISK MANAGEMENT

The management of financial risks is discussed in the Explanatory Notes to the Consolidated Financial Statements.

To our Shareholders,

The year has ended with a profit after tax of euro 9,496,800; pursuant to article 2427, para. 1, no. 22-septies of the Italian Civil Code, the Board of Directors proposes that the Shareholders' Meeting of Bracco S.p.A. approves the financial statements, carries forward the entire profit for 2023 and approves the distribution of a dividend of euro 0.085 to each of the 180,000,000 shares, for a total of euro 15,300,000.00 to be drawn from retained earnings.

The proposed dividend distribution takes into account the Company and Group's capabilities in terms of earnings, capital and finance and is consistent with their investment plans.

On behalf of the Board of Directors
Chairman and
Chief Executive Officer

Diana Bracco

BRACCO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

(€/000)	*Notes*	2023	2022
REVENUE	*8*	**1,812,429**	**1,782,470**
Other income	*9*	35,789	24,452
Changes in inventories of purchased and produced goods		114,476	48,657
Purchase of raw materials and goods for production and resale	*10*	(671,146)	(538,165)
Employee costs	*11*	(406,681)	(401,963)
Other operating costs	*12*	(612,271)	(609,137)
Depreciation, amortization, impairment/impairment reversals	*13*	(182,302)	(184,294)
Operating profit		**90,294**	**122,020**
Gains (losses) on non-current financial assets	*14*	9,922	(247)
Finance income	*15*	61,570	93,972
Finance costs	*16*	(87,411)	(108,570)
Profit before tax		**74,376**	**107,176**
Income tax	*17*	(43,014)	(38,827)
Profit for the year from continuing operations		**31,362**	**68,349**
Profit (loss) from discontinued operations		(252)	(31,746)
Profit for the year		**31,110**	**36,603**
Attributable to:			
Owners of the Company		**24,892**	**29,400**
Non-controlling interests		6,218	7,203

(€/000)	***Notes***	**2023**	**2022**
Profit for the year		**31,110**	**36,603**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses) on employee benefits *		(12,605)	40,318
Total (a)		***(12,605)***	***40,318***
Items of other comprehensive income that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations		(20,877)	58,228
Change in FV of derivative financial instruments designated as cash flow hedges *		(19,113)	36,897
Change in FV of FVTOCI financial assets *		(132)	(662)
Total (b)		***(40,122)***	***94,463***
Total other comprehensive income/(loss) (a+b)	*18*	***(52,727)***	***134,781***
Total comprehensive income (loss) for the year		**(21,617)**	**171,384**
Attributable to:			
Owners of the Company		(26,619)	164,840
Non-controlling interests		5,002	6,544

* stated net of tax effect

(€/000)	*Notes*	31 December 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*19*	849,543	806,567
Investment property	*20*	3,587	3,813
Goodwill	*22*	206,691	210,627
Other intangible assets	*21*	337,557	429,969
Financial assets	*23*	29,078	59,950
Other assets	*24*	25,897	20,026
Deferred tax assets	*31*	74,047	67,905
Total non-current assets		**1,526,400**	**1,598,858**
CURRENT ASSETS			
Inventories	*25*	509,154	404,653
Trade receivables	*26*	224,586	210,567
Financial assets	*27*	26,845	26,081
Other receivables and assets	*28*	87,881	111,135
Cash and cash equivalents	*29*	157,784	177,989
Total current assets		**1,006,249**	**930,425**
Assets held for sale		-	-
TOTAL ASSETS		**2,532,649**	**2,529,283**
LIABILITIES			
EQUITY			
Share capital	*32*	104,000	104,000
Reserves	*32*	842,310	878,132
Profit for the year	*32*	24,892	29,400
Equity attributable to owners of the Company		**971,202**	**1,011,532**
Non-controlling interests	*32*	22,628	29,168
Total equity		**993,830**	**1,040,700**
NON-CURRENT LIABILITIES			
Borrowings from banks and other lenders	*34*	667,274	673,757
Other financial liabilities	*34*	82,592	74,971
Employee benefit obligations	*33*	47,574	41,372
Deferred tax liabilities	*31*	75,771	99,510
Provisions for risks and charges	*35*	1,163	-
Other liabilities	*37*	22,891	20,115
Total non-current liabilities		**897,265**	**909,725**
CURRENT LIABILITIES			
Borrowings from banks and other lenders	*34*	131,086	126,884
Other financial liabilities	*34*	18,695	25,207
Trade payables	*36*	284,425	238,043
Provisions for risks and charges	*35*	17,397	15,727
Other liabilities	*37*	152,936	142,928
Current tax liabilities	*38*	37,016	30,069
Total current liabilities		**641,555**	**578,858**
Liabilities directly associated with assets held for sale		-	-
TOTAL LIABILITIES		**2,532,649**	**2,529,283**

CONSOLIDATED STATEMENT OF CASH FLOWS

	(€/000)	Notes	2023	2022
A	**Cash flow from operating activities**			
	Profit for the year including share of non-controlling interests		31,110	36,603
	Adjustments for non-cash items:			
	Depreciation and amortization		134,746	131,349
	Release of employee benefit obligations		(12,188)	-
	Finance income/costs	15-16	25,841	14,597
	Taxes		63,520	52,727
	Impairment losses, net of reversals, on property, plant and equipment, intangible assets, equity investments, other financial assets	13	37,628	52,709
	Profit (loss) from discontinued operations		-	31,746
	Change in deferred tax liabilities and deferred tax assets		(19,319)	(15,171)
	Net change in provisions for risks and charges		3,343	1,686
	Net change in employee benefit obligations		2,333	(2,950)
	Other non-current assets/liabilities		(575)	(1,934)
	Cash flow from working capital:			
	Change in inventories		(108,446)	(37,574)
	Change in trade receivables/payables		35,396	29,671
	Change in other current assets/liabilities		(29,859)	(86,181)
	Net cash (outflow) from operating activities (A)		**163,531**	**207,279**
B	**Cash flow from investing activities**			
	Property, plant and equipment	19	(106,485)	(110,492)
	Intangible assets	21	(14,711)	(34,176)
	Other financial assets	23-27	20,278	1,028
	Cash flow from acquisitions		(1,284)	-
	Net cash (outflow) from investing activities (B)		**(102,202)**	**(143,640)**
C	**Cash flow from financing activities**			
	Net proceeds from (repayment of) bank debt and other borrowings	34	(1,827)	(215,581)
	Repayment of lease liabilities		(25,723)	(21,601)
	Finance costs paid/income received		(23,243)	(10,823)
	Dividend distribution	32	(23,159)	(34,205)
	Net cash (outflow) from financing activities (C)		**(73,953)**	**(282,210)**
D	**Net cash flow from discontinued operations/ assets held for sale**		-	7,487
	Net cash inflow (outflow) from discontinued operations/assets held for sale (D)		**-**	**7,487**
E	**Net cash flow for the year (A + B + C + D)**		**(12,623)**	**(211,084)**
F	**Cash and cash equivalents at beginning of year**		**177,989**	**379,496**
G	**Effect of exchange rate changes and IFRS 9 on cash and cash equivalents**		**(7,582)**	**9,577**
	Cash and cash equivalents at end of year (E + F + G)		**157,784**	**177,989**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€/000)	Share capital	Treasury shares	Legal reserve	Revaluation reserves	Treasury shares reserve	Other reserves: Valuation reserves	Other reserves: Fair value reserves	Other reserves: Other reserves	Retained earnings	Profit for the year	Equity attributable to owners	Non-controlling interests	Total equity
Balance at 1-Jan-2022	**104,000**	**(146,332)**	**20,800**	**9,736**	**146,332**	**(1,794)**	**5,662**	**(58,306)**	**669,284**	**124,311**	**873,692**	**29,828**	**903,520**
Allocation of profit for 2021:													
- Profits carried forward	-		-			-	-	-	124,311	(124,311)	-	-	-
- Dividends	-		-			-	-	-	(27,000)	-	**(27,000)**	(7,205)	**(34,205)**
Total comprehensive income for 2022	-		-			76,487	47	58,906	-	29,400	**164,840**	6,544	**171,385**
Balance at 31-12-2022	**104,000**	**(146,332)**	**20,800**	**9,736**	**146,332**	**74,693**	**5,710**	**600**	**766,595**	**29,400**	**1,011,532**	**29,168**	**1,040,700**

(€/000)	Share capital	Treasury shares	Legal reserve	Revaluation reserves	Treasury shares reserve	Other reserves: Valuation reserves	Other reserves: Fair value reserves	Other reserves: Other reserves	Retained earnings	Profit for the year	Equity attributable to owners	Non-controlling interests	Total equity
Balance at 1-Jan-2023	**104,000**	**(146,332)**	**20,800**	**9,736**	**146,332**	**74,693**	**5,710**	**600**	**766,595**	**29,400**	**1,011,532**	**29,168**	**1,040,700**
Allocation of profit for 2022:													
- Profits carried forward	-		-			-	-	-	29,400	(29,400)	-	-	-
- Dividends	-		-			-	-	-	(15,300)	-	**(15,300)**	(8,616)	**(23,916)**
Other movements	-		-			-	-	-	1,605	-	**1,605**	(2,928)	**(1,322)**
Total comprehensive income for 2023	-		-			(31,967)	122	(19,682)	-	24,892	**(26,636)**	5,002	**(21,632)**
Balance at 31-12-2023	**104,000**	**(146,332)**	**20,800**	**9,736**	**146,332**	**42,726**	**5,832**	**(19,083)**	**782,300**	**24,892**	**971,202**	**22,628**	**993,830**

BRACCO GROUP

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EXPLANATORY NOTES

1. GENERAL INFORMATION

Bracco S.p.A. (the "group Parent") is a joint-stock company incorporated in Italy at the Milan-Monza-Brianza-Lodi Companies Register. The address of the registered office is Via Folli, 50 - Milan.

As group Parent, Bracco S.p.A. has prepared the consolidated financial statements of the Bracco Group (the "Group") for the year ended 31 December 2023.

The main activities of the group Parent and its subsidiaries are described in the Directors' Report.

The present consolidated financial statements are expressed in thousands of euros. Foreign companies are consolidated in accordance with the principles indicated in the following notes.

The consolidated financial statements will be presented to the Board of Directors on 22 April 2024 and have been audited by Deloitte & Touche S.p.A., the firm responsible for auditing the accounts of the group Parent and the Group's main subsidiaries.

2. BASIS OF PREPARATION

a) ACCOUNTING STANDARDS USED TO PREPARE THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Bracco Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and already adopted by the European Union as at the reporting date. The term IFRS includes all International Financial Reporting Standards, International Accounting Standards (IAS), all interpretations of the IFRS Interpretations Committee (formerly IFRIC), previously known as the Standing Interpretations Committee (SIC), endorsed by the European Union and contained in the relevant EU Regulations.

IFRSs have been applied consistently by all Group companies and to all reporting periods presented in this document.

The consolidated financial statements have been prepared under the historical cost convention, modified as required for the valuation of investment property and certain

financial instruments, and on a going concern basis. The Directors believe the going concern basis of accounting to be appropriate because, in their opinion, no uncertainties have emerged in relation to events or circumstances which, taken individually or collectively, might cast doubt upon the business's ability to meet its obligations in the foreseeable future and, in particular, over the next 12 months.

b) STRUCTURE AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements have the following structure and content:

Consolidated statement of profit or loss

The consolidated statement of profit or loss has been prepared using a format that classifies revenue and costs by nature and shows intermediate results for Operating Profit and Profit before Tax in order to best represent the performance of continuing operations.

Consolidated statement of comprehensive income

The consolidated statement of comprehensive income includes the profit (loss) for the year and income and expenses, grouped by like categories and which, under IFRS, are accounted for directly in equity.

Consolidated statement of financial position

The consolidated statement of financial position presents assets, liabilities and equity separately from one another, with assets and liabilities classified as current or non-current.

Consolidated statement of cash flows

The consolidated statement of cash flows has been prepared using the indirect method. Cash and cash equivalents reported in the statement of cash flows reflect the corresponding balance presented in the statement of financial position at the reporting date. Cash flows in foreign currencies are translated at the average exchange rate for the reporting period.

Consolidated statement of changes in equity

The consolidated statement of changes in equity includes the total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests, amounts relating to transactions with owners and the effect of any changes in accounting policies. The statement reconciles the balance for each component of equity at the beginning and at the end of the reporting period.

Each significant line item reported in the above financial statements is cross-referenced to the subsequent Explanatory Notes in which the relevant information is provided, along with details of its composition and changes since the previous reporting period.

c) SCOPE OF CONSOLIDATION

The consolidated financial statements of the Bracco Group include the annual results of Bracco S.p.A., the group Parent, and of its direct and indirect subsidiaries, taken from the financial statements approved, or in the process of being approved, by their respective Boards of Directors, appropriately adjusted, where necessary, to bring them into line with the IAS/IFRS accounting standards adopted by the Group to prepare its consolidated financial statements.

Subsidiaries are defined as companies over which the Group has control by virtue of having all of the following:

- decision-making power, i.e. the ability to direct the relevant activities of the investee, i.e. those activities that have a significant influence on the investee's results;
- the right to variable (positive or negative) returns from its involvement with the investee;
- the ability to use its decision-making power to affect the amount of the returns from its investment in the subsidiary.

The scope of consolidation also includes joint-control arrangements (joint operations) under which the parties holding joint control have rights to the assets and obligations for the liabilities relating to the arrangement.

The financial statements of subsidiaries are consolidated from the date on which control is acquired until the date such control ceases. The share of equity and share of profit or loss attributable to non-controlling interests are shown separately within the statement of financial position, statement of profit or loss and statement of comprehensive income, respectively.

A number of changes took place in the scope of consolidation during the reporting period. Further information about this can be found in the paragraph on "Changes in the scope of consolidation".

A complete list of subsidiaries is provided in Appendix 1: Scope of consolidation - list of companies consolidated on a line-by-line basis.

3. PRINCIPLES OF CONSOLIDATION

The criteria adopted for consolidation are as follows:

a. Assets and liabilities, income and expenses reported in financial statements consolidated on a line-by-line basis are combined in the Group's financial statements, regardless of the size of the investment. In addition, the carrying amount of each investment is eliminated against the investor's portion of investee equity;
b. The assets and liabilities, income and expenses recorded in the financial statements of a joint operation are included in the Group's financial statements using proportionate consolidation whereby the joint operator recognizes in relation to its interest in a joint operation: its assets, including the share of any assets held jointly; its liabilities, including the share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its expenses, including its share of any expenses incurred jointly;
c. Payables/receivables, costs/revenue between consolidated companies and profits/losses arising from intragroup transactions are eliminated. Also eliminated are dividends and impairment of investments recognized in individual financial statements;
d. Closing inventories of products purchased from Group companies are adjusted for the intragroup margins they contain, since not yet realized with third parties;
e. Gains realized on the intragroup sale of intangible assets and property, plant and equipment are eliminated, net of amortization/depreciation accounted for in such gains;
f. The share of any non-controlling interests in equity and profit for the period is presented separately within the consolidated statement of financial position and consolidated statement of profit or loss respectively;
g. If the disposal of an investee results in a loss of control, any goodwill attributable to the investee is taken into account when determining the gain or loss on disposal;
h. In the case of equity interests acquired subsequent to the acquisition of control, any difference between the acquisition cost and the corresponding portion of net assets acquired is recognized in equity; similarly, the effects of the disposal of non-controlling interests without loss of control are recognized in equity.

Individual financial statements expressed in foreign currencies are prepared in the currency of the primary economic environment in which the company operates

(functional currency). For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in euros, which is the group Parent's functional currency and the presentation currency of the consolidated financial statements.

Items in the statement of financial position denominated in currencies other than the euro are translated using closing exchange rates at the reporting date. Items in the statement of profit or loss are translated using the relevant average exchange rate for the reporting period.

The exchange rate differences resulting from the translation of opening equity at current closing rates and the same translated at prior year closing rates, as well as the difference between profit or loss translated at average exchange rates and that expressed at current closing rates, are allocated to the "Foreign exchange translation reserve" within equity.

The main exchange rates used to translate the local currency financial statements of the Group's foreign companies into euros are set out in the following table:

	31 December 2023		31 December 2022	
	Average	**Closing**	**Average**	**Closing**
USD	1.081	1.105	1.053	1.067
CHF	0.972	0.926	1.005	0.985
JPY	151.990	156.330	138.027	140.660
GBP	0.870	0.869	0.853	0.887
CAD	1.460	1.464	1.370	1.444
CNY	7.660	7.851	7.079	7.358
HKD	8.465	8.631	8.245	8.316
BRL	5.401	5.362	5.440	5.639
KRW	1412.880	1433.660	1358.073	1344.090
SGD	1.452	1.459	1.451	1.430
SEK	11.479	11.096	10.630	11.122
CZK	24.004	24.724	24.566	24.116
PLN	4.542	4.340	4.686	4.681
MXN	19.183	18.723	21.187	20.856

Business combinations and common control transactions

Business combinations involving the acquisition of control of an entity are accounted

for using the acquisition method, in accordance with IFRS 3 - Business Combinations. Acquisition cost is measured as the acquisition-date fair value of assets acquired, liabilities assumed and equity instruments issued. The identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at their acquisition-date fair value, except for deferred tax assets and liabilities, employee benefit assets and obligations, and assets held for sale, which are recognized in accordance with the relevant accounting standards.

If the acquisition cost is higher than the fair value of the identifiable net assets acquired, the difference is recognized as goodwill under intangible assets. If the acquisition cost is less than the fair value of the identifiable net assets acquired, the difference is recognized as income directly in profit or loss, but only after assessing that the fair values of the net assets acquired and the acquisition cost have been measured correctly. Incidental transaction costs are recognized in profit or loss as incurred.

The acquisition-date measurement of non-controlling interests can be either at fair value or as a proportion of the value of the acquiree's recognized net assets. The choice of measurement method is made on a transaction-by-transaction basis.

Any contingent consideration under a business combination agreement is recognized at its acquisition-date fair value as part of the consideration transferred in the business combination for the purpose of determining goodwill. Any subsequent changes in this fair value that qualify as measurement period adjustments are recorded in goodwill on a retrospective basis. Changes in fair value that qualify as measurement period adjustments are those that originate from additional information, about facts and circumstances that existed at the acquisition date, obtained during the measurement period (which cannot exceed a period of one year from the acquisition date).

In the case of business combinations achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at fair value at the date control is obtained and any resulting gain or loss is recognized in profit or loss. Any amounts relating to the previously held equity interest that have been recognized through other comprehensive income are reclassified to profit or loss as if the equity interest had been sold.

If a business combination involves entities or groups under common control (common control transaction) and it is determined that:

- all of the combining entities or businesses are ultimately controlled by the same party both before and after the business combination;
- control is not transitory;
- there is no significant influence on future cash flows after the transfer for all the parties involved;

then the transaction is accounted for at existing values and not as a "business combination" (i.e. not at fair value).

In particular, if the transaction qualifies as a common control one, the accounting treatment requires the buyer to recognize the acquired assets at their historical carrying amounts determined by reference to the cost recorded in the consolidated financial statements of the seller group. If the transfer values are higher than the historical values, the excess is eliminated by reducing the acquiring group's equity.

Similarly, the accounting treatment adopted for the financial statements of the selling group requires that any difference between the transaction price and the pre-existing carrying amount of the assets transferred shall be recognized in equity.

4. ACCOUNTING POLICIES AND PRINCIPLES

The accounting policies and principles adopted to prepare the present consolidated financial statements are unchanged since the previous year, and are described below:

PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that its use will generate future economic benefits and if its cost can be measured reliably. Assets are recognized at purchase or production cost, including directly attributable incidental expenses.

Borrowing costs directly attributable to the purchase, construction or production of qualifying assets that require a significant period of time before they are ready for use are capitalized as part of the cost of those assets.

Costs incurred after purchase are capitalized only if they increase the future economic benefits of the asset to which they refer. All other costs are recognized in profit or loss as incurred.

If significant parts of individual items of property, plant and equipment have different useful lives, the components identified are recognized and depreciated separately.

Depreciation is charged, on a straight-line basis, over the estimated useful lives of the assets, which are reviewed annually; any changes in depreciation policy are applied prospectively. Depreciation of an asset begins when it is available for use.

The estimated useful lives of the main categories of property, plant and equipment are as follows:

Asset	Years
Buildings	38
Plant and machinery	10 – 20
Equipment	3
Other assets	4 – 9

Land is not depreciated as it has an indefinite useful life.

Leasehold improvements are classified under Property, plant and equipment according to the nature of the cost incurred. The depreciation period is determined as the shorter of the lease term or the period expected to benefit from the improvements.

Assets recognized under Property, plant and equipment are derecognized on disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from their use or disposal. Any gain or loss, recognized in profit or loss, is calculated as the difference between the net disposal proceeds and the net carrying amount of the derecognized assets.

Property, plant and equipment are subject to impairment testing, as described in the section "Impairment of assets" and the results of which are reported in Note 22. Goodwill. Impairment losses may be reversed at a later date.

Rights of use

The Group uses property, plant and equipment in the conduct of its business that is held through leases (including property letting agreements). At the date of entering into a lease agreement, the Group assesses whether the agreement is, or contains, a lease. The Group recognizes an asset for the right to use the asset and a liability arising from all lease arrangements where it is a lessee, except for short-term leases (of 12 months or less) and leases of low-value assets (defined under Group policy as assets worth less than euro 10,000 when new). Leases for which the latter exemption has

been applied mainly refer to computers, printers, telephones, other electronic devices and small items of equipment. In the case of these exemptions, the Group recognizes the related payments as operating costs on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of future payments at the lease commencement date. The discount rate applied to future lease payments is calculated taking into account the cost of funding (determined by reference to the holding company's credit lines) over different time periods (1-3 years, 3-5 years, more than 5 years), credit spread (calculated on the basis of parameters relating to the financial position of the company for which the calculation is made) and LIBOR.

The present value of the lease liability includes the following payments:

- fixed payments, less any lease incentives received;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the lease commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, only if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease early, if the lease term allows an early termination option and if this termination option is reasonably certain to be exercised.

Subsequent to initial recognition, the carrying amount of the lease liability is increased for accrued interest (using the effective interest method) and reduced for payments made under the lease agreement.

The Group remeasures the value of the lease liability (and adjusts the value of the corresponding right-of-use asset) if:

- the lease term changes or there is a change in the assessment of whether a purchase option will be exercised or not; in this case the lease liability is restated by discounting the new lease payments at the revised discount rate;
- there is a change in the measurement of the lease payments as a result of changes in indices or rates, in which case the lease liability is restated by discounting the new lease payments at the original discount rate (unless the lease payments have changed as a result of fluctuations in interest rates, in which case a revised discount rate must be used);
- a lease agreement has been modified and the modification does not qualify for

separate recognition. In such cases the lease liability is restated by discounting the new lease payments at the revised interest rate.

The right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the lease commencement date and any initial direct costs. The right-of-use asset is presented less accumulated depreciation and impairment losses.

Lease-related incentives (e.g. rent-free periods) are recognized as part of the initial value of the right-of-use asset and the lease liability over the lease term.

The right-of-use asset is depreciated on a systematic basis over the shorter of the lease term and the remaining useful life of the underlying asset. If the lease agreement transfers ownership of the related asset or the cost of the right of use reflects the Group's intention to exercise the purchase option, the related right-of-use asset is depreciated over the useful life of that asset. Depreciation begins from the lease commencement date.

The Group applies IAS 36 - Impairment of Assets in order to identify the presence of any impairment losses.

Variable lease payments that do not depend on an index or a rate are not included in the value of the lease liability or that of the right-of-use asset. The related payments are accounted for on an accrual basis and classified in the statement of profit or loss under "Other operating costs".

Investment property

Investment property has been recognized at its deemed cost on the IFRS transition date (1 January 2005), corresponding to its fair value based on its condition at that date, less subsequent accumulated depreciation and impairment losses. Fair value was determined on the basis of specific appraisals commissioned from a leading independent firm of valuers.

The surplus value arising from this appraisal was credited, upon IAS/IFRS transition, directly to an equity reserve, net of the related tax effect.

Costs incurred after purchase are capitalized only if they increase the future economic benefits of the asset to which they refer. All other costs (including borrowing costs directly attributable to the acquisition, construction or production of the asset) are recognized in profit or loss when incurred.

Subsequent to the transition date, the Group has elected to adopt the cost model of accounting.

Depreciation is determined, on a straight-line basis, according to the estimated useful life of the property (originally 38 years) as estimated in the appraisal commissioned from the independent firm of valuers mentioned above.

The land component is not depreciated.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. More details can be found in the earlier note on "Business combinations and common control transactions".

Goodwill arising on the acquisition of subsidiaries is recognized separately and, after initial recognition, is not amortized but tested for impairment at least annually. This test is described in the paragraph on "Impairment of assets".

For the purpose of the impairment test, goodwill is allocated, from its acquisition date, to each cash-generating unit ("CGU") that is expected to benefit from the synergies of the business combination.

On transferring control of a previously acquired business, the gain or loss on disposal takes into account the corresponding residual value of any previously recognized goodwill.

Goodwill related to investments in associates is included in the carrying amount of such investments.

Other intangible assets

Intangible assets acquired separately are initially recognized at cost, while those acquired through a business combination are recognized at their acquisition-date fair value. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and tested for impairment whenever there are indications of possible impairment. The

amortization period and amortization method for a finite-life intangible asset are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, either at an individual level or at the level of the cash-generating unit to which they are allocated.

An intangible asset is derecognized upon disposal (i.e. on the date the buyer obtains its control) or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss.

Research and development costs

Expenditure on research is fully expensed to profit or loss in the period it is incurred, as required by IAS 38. IAS 38 also establishes that development costs can be capitalized if the technical and commercial feasibility of the related activity to be developed and sold can be demonstrated. Research and development activities can also involve the entering into of partnership agreements, which provide for advance payments, payments upon reaching contractual milestones or reimbursement of costs for activities carried out. If such agreements entail payment obligations for the use of active ingredients or access to specific technologies, an intangible asset will be recognized for the amounts paid provided there is a business plan that foresees their full recoverability and even if further development work is required for the product to become commercially viable; the assumptions and hypotheses underlying the recognition of these assets are periodically reviewed in order to assess recoverability over time. If the agreement specifically provides for the reimbursement of research and development activities, this cost is recognized in profit or loss.

Other intangible assets

Purchased or internally-generated finite-life intangible assets are recognized as assets in accordance with IAS 38 (Intangible Assets) when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably.

These assets are recognized at purchase or production cost and amortized on a straight-line basis over their estimated useful lives.

Finite-life intangible assets are also tested for impairment annually or whenever there is an indication that the asset may be impaired.

Other intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually. The test is described in the following paragraph on "Impairment of assets" and in Note 22. Goodwill, which presents the results of first and second level tests and the related sensitivity analyses.

Impairment of assets

At each reporting date, property, plant and equipment and intangible assets are reviewed in order to identify the existence of any evidence of impairment. If such evidence is identified, the recoverable amount of these assets is estimated and any impairment loss relative to carrying amount is recognized in profit or loss. An intangible asset with an indefinite useful life, such as goodwill, is not amortized but is tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired.

The recoverable amount of indefinite-life assets is calculated by estimating the future cash flows to be derived from continuing use of the assets and applying a discount rate that reflects the specific risks (Discounted Cash Flow - DCF method). In the case of goodwill and indefinite-life assets whose cash flows are not largely independent of those deriving from other assets or groups of assets, this calculation is made by assessing the recoverable amount of the CGUs to which they are allocated.

In determining value in use, expected future cash flows are discounted using a discount rate that reflects current market assessments of the time value of money, considering the period of the investment and the risks specific to the asset. Value in use is determined net of the tax effect, applying a post-tax discount rate, which produces largely equivalent values to those obtained by discounting pre-tax cash flows at a pre-tax discount rate. An impairment loss is recognized in profit or loss when the asset's carrying amount exceeds its recoverable amount. If the reasons for a previously recognized impairment loss cease to exist, the carrying amount of the asset, with the exception of goodwill, is reinstated through profit or loss; however, the increased carrying amount cannot exceed the net carrying amount that this asset would have had if no impairment had been recognized and it had been depreciated/amortized instead.

The main assumptions used by management to estimate value in use relate to

discount rate (WACC), growth rate (g), and expected changes in revenue and operating costs during the period used for the calculation as well as for prospective cash flows. The growth rates adopted are based on growth forecasts for the relevant industrial sector. Changes in selling prices are based on past experience and future market expectations, also considering recent fluctuations in the inflation rate, where available. The discount rate used to discount future cash flows is the post-tax weighted average cost of capital (WACC), reflecting current market assessments and determined using: the risk-free rates for the relevant CGU, the Beta, the Equity Risk Premium and the cost of capital.

The risk-free rates are assumed to be equal to the yield on government bonds of the countries in which the CGU operates.

The values of the Equity Risk Premium and Beta are determined in accordance with best practices, which take into account, for the Equity Risk Premium, the specific risks of the market and the macroeconomic situation, and for Beta, which measures the systematic risk of a financial asset, the specific risks of the market in which the Group operates.

The cost of debt is determined in line with the Group's existing financing costs.

The recoverable amount also includes the terminal value of the income flows, which is calculated as the average normal income expected to be generated in perpetuity.

The Group prepares operating cash flow forecasts based on the business plan drawn up by the Directors of the group Parent.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset or financial liability is recognized in the consolidated financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument (i.e. on the trade date).

Financial assets are classified, at initial recognition, as financial assets at amortized cost or at fair value through other comprehensive income or at fair value through profit or loss, based on both the business model adopted by the Group and the contractual cash flow characteristics of the instrument.

The Group's business model for managing financial assets refers to the way in which the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

For the purposes of subsequent measurement, financial assets are classified into four categories:

- financial assets at amortized cost (debt instruments);
- financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
- financial assets at fair value through other comprehensive income without recycling accumulated gains and losses on derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or at fair value through profit or loss, based on both the business model adopted by the Group and the contractual cash flow characteristics of the instrument.

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- financial liabilities at amortized cost;
- financial liabilities at fair value through profit or loss.

Financial assets at amortized cost

This category mainly consists of trade receivables, other receivables and assets and financial assets.

Financial assets at amortized cost are held with the objective of collecting contractual cash flows, with their contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are initially recognized at fair value, less any transaction costs, and subsequently measured at amortized cost using the effective interest method and subject to impairment testing.

Gains and losses on derecognition, modification or impairment of the asset are recognized in profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI) - debt instruments

This category mainly consists of debt instruments held by the Group and not classified as held for trading.

Financial assets at fair value through other comprehensive income are assets held in a business model whose objective is achieved by both collecting contractual cash

flows and selling financial assets whose contractual cash flows give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the fair value of these financial assets are recognized in other comprehensive income, as are impairment adjustments, without reducing the related carrying amount.

When the financial asset is derecognized (e.g., upon sale), the cumulative gains and losses previously recognized in equity (excluding impairment and foreign exchange gains and losses to be recognized in profit or loss) are recycled to profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI) - equity instruments

This category mainly consists of equity investments that are irrevocably designated as at FVTOCI upon initial recognition.

Gains and losses on these financial assets will never be recycled to profit or loss. The Group may transfer the cumulative gain or loss within equity at the date of the instrument's disposal. Equity instruments designated at fair value through other comprehensive income are not subject to impairment. Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

Financial assets at fair value through profit or loss (FVTPL)

This category mainly consists of: securities, investments in other companies and financial assets designated at fair value through profit or loss upon initial recognition.

Financial assets classified at fair value through profit or loss are:

- financial assets with cash flows that are not exclusively represented by payments of principal and interest;
- financial assets held for trading, having been acquired or held primarily for the purpose of selling or repurchasing them in the near term;
- debt instruments designated upon initial recognition under the fair value option in IFRS 9 if this election eliminates, or significantly reduces, an accounting mismatch;
- derivative instruments, including embedded derivatives, held for trading or not designated as effective hedging instruments.

These financial assets are initially recognized at fair value, with subsequent gains and losses arising from changes in their fair value recognized in profit or loss.

Impairment of financial assets

At each reporting date, the Group recognizes a loss allowance for expected credit losses on: trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income and all other assets within the scope of the impairment test.

In accordance with IFRS 9, the Group applies an impairment model based on the determination of expected credit losses (ECL) using a forward-looking approach.

Basically, the model requires:

- expected losses to be recognized on an ongoing basis and updated at the end of each reporting period to reflect changes in the financial instrument's credit risk;
- expected losses to be measured on the basis of all reasonably obtainable information about past events, current conditions and forecasts of future economic conditions.

The Group recognizes the amount of expected losses (or revaluations) required to adjust the credit loss allowance at the reporting date as an impairment loss (or impairment reversal) through profit or loss.

There have been no changes during the current reporting period in the significant assumptions used to measure impairment losses on financial assets.

Cash and cash equivalents

This category comprises demand or overnight deposits, as well as short-term, highly liquid financial investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities at amortized cost

This category mainly comprises loans, trade payables, lease liabilities and debt instruments.

Financial liabilities other than derivative instruments are recognized when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost, using the effective interest method.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition as at fair value through profit or loss.

Financial liabilities are classified as "held for trading" when they are incurred with the intention of repurchasing them in the near term. This category also includes derivative financial instruments entered into by the Group that do not qualify for IFRS 9 hedge accounting.
Gains or losses on liabilities at fair value through profit or loss are recognized in profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognized whenever any of the following conditions occur:

- the contractual right to receive cash flows from the asset has expired;
- the Group has transferred substantially all risks and rewards associated with the asset, either by transferring its rights to receive cash flows from the asset or by assuming a contractual obligation to pay the cash flows received to one or more recipients under an arrangement that meets the conditions specified in IFRS 9;
- the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred its control.

Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation is discharged or cancelled or expires.
When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability. The difference between the respective carrying amounts is recognized in profit or loss.

Derivative financial instruments

A derivative is a financial instrument or other contract:

- whose value changes in response to changes in a variable (called the "underlying"), such as an interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or other variable;
- that requires no initial net investment, or one that is less than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- that is settled at a future date.

Derivatives are classified as financial assets or liabilities depending on whether they have a positive or negative fair value and are measured at fair value through profit or loss, except for those designated as hedging instruments.
Derivatives measured at fair value through profit or loss and those designated as

hedging instruments (which qualify for hedge accounting) are classified as current or non-current according to their maturity date and the Group's intention to hold them until maturity.

In accordance with IFRS 9, derivative financial instruments are accounted for using hedge accounting only when:

- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship, the Group's risk management objectives and the strategy for undertaking the hedge;
- an economic relationship is identified between the hedged item and the hedging instrument.

Such derivative instruments are measured at fair value.

Depending on the type of hedge, the following accounting treatments apply:

- fair value hedge: if a derivative financial instrument is designated as a hedge of the exposure to changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss from subsequent changes in the fair value of the hedging instrument is recognized in profit or loss. The hedging gain or loss on the hedged item adjusts the carrying amount of the hedged asset or liability and is also recognized in profit or loss;
- cash flow hedge: if a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable future transaction, the effective portion of the change in fair value of the hedging instrument is recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss. Amounts recognized directly in other comprehensive income are reclassified to profit or loss in the same period that the hedged item affects profit or loss.

When a hedging instrument matures or is sold, terminated early, exercised, or no longer meets the conditions to be designated as a hedge, hedge accounting is discontinued: fair value adjustments accumulated in equity remain suspended in equity until the hedged item affects profit or loss. Subsequently, they are reclassified to profit or loss in the periods that the asset acquired or liability assumed affects profit or loss. If the hedged item is no longer expected to have an impact on profit or loss, the cumulative fair value adjustments recognized in equity are immediately reclassified to profit or loss.

Purchases and sales of derivative financial instruments are accounted for on the settlement date.

The foreign currency risk of an intragroup monetary item (e.g. a payable/receivable

between two subsidiaries) qualifies as a hedged item in the consolidated financial statements if it results in an exposure to foreign exchange gains or losses that are not fully eliminated on consolidation in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

Offsetting of financial assets and liabilities

The Group offsets financial assets and financial liabilities when:

- there is a legally enforceable right to set off the amounts recognized in the financial statements; and
- there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Transfer of receivables

Receivables transferred as a result of factoring transactions are derecognized only if the risks and rewards of ownership have been substantially transferred to the recipient. Receivables transferred with and without recourse that do not meet the aforesaid condition continue to be recognized in the Group's financial statements even though they have been legally transferred. In this case, a financial liability for the same amount is recognized as a liability for the advance received.

Inventories

Inventories are measured at the lower of purchase or production cost and net realizable value. Cost is determined using the weighted average cost method and includes direct materials and, where applicable, direct labour, production overheads and other costs incurred in bringing the inventories to their present location and condition. Inventories are stated net of an allowance for obsolete and slow-moving items as well as product sales risks, if any. Net realizable value is the best estimate of the selling price less estimated costs of completion and estimated costs necessary to make the sale.

Non-current assets held for sale

Non-current assets are classified as held for sale when it is expected that their carrying amount will be recovered through a sale transaction rather than through continuing use. For this to be the case, the sale must be considered highly probable and the asset must be available for immediate sale in its present condition. The first condition is met when the Group has made a commitment to make the sale, which is expected to be completed within twelve months from the date of being classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
In accordance with IAS/IFRS, non-current assets classified as held for sale are presented as follows:

- in two separate lines of the statement of financial position: "Assets held for sale" and "Liabilities directly associated with assets held for sale";
- in a separate line of the statement of profit or loss: "Profit (loss) from discontinued operations".

EMPLOYEE BENEFIT OBLIGATIONS

The Group provides various forms of defined benefit and defined contribution pension plans, in line with local conditions and practices in the countries in which it operates.
Premiums paid for defined contribution plans are recognized in profit or loss to the extent accrued during the reporting period.
Defined benefit pension plans, which include statutory severance benefits payable to Italian employees under art. 2120 of the Italian Civil Code, are based on the working life of employees and the remuneration received over a predetermined period of service. In particular, the liability representing employee benefits under defined benefit plans is recognized at its actuarial value.
Actuarial techniques must be used to account for defined benefit plans; this involves estimating the amount of benefits accrued by employees in exchange for their service in the current and past periods and discounting these benefits to determine the present value of the Group's obligations. The Group employs external experts to determine the present value of the obligation. The "Projected Unit Credit Method" is used to determine this value and sees each period of employee service as giving rise to an additional unit of benefit entitlement: the actuarial liability must therefore be quantified on the basis of only the number of years of service vested at the valuation date; therefore, the total liability is normally readjusted on the basis of the ratio between the years of service vested at the valuation date and the total number of years of service vesting at the time the benefit is expected to be paid. In addition, the method considers future salary increases for whatever reason (inflation, promotions, collective contract renewals, etc.), up to the time employment is terminated.
The cost of defined benefit plans accrued in the reporting period, recorded in the statement of profit or loss under employee costs and finance costs, is equal to the sum of the average present value of the entitlements accrued by employees for their current service, and the annual interest accrued on the present value of the Group's

obligations at the beginning of the reporting period, calculated using the discount rate applied to future outlays in order to estimate the liability at the end of the previous reporting period. The annual discount rate adopted is assumed to be equal to the period-end market rate for zero coupon bonds with a maturity equal to the average residual duration of the obligation. Actuarial gains and losses due to changes in actuarial assumptions and adjustments based on past experience are debited or credited to equity through the statement of comprehensive income in the period in which they arise. If the calculation of the amount to be recognized in the statement of financial position results in an asset, the amount recognized is limited to the present value of the economic benefits available in the form of reimbursements or curtailments in future contributions to the plan.

As from 1 January 2007, Italy's Finance Act and related implementing decrees made important changes to the rules governing employee statutory severance benefits to be applied by Italian-registered companies. These include a requirement for employees to decide where the benefits accruing after this date will be paid. In particular, employees can elect for statutory severance benefits accruing after this date to be paid into selected pension schemes or to be kept within the company (which then pays them into a treasury account set up by INPS, Italy's national social security agency). In light of these changes, statutory severance benefit is treated as a defined benefit plan only for the amounts vested before 1 January 2007, and as a defined contribution plan thereafter.

Provisions

Provisions for risks and charges represent probable liabilities of uncertain amount and/or timing arising from past events, the settlement of which will entail an outflow of financial resources.

Provisions are recognized only when there is a legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at the end of each reporting period and adjusted to represent the current best estimate.

Changes in estimates are reflected in profit or loss in the period in which the change occurred.

Assets and liabilities, the risk of which is considered only possible, are not recognized

in the financial statements, but adequate disclosure is provided.

Translation of foreign currency transactions and balances

Receivables and payables originally expressed in a foreign currency are translated into euros at exchange rates applying on the original transaction date. Exchange rate differences realized upon collection and settlement of foreign currency receivables and payables are recognized in profit or loss. Income and expenses relating to foreign currency transactions are recorded at exchange rates applying on the original transaction date.

Revenue recognition

Revenue is recognized to the extent that control of an asset is transferred, it is probable that the economic benefits will flow to the Group and its amount can be measured reliably.

Sales revenue is realized under a business model involving the supply of contrast agents, medical devices and injectors, and royalties are recognized as distinct performance obligations. Bracco recognizes such revenue when control of the asset is transferred to the end customer.

Revenue is recognized net of any adjusting items.

The basic steps for the recognition of contractual performance obligations involve:

- identifying the contract with the customer;
- identifying the performance obligations contained in the contract;
- determining the transaction price;
- allocating the transaction price to the performance obligations contained in the contract.

Revenue from royalties is recognized when its amount can be reliably determined and it is probable that the economic benefits will flow to the Group.

Cost recognition

Costs and expenses are recognized in the financial statements on an accrual basis.

Finance income and costs

Finance income and costs are recognized in profit or loss on an accrual basis.

In particular, interest income and expense are recognized on an accrual basis, based on the amount financed and the effective interest rate applicable, which represents the rate that discounts estimated future cash receipts/payments over the expected life of the financial asset/liability to the carrying amount of the financial asset or to the

amortized cost of the financial liability.

Government grants

Government grants for research are recognized in profit or loss upon approval by the provider.

Government grants received for the construction/purchase of property, plant and equipment are recognized as income in profit or loss on a straight-line basis over the useful life of the assets being funded. The related grants are accounted for as deferred income under liabilities.

Taxes

Taxes for the reporting period consist of the sum of current and deferred taxes.

Current taxes are based on taxable income for the reporting period. Taxable income may differ from the result reported in the statement of profit or loss due to positive and negative items that will be taxable or deductible in other periods and also excludes amounts that will never be taxable or deductible. The current tax liability is calculated using rates in force at the reporting date.

Provisions for taxes that may arise on the transfer of retained earnings of subsidiaries are only recognized where there is an actual intention to transfer such earnings.

Deferred taxes are taxes that are expected to be paid or recovered on temporary differences between the carrying amount of assets and liabilities reported in the financial statements and the corresponding tax base used to compute taxable income and are determined using the tax rates expected to apply, under the respective laws of the countries in which the Group operates, in the periods in which the temporary differences will be recovered or settled.

Deferred tax liabilities are recognized using the global liability method. They are calculated on all temporary differences arising between the tax base of an asset or liability and their carrying amount in the consolidated financial statements, except for goodwill that is not deductible for tax purposes and differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that taxable income will be available in the future against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the assets to be recovered.

Deferred taxes on subsidiaries' reserves of undistributed retained earnings are recognized to the extent that their distribution is expected or probable. No taxes are recognized on the retained earnings of subsidiaries if the Group does not expect them to be distributed, or such distribution is not probable in the foreseeable future.
Deferred taxes are recognized directly in profit or loss, except for those relating to items recognized directly in other comprehensive income, in which case the related deferred taxes are also recognized in other comprehensive income.
Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and if they relate to taxes owed to the same taxation authority and the company intends to settle the current tax assets and liabilities on a net basis.

On 24 February 2022, the Board of Directors of Bracco S.p.A. adopted a resolution to renew its participation for the three-year period 2022/2024 as head of the domestic tax consolidation scheme, under art. 117/129 of the Italian Tax Code, together with its subsidiaries Bracco Imaging S.p.A., Bracco Imaging Italia S.r.l., Spin S.p.A. and Bracco Real Estate S.r.l.. The subsidiary American Husky III S.r.l. also joined the scheme on 26 May 2023. The subsidiary Bracco Imaging Italia S.r.l. has been subsequently absorbed by Bracco Imaging S.p.A. under the act of merger effective from 31 December 2023.
Companies participating in the domestic tax consolidation transfer their taxable income or tax loss to the consolidating company. If participating companies transfer taxable income to the consolidating company, the latter will recognize a receivable in their regard, equal to the corresponding liability for IRES (Italian corporate income tax); conversely, if participating companies transfer tax losses to the consolidating company, the latter will recognize a payable in their regard, equal to IRES on the portion of the loss actually offset at group level.

Dividends

Dividends are accounted for when the right to their receipt is established, which corresponds to the date of the resolution under which they are declared by the shareholders in general meeting.

Other information

The Group has decided not to adopt IFRS 8 - Operating Segments and IAS 33 - Earnings per Share as Bracco S.p.A., the group Parent, does not fall within the scope of mandatory application of these standards (i.e. companies with listed shares or which file their financial statements with a securities commission for the purpose of issuing ordinary shares in a public market).

USE OF ESTIMATES

Preparation of the financial statements and related notes under IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in profit or loss in the reporting period in which the estimate is revised if the revision affects only that period, or also in subsequent reporting periods if the revision affects both current and future periods.

The following is a summary of the critical estimates and assumptions about the future made by management in the process of applying the Group's accounting policies and that may have a significant effect on the amounts recognized in the consolidated financial statements or may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Rights of use

As a result of applying IFRS 16, the statement of profit or loss reports depreciation of right-of-use assets, determined on the basis of defined lease term, judgements concerning the probability of renewal, and the finance costs pertaining to the lease liability. This process requires management to exercise a high degree of judgement.

In assessing the lease term, the Group examines various elements of the contract such as: the possibility of extending the term, the option to terminate the lease early, the notice period and how onerous or how reasonably certain any of the above options might be exercised, based on historical factors and any strategic plans of the Group.

The lease liability is initially measured at the present value of future payments at the lease commencement date.

Every six months, Bracco S.p.A., as group Parent, provides all its subsidiaries with the discount rate to apply to future lease payments. The rate is calculated taking into account the cost of funding (determined by reference to the group Parent's credit lines) over different time periods (1-3 years, 3-5 years, more than 5 years), credit spread (calculated on the basis of parameters relating to the financial position of the company for which the calculation is made) and LIBOR.

At the time of initial recognition, the Group evaluates the option, for buildings and material-value assets, of considering at least one renewal if the conditions are met and all the necessary information is available. Subsequently, further renewals of existing

contracts are calculated taking into account the notice period, if any, within which the lessee is required to notify the lessor of lease termination.

Credit loss allowance

The credit loss allowance reflects the Group's estimate of losses on customer receivables.

The estimate of the credit loss allowance is based on expected losses, determined by past experience with similar receivables, current and historical past due amounts, bad debts and collections, close monitoring of credit quality and projected economic and market conditions.

The Group calculates expected credit losses using past default rates as adjusted by a forward-looking estimate that includes the probability of a deteriorating economic environment.

The analysis is conducted at two levels: an initial specific analysis, where necessary, which involves the application of specific impairment percentages to customers who are the subject of legal proceedings or for whom there are documents proving the recoverability of the past due receivable in a given period of time. This specific analysis is accompanied by a generic one, conducted using a three-year dataset and assigning each individual customer a default rate based on market characteristics. Default rates are then calculated and applied to the different past due brackets.

Recoverable amount of non-current assets

Non-current assets include Property, plant and equipment, Investment property, Intangible assets, Goodwill and Financial assets. The Group periodically reviews the carrying amount of non-current assets held for use in the business and of assets held for sale, when facts and circumstances warrant such a review. This review is carried out using estimated fair values or future projections, timing, attainable market share, marketing approvals, cost trends and trends in the relevant markets, based on the most recent company forecasts of the expected cash flows from the use or sale of the asset and appropriate discount rates to calculate the present value. Since these are estimates regarding future events, whose very nature is uncertain and variable, they reflect outcomes that may not occur or that may occur at different times or in different ways to those expected. When the carrying amount of a non-current asset is impaired, the Group recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds its recoverable amount through use or sale, determined with reference to the Group's most recent plans. More information about the method adopted is provided in the note on "Impairment of assets".

Deferred tax assets and liabilities

The Group recognizes current and deferred tax assets and liabilities according to the regulations in force in the countries in which it operates. The recognition of taxes requires estimates and assumptions to be used in interpreting tax rules (to transactions carried out during the reporting period) and their effect on the taxation of individual companies and the Group. In addition, the recognition of deferred tax assets and liabilities requires the use of estimates regarding the prospective taxable income of individual Group companies, its evolution and the tax rates actually applicable. This process is carried out by examining transactions and their tax profiles, including with the support, where necessary, of external specialists for the various issues involved and by simulating prospective income scenarios and testing their sensitivity.

It should be noted that, as a multinational group with consolidated turnover exceeding euro 750 million, the Group falls within the scope of the new "Global Minimum Tax". The Pillar Two rules, first defined by the OECD and then formally introduced in the European Union with Council Directive 2022/2523 of 15 December 2022, have also been implemented in Italy with Legislative Decree 209 of 27 December 2023. Bracco S.p.A., as group Parent, will therefore have to apply the aforementioned rules starting from the reporting period beginning on 1 January 2024. The Group has conducted some preliminary tests to estimate the relevant consequences of this new tax's introduction; the tests showed that until 2026 almost all jurisdictions should be able to benefit from a simplified calculation based on the figures already reported in the country-by-country report, in view of the size of the Group's presence in the individual jurisdictions (de minimis test), the level of ETR (ETR test) or the routine profit test.

Pension plans

Some of the Group's employees enjoy pension plans that offer retirement benefits based on their salary history and years of service.

Calculations of the costs and liabilities associated with these plans are based on estimates made by actuaries using a combination of statistical-actuarial factors, including statistical data relating to past years and forecasts of future costs. Mortality and retirement rates, assumptions about future trends in discount rates, salary growth rates and inflation rates are also considered in making the estimates. These estimates may differ materially from the actual results, due to changes in economic and market conditions, increases or decreases in retirement rates and the lifespan of

plan participants.

Long-term incentive plans

The Group has a long-term incentive plan in place: the award of incentives is subject to the achievement of defined performance objectives and of specific market or internal results related to incentive plan eligibility; the financial and economic impacts of the plans have been estimated on the basis of the best possible estimates and information available at the measurement date.

Contingent liabilities

The Group is subject to legal and tax disputes involving a variety of issues under the jurisdiction of different states. Given the uncertainties surrounding these issues, it is difficult to predict whether and to what extent they will give rise to a financial outlay. Lawsuits and litigation against the Group may arise from complex and difficult legal issues, which may be subject to varying degrees of uncertainty, including the facts and circumstances surrounding each lawsuit, jurisdiction and different applicable laws. In the normal course of business, the Group consults with its legal advisors and tax and environmental experts as necessary. The Group recognizes a liability for litigation when it considers that a financial outlay is probable and when the amount of resulting losses can be reasonably estimated. In the case of contingent liabilities deemed possible, this fact is disclosed in the notes to the financial statements.

Climate change

Climate change is the main threat to humanity; according to many analyses, the risk of climate action failure will undoubtedly remain one of the top three global risks for years to come.

The process of decarbonization and electrification of the global economy is underway on a worldwide scale and, in line with the requirements of the Paris Agreement, is crucial for achieving the "Net Zero" goal, which should make it possible to avoid serious consequences.

Bracco believes it is essential to combine economic growth with sustainability, and strategic business choices with environmental stewardship. The Group pursues a model of sustainable and socially responsible growth in all its activities, capable of creating value for the business and for the community in which it operates, with the goal of promoting the circular economy and increasing its share of electricity used from renewable energy sources.

The Group's aim is to embrace sustainable transformation by investing in the best available technologies, by promoting new opportunities for the circular economy and

strengthening responsible best practices throughout the value chain. To consolidate its commitment to ESG issues, the Group has developed a set of qualitative-quantitative objectives with respect to the main ESG aspects. The objectives, defined within a Sustainability Plan, are spread over the medium to long term. They include, among others, the commitment to become carbon neutral by investing in photovoltaic plants for self-generation, as well as migrating towards green sources such as bio-methane and hydrogen, until such time as the Group is able to acquire energy from renewable sources alone.

The Group is engaged on a day-by-day basis in mitigating the effects of climate change through:

- managing energy resources and (direct and indirect) emissions from business activities, defining energy efficiency strategies, monitoring energy consumption, progressively increasing the use of renewable sources and promoting activities to reduce air pollution;
- efficient management of water resources by continuously monitoring water consumption and adopting policies and practices that foster the responsible use of water;
- monitoring waste production and responsibly managing hazardous and non-hazardous waste from business activities (from collection to disposal, including the promotion of recycling), including correct disposal of chemical and pharmaceutical substances produced and the fostering of practices that value waste as a resource, as well as proper management of water discharges and waste water disposal methods;
- adopting processes that allow consumption to be measured and the origin of raw materials, semi-finished and finished products to be traced, in order to ensure responsible management of the resources used and promote the use of raw materials and products with a low environmental and social impact throughout the product's life, from the research and development phase to production and ultimate disposal;
- promoting recovery, recycling and reuse of substances, materials and packaging in order to reduce the volume of production and minimize the use of new raw materials;
- promoting environmental protection and compliance with environmental laws

and regulations to reduce the impact of business activities in order to meet the needs of stakeholders affected by the products and services the Group produces and distributes.

In line with IAS 1, the consequences in terms of investments, costs and cash flows have been taken into account when preparing the financial statements, in line with the progress of the roadmap of the process itself (for example, by revising the useful life of assets scheduled for replacement, adjusting impairment tests to take into account the impact on investment flows, etc.).

It is possible that in the future, the carrying amount of assets or liabilities recognized in the Group's financial statements may be subject to different impacts as the climate change management strategy evolves. These aspects are being monitored by a team set up specifically to examine in detail the impact of emissions reduction projects.

As part of the impairment testing activities, as defined by IAS 36, the Group has performed a sensitivity test for the CGUs with emissions to assess whether the carbon neutrality objective could have an impact on the recoverable value of assets. This test has not revealed any evidence of impairment. This was a preliminary test that will be gradually incorporated into the Group's accounting measurement processes as the actions required by the long-term objectives take an increasingly concrete shape.

IAS 16 and 38 define the rules for capitalizing costs. Costs, including those for developing new solutions that reduce consumption, are capitalized when they meet the requirements of the two standards. The useful life of property, plant and equipment, as well as that of intangible assets, is determined in a manner consistent with the Group's strategic objectives and business plan.

IAS 37 acknowledges the possibility that previously recognized provisions for future events may be used faster than expected, requiring the original provisions to be revised. Climate change and associated legislation may require these estimates to be revised in order to provide for previously unrecognized liabilities, for which specific disclosures should be made. Lastly, the Group has embarked on initiatives geared towards green energy production, including its membership, through the subsidiary Bracco Imaging S.p.A., of the "Renewability" consortium for renewable energy generation. This consortium's mission is to invest in photovoltaic parks located in Italy, that are expected to be used by Group companies during 2024.

The Group has identified its interest in this consortium as a Joint Operation, which is why it has consolidated Renewability with the proportionate method.

With the same aim of making its energy consumption more efficient, the Group has taken over from E.ON Business Solutions S.r.l. a co-generation plant for the production of electrical and thermal energy serving the Ceriano Laghetto site.

NEW ACCOUNTING STANDARDS

IFRS accounting standards, amendments and interpretations applied from 1 January 2023

The following IFRS accounting standards, amendments and interpretations have been applied for the first time by the Group as from 1 January 2023:

- On 18 May 2017, the IASB published **IFRS 17 Insurance Contracts** which is intended to replace IFRS 4 Insurance Contracts. The objective of the new standard is to ensure that a reporting entity provides relevant information that faithfully represents the rights and obligations arising from insurance contracts issued.

- On 7 May 2021, the IASB published **"Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"**. The document clarifies how deferred taxes should be accounted for on certain transactions that generate assets and liabilities of equal amounts at the date of initial recognition, such as leases and decommissioning obligations.

- On 12 February 2021, the IASB published two amendments entitled **"Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2"** and **"Definition of Accounting Estimates - Amendments to IAS 8"**. The amendments to IAS 1 require an entity to report material information about the accounting policies applied. These amendments are designed to improve accounting policy disclosures so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies.

- On 23 May 2023, the IASB published **"Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules"**. The amendments introduce a temporary exception to the accounting and disclosure requirements for deferred tax assets and liabilities related to income taxes under the Pillar Two Model Rules (effective in Italy as of 31 December 2023 but applicable from 1 January 2024) and

provide for specific disclosure requirements for entities affected by the related International Tax Reform. The temporary exception is immediately applicable, while the disclosure requirements apply only to annual reporting periods beginning on or after 1 January 2023, but not to interim reporting periods that close prior to 31 December 2023.

All amendments became effective on 1 January 2023. The adoption of these standards and amendments has not had a material impact on the Group's financial statements.

IFRS accounting standards, amendments and IFRIC interpretations endorsed by the European Union, not yet mandatorily applicable and not early adopted by the Group

- On 23 January 2020, the IASB published **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current"** and on 31 October 2022 it published **"Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants"**. These amendments aim to clarify how to classify payables and other liabilities as current or non-current. In addition, the amendments clarify the disclosures an entity must provide when its right to defer settlement of a liability for at least twelve months depends on compliance with certain covenants. The amendments are effective from 1 January 2024, although earlier application is permitted. The Group does not expect the adoption of these amendments to have a material effect on its consolidated financial statements.
- On 22 September 2022, the IASB published **"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**". The document requires a seller-lessee to measure the lease liability arising from a sale and leaseback transaction in such a way that it does not recognize any gain or loss that relates to the right of use it retains. The amendments will apply as of 1 January 2024, but earlier application is permitted. The Group does not expect the adoption of these amendments to have a material effect on its consolidated financial statements.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the date of this document, the European Union had not yet completed the process of endorsing the amendments and standards described below.

- On 25 May 2023, the IASB published **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"**. The document requires an entity to disclose additional information about reverse factoring arrangements that enables users of financial statements to assess how such supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments will apply as of 1 January 2024, but earlier application is permitted. The Group does not expect the adoption of these amendments to have a material effect on its consolidated financial statements.
- On 15 August 2023, the IASB published **"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"**. The document requires an entity to apply a consistent approach in assessing whether a currency can be exchanged into another and, when it cannot, in determining the exchange rate to use and the disclosures to provide in the notes to the financial statements. The amendments will apply as of 1 January 2025, but earlier application is permitted. The Group does not expect the adoption of these amendments to have a material effect on its consolidated financial statements.

5. SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Renewability S.C.a.r.l.

On 6 September 2022, the Group, through its subsidiary Bracco Imaging S.p.A., had joined Renewability S.C.a.r.l., a consortium whose mission is to invest in photovoltaic parks located in Italy. The consortium became operational during 2023 and will start producing the first benefits for its members during 2024. The agreement stipulates that consortium members benefit from what the consortium produces. The members therefore exercise joint control over the entity in such a way that IFRS 11 requires it to be accounted for as a joint operation and consolidated proportionately in the financial statements of the joint operators.

CHANGE IN THE SCOPE OF CONSOLIDATION

Acquisition of non-controlling interest in Bracco Japan

During 2023, the subsidiary Bracco Imaging Holding B.V. bought the 49% non-controlling interest held by the Japanese partner EISAI Co. Ltd in Bracco Eisai Co. Ltd for consideration of euro 1.3 million, taking its interest in this venture to 100%. The

acquired company was then renamed Bracco Japan Ltd. The purchase agreement envisages a gradual transfer of the commercial and distribution activities carried out by Eisai Co Ltd to Bracco Japan, which became fully autonomous as from 1 April 2024.

Merger of Bracco Imaging Italia Srl

During the year, the subsidiary Bracco Imaging Italia S.r.l. was merged into Bracco Imaging S.p.A. This transaction was in response to the need to improve the efficiency of business activities in Italy through greater managerial flexibility, to unify decision-making processes and to reduce the number of organizational layers; another aim of the merger is to rationalize the Group's corporate structure and optimize costs by reducing the costs of administration, governance and accounting and fiscal obligations.

This transaction has had no impact on the scope of consolidation.

Macroeconomic context

Global economic activity experienced another slowdown during 2023, particularly in the last quarter. International trade was severely impacted by weak demand for goods, global monetary tightening and, towards the end of the year, the situation in the Middle East.

Central banks in Europe and the US continued the tight monetary policy initiated in 2021, raising interest rates to their highest levels in 15-20 years, and maintained this stance throughout the year, despite a gradual decline in core inflation.

The most recent OECD estimates predict a further slowdown in the global economy during 2024, caused by tight monetary policies and worsening business and consumer confidence. In addition, current international political tensions are unlikely to result in any upgrade to the forecasts.

The US economy reported solid growth in the first few months of the year, but then lost steam in the last quarter, affected by persistent inflation and increasingly tight monetary and financial conditions. Despite this, GDP grew by 2.5% in 2023 (+1.9% in 2022).

The Federal Reserve gradually raised its key interest rates until the third quarter, then kept them unchanged in the latter part of the year, announcing that monetary policy will continue to maintain a restrictive stance until inflation is back on track with target.

The Chinese economy recorded positive growth in 2023, showing that it had overcome the 2022 downturn caused by Covid-19 restrictions. GDP grew by 5.2%, in line with government and central bank targets. Consumption, services and industrial output showed the same growth trends throughout the year, while foreign trade and private investment did not resume in the same manner, highlighting the uneven nature of the Asian economy's recovery.

In the Eurozone, the stagnation commencing in the second half of 2022 continued due to the persistent weakness of the manufacturing and services cycle. GDP remained stable throughout the year.

The Governing Council of the European Central Bank steadily raised key interest rates throughout 2023 until its September meeting, when it stated that rates would be kept high for a sufficiently long period to foster inflation's return to the 2% mark.

The Italian economy was up and down throughout the year: GDP expanded slightly in the first part of the year, supported both by household consumption, which benefited from a more favourable labour market, and by growth in investments. After that, growth was held back by persistent monetary tightening, still high energy prices and sustained weakness in foreign demand. GDP growth for 2023 was around 0.9%, while a slight increase is expected in 2024, excluding new exogenous factors.

In this context, the labour market continued the positive trend that started in 2022 with the participation rate at an all-time high and stable unemployment. The inflation rate was 5.9% in 2023, but is expected to fall back in line with the Central Bank's target as early as 2024.

Impacts of international conflicts

The Bracco Group has no direct operations in either Ukraine, or Russia or in the Middle East and has no direct suppliers of raw materials or production sites located there. However, the outcome of the conflicts is still uncertain and it cannot be ruled out that an escalation in hostilities could have unpredictable repercussions on other neighbouring countries, resulting in more direct impacts. The Group has continued to supply the Russian market, given the intrinsic nature of the business involving high-profile clinical diagnostic procedures designed to manage serious medical conditions. Sales in Russia amounted to euro 1.5 million in 2023.

6. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to different types of risk: market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk, some of which are mitigated using derivative instruments.

MARKET RISKS

Foreign exchange risk

Foreign exchange risk arises from both trade and financial flows.

As regards trade flows, a significant portion of revenue is denominated in currencies other than the euro. On the cost front, part of the purchases of raw materials, finished goods and services is also denominated in currencies other than the unit of account.

The main exchange rates affecting the Group are:

- Euro/US Dollar: in relation to trade and financial transactions in US dollars on the North American market and vice versa;
- Euro/Japanese Yen: in relation to trade and financial transactions carried out by Group companies on the Japanese market and vice versa.

Accordingly, the Group has deemed it appropriate to make use of derivative financial instruments to manage its risks arising from core business managed in currencies other than the euro, in particular the US dollar and Japanese yen as mentioned above.

The objective is to reduce the potentially negative impact on corporate cash flows as a result of unfavourable movements in foreign exchange rates.

Hedging activities focus on risks that, due to their size or implied riskiness (volatility), may have a significant impact on business profitability.

Risks related to US dollar transactions are managed by hedging the cash flow forecast in the budget. The economic objective of the hedge is measured against the budgeted exchange rate.

For transactions denominated in other currencies, foreign exchange risk is hedged on a transaction-by-transaction basis except for transactions in currencies with limited impact on business profitability. In this regard, we report that the Group is not exposed to foreign exchange risk arising from transactions denominated in Russian roubles.

In managing foreign exchange risk, the Group uses both options and forward sales/purchases. These instruments, aimed at hedging the risk of exchange rate

fluctuations, are "simple" to manage and to calculate their fair value ("Plain Vanilla" instruments).

The counterparties to these contracts are leading financial institutions, with no speculative activity envisaged.

As required by IFRS 7, the Group prepares a sensitivity analysis that measures, for each class of financial instruments, the estimated impact on profit or loss and the statement of financial position of "+/-10%" changes in the exchange rates reported at 31 December 2023, assuming that all other variables remain equal. This analysis is for illustrative purposes only, as in reality these changes rarely occur in isolation.

For the purposes of exchange rate sensitivity analysis, account has been taken of the risk that can arise from any financial instruments denominated in a currency other than the euro. Consequently, translation risk has also been taken into account.

The results of the sensitivity analysis are summarized below and show the impact, net of tax, on profit or loss and the statement of financial position that would be caused by a 10% increase/decrease in the exchange rates reported at 31 December 2023 and 31 December 2022:

Impact on profit or loss

(€/000)	**31 December 2023**		**31 December 2022**	
	-10%	**+10%**	**-10%**	**+10%**
US dollars	14,085	(11,663)	21,494	(21,120)
Other currencies	11,225	(9,110)	12,319	(11,063)
Total	**25,310**	**(20,773)**	**33,814**	**(32,184)**

Impact on statement of financial position

(€/000)	**31 December 2023**		**31 December 2022**	
	-10%	**+10%**	**-10%**	**+10%**
US dollars	(4,320)	4,798	(7,169)	15,287
Other currencies	-	-	-	-
Total	**(4,320)**	**4,798**	**(7,169)**	**15,287**

Interest rate risk

The interest rate risk to which the Group is exposed is mainly on long-term financial debt, carrying both fixed and variable rates.

Fixed-rate debt exposes the Group to a fair value risk.

Variable-rate debt exposes the Group to interest rate volatility risk (cash flow risk).

The management objective is to reduce the impact that a shift in the interest rate curve could have on the business's cash flows. In particular, the objective is to define the correct mix between fixed-rate net debt and variable-rate net debt, in order to reduce the effects of shifts in interest rates, while minimizing the costs of protecting against such events with respect to the hedging instruments selected.

The Group's net unhedged variable-rate debt at 31 December 2023 represented 23.8% of the total.

In managing interest rate risk, the Group can use options, interest rate swaps (IRS) or forward rate agreements (FRA).

The counterparties to these contracts are leading financial institutions, with no speculative activity envisaged.

The following sensitivity analysis shows the effects on consolidated profit or loss and statement of financial position if spot interest rates at 31 December 2023 and 31 December 2022 were to increase/decrease by 1 b.p., assuming that all other variables remained equal and ignoring hedging derivatives.

Impact on profit or loss

(€/000)	**31 December 2023**		**31 December 2022**	
	-1.00%	**+1.00%**	**-1.00%**	**+1.00%**
Euro	4,746	(4,746)	4,644	(4,644)
Total	**4,746**	**(4,746)**	**4,644**	**(4,644)**

Impact on statement of financial position

(€/000)	**31 December 2023**		**31 December 2022**	
	-1.00%	**+1.00%**	**-1.00%**	**+1.00%**
Euro	(7,689)	7,689	(11,778)	8,156
Total	**(7,689)**	**7,689**	**(11,778)**	**8,156**

Price risk

Some of the Group's plants are subject to ETS regulation and therefore purchase and use EUA certificates to offset CO2 emissions. The increased price volatility of these certificates has prompted the decision to take out commodity forward purchase agreements.

The aim of these agreements is to minimize the impact of the price volatility of such certificates.

There is an economic relationship between the hedged items and the hedging instruments, with commodity forward purchase prices mirroring the terms of highly probable future transactions.

The Group has established a hedging ratio of 1:1 for the hedging relationships, as the hedged risk related to commodity forward purchase price is identical to the components of the hedged risk. To test hedge effectiveness, the Group uses a method based on identifying a hypothetical derivative and comparing changes in the fair value of the hedging instruments with changes in the fair value of the hedged items.

Hedges may become ineffective due to:

- differences in the timing of cash flows generated by the underlying hedged items and the hedging instruments;
- different ratios related to the underlying item's hedged risk and the hedging instruments;
- different impact of counterparty risk on fair value movements by hedging instruments and underlying items;
- changes in the expected cash flows for the underlying hedged items and hedging instruments.

The following sensitivity analysis shows the effects on consolidated profit or loss and statement of financial position if commodity prices at 31 December 2023 and 31 December 2022 were to increase/decrease by 10 b.p., assuming that all other variables remained equal.

Impact on profit or loss

(€/000)	**31 December 2023**		**31 December 2022**	
	-10%	**+10%**	**-10%**	**+10%**
Commodity swaps	-	-	-	-
Total	**-**	**-**	**-**	**-**

Impact on statement of financial position

(€/000)	**31 December 2023**		**31 December 2022**	
	-10%	**+10%**	**-10%**	**+10%**
Commodity swaps	(1,041)	(1,457)	(60)	60
Total	**(1,041)**	**(1,457)**	**(60)**	**60**

There is no impact on profit or loss as the hedging activity follows cash flow hedge accounting rules.

CREDIT RISK

Credit risk represents the Group's exposure to potential losses arising from the failure of either trade or financial counterparties to discharge their obligations. This risk arises primarily from factors of a typically economic-financial nature, or from the possibility that a counterparty may default, as well as from factors of a more strictly technical-commercial or administrative-legal nature (i.e. disputes over the nature/quality of the goods/services supplied, the interpretation of the terms of contracts, supporting invoices, etc.). In order to control this risk, the Group has adopted suitable tools to constantly monitor the status of collections and promptly undertake actions for recovery.

Receivables are presented in the financial statements net of the credit loss allowance; this net balance is considered to represent the fair value of trade receivables. Further details can be found in Note 26. Trade receivables.

The following tables show the ageing of trade receivables at 31 December 2023 and 31 December 2022:

(€/000)	**Amount at 31-Dec-2023**	**of which: not past due**	**of which: past due**			
			1-3 months	**3-6 months**	**6-9 months**	**9-12 months**
Trade receivables - Europe	95,754	83,733	7,802	4,828	(425)	(184)
Trade receivables - North America	69,914	54,967	13,177	886	166	718
Trade receivables - Rest of world	58,918	56,616	2,346	137	(144)	(37)
Total third-party trade receivables	**224,586**	**195,316**	**23,325**	**5,851**	**(403)**	**497**

(€/000)	**Amount at 31-Dec-2022**	**of which: not past due**	**of which: past due**			
			1-3 months	**3-6 months**	**6-9 months**	**9-12 months**
Trade receivables - Europe	92,091	76,375	10,856	4,971	(708)	597
Trade receivables - North America	67,993	56,223	9,090	1,819	1,663	(802)
Trade receivables - Rest of world	50,483	45,127	5,038	345	(4)	(23)
Total third-party trade receivables	**210,567**	**177,725**	**24,984**	**7,135**	**951**	**(228)**

LIQUIDITY RISK

The Group's exposure to liquidity risk may arise from difficulty in obtaining financing to support operating activities in a timely and adequate manner to fund those activities.

The Group's cash flows, funding requirements and liquidity are constantly monitored with the objective of guaranteeing effective and efficient management of financial resources, in order to satisfy the needs arising from operations, investments and debt repayments on their due dates.

The following table presents the Group's undiscounted financial obligations by contractual maturity bands, considering the "Worst case scenario" and the earliest date on which repayment might be requested.

		31 December 2023				
(€/000)	**Reported amount**	**Total**	< 1 year	1 - 2 years	2 - 5 years	>5 years
Bank debt	797,549	881,784	164,213	281,037	436,534	-
Borrowings from other lenders	810	811	799	12	-	-
Financial payables for derivative contracts	454	454	454	-	-	-
Trade payables	284,425	284,425	284,425	-	-	-
Total	**1,083,238**	**1,167,474**	**449,891**	**281,049**	**436,534**	**-**

		31 December 2022				
(€/000)	**Reported amount**	**Total**	< 1 year	1 - 2 years	2 - 5 years	>5 years
Bank debt	799,213	822,313	133,341	77,333	611,484	156
Borrowings from other lenders	1,428	1,431	621	798	12	-
Financial payables for derivative contracts	470	470	470	-	-	-
Trade payables	238,043	238,043	238,043	-	-	-
Total	**1,039,154**	**1,062,257**	**372,475**	**78,131**	**611,496**	**156**

Management monitors the forecast utilization of the Group's cash reserves on the basis of expected cash flows. The amount of cash reserves at the reporting date is shown below.

(€/000)	**31 December 2023**	**31 December 2022**
Cash and cash equivalents	152,583	177,989
Financial assets at FVTPL	26,659	37,555
Financial assets at FVTOCI	10,311	10,484
Undrawn committed credit lines	160,500	239,500
Total	**350,053**	**465,528**

FAIR VALUE MEASUREMENT

IFRS 13 requires assets and liabilities recognized in the statement of financial position to be classified according to a hierarchy that reflects the significance of the inputs used in measuring fair value.

Financial instruments are classified according to the following fair value measurement hierarchy:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly (e.g. prices) or indirectly (e.g. derived from prices); and
- **Level 3** fair value measurements are those derived by applying valuation techniques whose inputs for assets or liabilities are not based on observable market information (unobservable inputs).

The following tables show financial assets and liabilities according to their classification in the fair value hierarchy:

(€/000)		**31 December 2023**			
Description	*Instrument*	Level 1	Level 2	Level 3	Total
Equity investments	*FVTPL*	3,526		6,830	10,356
Financial assets-FVTOCI	*Bonds*	10,311			10,311
Other financial assets	*FVTPL*		16,303		16,303
CFH derivatives	*Forward CFH*		729		729
CFH derivatives	*Interest Rate Swap*		27,371		27,371
Fair Value derivatives	*Forward FV*		(484)		(484)
CFH derivatives	*Commody swap*		(462)		(462)

(€/000)		**31 December 2022**			
Description	*Instrument*	Level 1	Level 2	Level 3	Total
Equity investments	*FVTPL*	8,015		14,045	22,060
Financial assets-FVTOCI	*Bonds*	10,484			10,484
Other financial assets	*FVTPL*		15,495		15,495
CFH derivatives	*Forward CFH*		4,514		4,514
CFH derivatives	*Interest Rate Swap*		46,879		46,879
Fair Value derivatives	*Forward FV*		321		321
CFH derivatives	*Commody swap*		212		212

Fair value of financial assets and liabilities and calculation models used

The table below analyses the fair value of assets and liabilities according to the methods and calculation models used to determine this fair value.

Financial assets for which the fair value cannot be objectively determined are not presented.

The fair value of "Bank debt" and "Borrowings from other lenders" has been calculated on the basis of the interest rate curve at the reporting date.

The fair value of financial instruments quoted in an active market is based on market price at the reporting date. The market price for financial assets is the bid price, and the ask price for financial liabilities. The fair value of financial instruments not quoted in an active market and of derivative instruments is determined using standard market valuation models and techniques, using observable market inputs.

No fair values have been calculated for trade receivables, trade payables or other financial assets because their carrying amounts are a reasonable approximation of fair value.

Similarly, the fair value of borrowings from other lenders is considered not to differ significantly from carrying amount.

(€/000)	**Reported amount 31.12.2023**	**Mark to Market Fair Value**	**Mark to Model Fair Value**	**Notes**
Equity instruments	10,311	10,311		27
Bank debt	797,549	-	857,038	34
Borrowings from other lenders	810	-	810	34
Derivatives designated as cash flow hedges:				
- Forwards	729	-	729	30
- Interest rate swaps	27,472	-	27,472	30
- Commodities	(484)	-	(484)	
Derivatives designated as fair value hedges:				30
- Forwards	872	-	872	30

OTHER INFORMATION

In completion of the disclosures about financial risks, the following tables present a reconciliation between the classes of financial assets and liabilities reported in the Group's consolidated statement of financial position and the categories used by IFRS 7 and IFRS 9 to identify financial assets and liabilities.

Financial instruments reported in the Statement of Financial Position at 31 December 2023

(€/000)

Financial instruments – Liabilities at 31 December 2023	**Financial liabilities according to IFRS 9 classification**		
	Instruments at amortized cost	Instruments at FVTPL	Amount reported at 31-Dec-2023
Borrowings from other lenders	810	-	810
Trade payables	284,425	-	284,425
Other current liabilities	123,151	335	123,486
Other non-current liabilities	10,863	-	10,863
Payables for derivative contracts	-	454	454
Bank debt	797,549	-	797,549
Total	**1,216,798**	**789**	**1,217,587**

(€/000)

Financial instruments – Assets at 31 December 2023	**Financial assets according to IFRS 9 classification**			
	Instruments at amortized cost	Instruments at FVTPL	Instruments at FVTOCI	Amount reported at 31-Dec-2023
Equity investments	-	10,356	-	10,356
Non-current financial and other assets	26,661	-	-	26,661
Trade receivables	224,586	-	-	224,586
Current financial assets	231	-	10,311	10,542
Cash and cash equivalents	157,784	-	-	157,784
Derivative instruments	-	16,303	-	16,303
Total	**409,262**	**26,659**	**10,311**	**446,232**

Financial instruments reported in the Statement of Financial Position at 31 December 2022

(€/000)

Financial instruments – Liabilities at 31 December 2022	**Financial liabilities according to IFRS 9 classification**		
	Instruments at amortized cost	Instruments at FVTPL	Amount reported at 31-Dec-2022
Borrowings from other lenders	1,428	-	1,428
Trade payables	238,043	-	238,043
Other current liabilities	113,101	-	113,101
Other non-current liabilities	10,657	-	10,657
Payables for derivative contracts	-	470	470
Bank debt	799,213	-	799,213
Total	**1,162,442**	**470**	**1,162,912**

(€/000)

Financial instruments – Assets at 31 December 2022	**Financial assets according to IFRS 9 classification**			
	Instruments at amortized cost	Instruments at FVTPL	Instruments at FVTOCI	Amount reported at 31-Dec-2022
Equity investments	-	22,060	-	22,060
Non-current financial and other assets	41,173	-	-	41,173
Trade receivables	210,567	-	-	210,567
Current financial assets	102	-	10,484	10,586
Cash and cash equivalents	177,989	-	-	177,989
Derivative instruments	-	15,495	-	15,495
Total	**429,831**	**37,555**	**10,484**	**477,870**

Income and expense generated by financial instruments in 2023

Income and expense generated by financial instruments – 2023	From interest	From fair value changes	From equity reserve	Exchange gains and losses	Amount reported at 31-Dec-2023
Instruments at amortized cost	(29,043)	-	-	439	(28,604)
Instruments at FVTPL	74	11,649	-	-	11,724
Instruments at FVTOCI	413	-	-	-	413
Total	**(28,556)**	**11,649**	**-**	**439**	**(16,467)**
Other income and expense	-	-	-	-	(9,374)
Total net finance income and costs					**(25,841)**

Income and expense generated by financial instruments in 2022

Income and expense generated by financial instruments – 2022	From interest	From fair value changes	From equity reserve	Exchange gains and losses	Amount reported at 31-Dec-2022
Instruments at amortized cost	(16,685)	-	-	29,864	13,179
Instruments at FVTPL	50	7,492	-	-	7,542
Instruments at FVTOCI	413	-	-	-	413
Total	**(16,222)**	**7,492**	**-**	**29,864**	**21,134**
Other income and expense	-	-	-	-	(35,732)
Total net finance income and costs					**(14,598)**

7. BUSINESS COMBINATIONS

There are no activities to report for 2023.

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

8. REVENUE

Revenue amounts to euro 1,812,429 thousand at 31 December 2023, reflecting a net increase of euro 29,959 thousand from 31 December 2022.

(€/000)	**2023**	**%**	**2022**	**%**	**Change**	**%**
North America	818,288	**45.1%**	845,498	*47.4%*	(27,211)	*-3.2%*
Europe	621,903	**34.3%**	577,006	*32.4%*	44,896	*7.8%*
China	201,179	**11.1%**	190,036	*10.7%*	11,143	*5.9%*
Rest of world	171,060	**9.4%**	169,928	*9.5%*	1,132	*0.7%*
Total	**1,812,429**	**100.0%**	**1,782,470**	***100.0%***	**29,959**	***1.7%***

The breakdown by business segment is as follows:

(€/000)	**2023**	**%**	**2022**	**%**	**Change**	**%**
Imaging	1,288,522	**71.1%**	1,293,278	*72.6%*	(4,756)	*-0.4%*
Medical Technologies	387,745	**21.4%**	354,638	*19.9%*	33,107	*9.3%*
Centro Diagnostico Italiano	136,162	**7.5%**	134,554	*7.5%*	1,608	*1.2%*
Total	**1,812,429**	***100.0%***	**1,782,470**	***100.0%***	**29,959**	***1.7%***

The core products of contrast agents for X-ray/CT procedures saw 10.6% CER (constant exchange rate) sales growth.

Growth was recorded in almost all geographical markets with the best performance in North America, Europe, China and Latin America.

The Magnetic Resonance segment, with sales of euro 174.2 million, posted 5.9% CER growth, also thanks to the introduction of Vueway®.

The markets displaying the most positive signs were North America, China and Italy.

Ultrasound sales climbed 7.6% year-on-year CER to reach euro 127.5 million. Growth in China was particularly significant (+18.2% CER), while sales in North America recorded a slight decline (-2.1%).

The Medical Technologies business carried on expanding the installed base of injection systems and medical devices, both for diagnostics (+10.9% CER) and

cardiovascular surgery (+12% CER). The prime markets were North America (+13% CER) and Europe (+10.5% CER), particularly France, Germany and the UK.

After the upturn in activity recorded in 2021, following the gradual easing of pandemic-related restrictions, and the positive growth seen in 2022, Centro Diagnostico Italiano recorded a 1.2% increase in revenue in 2023, in line with the previous year.

More information about business performance can be found in the Directors' Report.

9. OTHER INCOME

This amounts to euro 35,789 thousand, an increase of euro 11,337 thousand on 2022 and broken down as follows:

(€/000)	**2023**	**2022**	**Change**
Miscellaneous revenue	27,612	22,589	5,023
Research grants	2,675	1,402	1,273
Cash flow hedging	5,362	-	5,362
Other minor items of income	140	461	(321)
Total	**35,789**	**24,452**	**11,337**

The increase in "Miscellaneous revenue" includes euro 3,050 thousand from the sale of surplus energy produced by the plant of the subsidiary American Husky III Srl as well as the recognition of energy efficiency certificates (White Certificates) thanks to this same plant's energy efficiency measures.

"Cash flow hedging", amounting to euro 5,362 thousand, reflects income of euro 7,908 thousand to account for financial derivative hedging instruments, net of euro 2,546 thousand in negative exchange rate differences realized on US-dollar trade receivables, hedged in accordance with the hedge accounting method (in 2022 the net effect was a negative euro 5,982 thousand).

10. PURCHASE OF RAW MATERIALS AND GOODS FOR PRODUCTION AND RESALE

These purchases amount to a total of euro 671,146 thousand (euro 538,165 thousand in 2022), detailed as follows:

(€/000)	**2023**	**2022**	**Change**
Purchase of raw materials and goods for production and resale:			
- Raw materials and goods	402,722	310,736	91,986
- Finished products	193,756	149,973	43,784
- Packing material and packaging	34,138	34,672	(534)
- Ancillary and consumable materials	29,858	27,468	2,391
- Other purchases and incidental expenses	10,671	15,316	(4,645)
Total	**671,146**	**538,165**	**132,981**

Purchases of raw materials and goods for production and resale absorbed a higher share of revenue than in the previous year due to the increased cost of raw materials (above all iodine).

11. EMPLOYEE COSTS

Employee costs are broken down as follows:

(€/000)	**2023**	**2022**	**Change**
Wages and salaries	320,753	308,597	12,156
Social contributions	71,969	70,363	1,607
Cost of defined benefit plans	10,392	12,284	(1,892)
Other employee-related costs	3,566	10,719	(7,153)
Total	**406,681**	**401,963**	**4,718**

The "Cost of defined benefit plans" refers to provisions for post-employment benefits. Further information can be found in Note 33 "Employee benefit obligations".

"Other employee-related costs" include the positive effect of euro 12.1 million arising after the subsidiary Bracco Diagnostics Inc. froze its pension plan as well as the cost of the Group's long-term incentive plans aimed at motivating management to create value over time by achieving economic and financial performance objectives and new product development milestones.

The plans vest over a period of between 1 and 4 years, with payment of incentives subject to the achievement of performance targets for:

- Cumulative EBITDA, Net financial position/EBITDA ratio and Equity Value
- Turnover and new product development milestones.

Accounting for the effects of long-term incentive plans has resulted in the release of euro 1.3 million in provisions at 31 December 2023.

The number of employees as of 31 December 2023 and 31 December 2022 is broken down below:

	Headcount 2023	Headcount 2022	Change
Senior managers	255	250	5
Middle managers	656	629	27
White-collar employees	2,202	2,132	70
Blue-collar employees	673	636	37
Total	**3,786**	**3,647**	**139**

The average number of employees is shown below:

	Headcount 2023	Headcount 2022	Change
Senior managers	256	229	27
Middle managers	641	649	(7)
White-collar employees	2,173	2,160	13
Blue-collar employees	656	666	(10)
Total	**3,727**	**3,705**	**23**

12. OTHER OPERATING COSTS

These amount to euro 612,271 thousand at 31 December 2023, an increase of euro 3,135 thousand on 2022 and broken down as follows:

(€/000)		**2023**	**2022**	**Change**
Indirect taxes, duties and levies:				
- Indirect taxes, duties and levies		37,197	33,575	3,623
- Cash flow hedging		506	2,095	(1,589)
- Other charges		9,011	12,767	(3,755)
- Provisions and other charges		6,019	2,551	3,468
	(A)	**52,733**	**50,987**	**1,745**
Services and use of third-party assets:				
- Subcontract work		103,045	110,455	(7,411)
- Maintenance costs		47,640	45,803	1,837
- Promotions, advertising and marketing		49,312	53,783	(4,470)
- Trials, scientific advice and research		39,027	33,812	5,214
- Canteen and other personnel expenses		13,497	11,017	2,480
- Royalty expense		2,802	11,961	(9,160)
- Utilities		50,420	45,128	5,293
- Directors' and Statutory Auditors' fees		5,273	6,824	(1,551)
- Business trips and travel		21,987	18,992	2,994
- Insurance		9,177	9,051	126
- Agent commissions, social contributions and expense claims		1,513	1,355	159
- Other costs		68,632	68,897	(266)
- Rental costs		11,284	9,005	2,279
- Consulting services		113,007	105,568	7,439
- Transport		22,663	26,129	(3,465)
	(B)	**559,279**	**557,781**	**1,498**
Losses on disposal of fixed assets				
- Losses on disposal of fixed assets		259	368	(110)
	(C)	**259**	**368**	**(110)**
Total	**(A)+(B)+(C)**	**612,271**	**609,137**	**3,135**

The change in "Indirect taxes, duties and levies" includes approximately euro 4.8 million in charges to cover healthcare spending caps envisaged for the pharmaceutical sector in the various European areas in which the Group operates.

The largest increases refer to utilities, reflecting the general increase in prices and volumes, and to consulting services, mainly due to the growth in medical consulting services provided by Centro Diagnostico Italiano.

Further details about "Provisions and other charges" can be found in Note 35. Provisions for risks and charges.

The decrease in "Royalty expense" is a direct reflection of the performance of Axumin®.

13. DEPRECIATION, AMORTIZATION, IMPAIRMENT AND IMPAIRMENT REVERSALS

This line item amounts to euro 182,302 thousand, down by euro 1,992 thousand on 2022. The following table presents a breakdown of this line item by class of assets:

(€/000)	**2023**	**2022**	**Change**
Amortization of finite-life intangible assets	46,896	49,018	(2,122)
Depreciation of owned property, plant and equipment	69,273	60,727	8,545
Depreciation of investment property	225	225	-
Depreciation of leased property, plant and equipment	18,353	21,379	(3,026)
Impairment losses and (impairment reversals)	47,556	52,945	(5,389)
Total	**182,302**	**184,294**	**(1,992)**

Impairment losses and (impairment reversals)" mainly reflect the following impairment losses:

- euro 24.6 million against the finite-life intangible asset known as "Technology Axumin®"(see Note 22. Goodwill);
- euro 7.4 million against a Technology Transfer project;
- euro 9.5 million against intangibles in progress of the subsidiary SurgVision (see Note 22. Goodwill).

14. GAINS (LOSSES) ON NON-CURRENT FINANCIAL ASSETS

These report a net gain of euro 9,922 thousand in 2023, as shown in the table below:

(€/000)	**2023**	**2022**	**Change**
Gains (losses) on equity investments	9,922	(247)	10,169
Total	**9,922**	**(247)**	**10,169**

"Gains (losses) on equity investments" mainly include the gain of euro 18,654 thousand realized on the sale of the equity investment in Humanitas S.p.A. held by the subsidiary Claude Montana B.V. as well as the negative fair value adjustment of euro 9,170 thousand against the value of the investment in Polarean Imaging plc., based on the market price (GBP 0.0625 per share) as at 31 December 2023.

15. FINANCE INCOME

This amounts to euro 61,570 thousand, a decrease of euro 32,402 thousand on 2022 and broken down as follows:

(€/000)		**2023**	**2022**	**Change**
Other finance income				
Interest income from current securities		487	462	26
Interest income on bank deposits		1,433	1,420	13
Miscellaneous finance income		1,458	649	809
	(A)	**3,379**	**2,531**	**848**
Income from derivative instruments				
Income from currency hedging derivatives		6,626	22,999	(16,373)
Income from interest rate derivatives		15,222	760	14,462
Mark to market of currency and interest rate derivatives		1,726	1,643	83
	(B)	**23,574**	**25,402**	**(1,828)**
Exchange gains				
Realized positive exchange differences		34,391	62,443	(28,051)
Unrealized positive exchange differences		226	3,597	(3,371)
	(C)	**34,617**	**66,040**	**(31,422)**
Total	**(A)+(B)+(C)**	**61,570**	**93,972**	**(32,402)**

"Finance income and costs" include transactions related to foreign exchange hedging derivatives on notional amounts for cash pooling and short-term trade transactions. Income and expenses related to cash flow hedges of US dollar trade transactions are recorded in "Other income" and "Other operating costs" respectively.

16. FINANCE COSTS

These amount to euro 87,411 thousand, a decrease of euro 21,159 thousand on 2022 and broken down as follows:

(€/000)		**2023**	**2022**	**Change**
Interest expense and other finance costs				
Interest on loans and borrowings		33,061	7,992	25,069
Bank interest expense		10	82	(72)
Lease liability interest expense (IFRS 16)		2,598	2,723	(125)
Fees		2,639	2,420	219
Interest cost on defined benefit plans net of expected return on plan assets		1,982	727	1,255
Other finance costs		1,018	2,506	(1,488)
	(A)	**41,309**	**16,450**	**24,859**
Exchange losses				
Realized negative exchange differences		29,928	59,544	(29,616)
Unrealized negative exchange differences		4,250	6,160	(1,910)
	(B)	**34,178**	**65,704**	**(31,526)**
Expenses from derivative instruments				
Interest rate swap expenses		-	55	(55)
Fair value hedging derivative expenses		10,107	22,776	(12,669)
Negative fair value adjustment, expenses and mark to market of currency hedges		1,817	3,585	(1,768)
	(C)	**11,924**	**26,416**	**(14,492)**
Total	**(A)+(B)+(C)**	**87,411**	**108,570**	**(21,159)**

Interest on loans and borrowings increased by euro 25,069 thousand over the year, reflecting the hike in interest rates (i.e., Euribor rate) as a result of the monetary policies adopted by the European Central Bank.

However, these costs were partially neutralized by interest rate swaps, which generated finance income of euro 15,222 thousand, reducing the net negative impact of interest on loans and borrowings to euro 9,847 thousand.

See Note 34 "Financial debt and liabilities" for information about "Interest on loans and borrowings".

17. INCOME TAXES

Income taxes for the years ended 31 December 2023 and 2022 are analysed below:

(€/000)		**2023**	**2022**	**Change**
Italian corporation taxes for year (IRES/IRAP)		974	8,364	(7,390)
Foreign company corporation taxes for the year		62,046	45,363	16,683
Total income taxes for year	*(A)*	*63,020*	*53,727*	*9,293*
Total deferred tax liabilities	*(B)*	*(6,217)*	*(12,831)*	*6,614*
Total deferred tax assets	*(C)*	*(13,789)*	*(2,069)*	*(11,720)*
Total	**(A)+(B)+(C)**	**43,014**	**38,827**	**4,187**

The theoretical tax rate and effective tax rate and the corresponding theoretical and effective tax charges are reconciled below:

	2023		2022	
	Amount	**%**	**Amount**	**%**
Profit before tax	74,375		107,176	
Tax calculated at current Italian tax rate	17,850	24.0%	25,722	24.0%
Difference arising from foreign company tax rates and loss-making companies	26,775	36.0%	2,797	2.6%
Non-resident CFC taxes (Italy) and distributable earnings	(5,009)	-6.7%	4,530	4.2%
Patent Box	(1,920)	-2.6%	(1,687)	-1.6%
Other net changes	4,231	5.7%	5,283	4.9%
Italian regional business tax (IRAP) calculated on a basis other than profit before tax	1,087	1.5%	2,182	2.0%
Total effective taxes in statement of profit or loss	**43,014**	**57.8%**	**38,827**	**36.2%**

The "Patent box" refers to the subsidiary Bracco Imaging S.p.a. in relation to the relief introduced by art. 1, paragraphs 37-45, Italian Law 190 of 23 December 2014, which allows a deduction for the direct use of intangible assets; for the purposes of determining eligible income, the Company has opted to self-assess the benefit arising from direct use of intangible assets, in accordance with the provisions of the "Growth Decree" (Italian Legislative Decree 34 of 30 April 2019, converted into Law 58 of 28 June 2019).

Taxes for the year include the tax effects (where applicable) resulting from the release of deferred taxes pertaining to the impairment of intangible assets as described in Note 22. Goodwill.

It should be noted that the non-recognition of the tax impact of the losses of some companies, the recovery of which is uncertain, has had a negative impact on the Group's tax charge as no deferred tax assets are recognized against such tax losses.

18. OTHER COMPREHENSIVE INCOME

This reports a negative balance of euro 52,727 thousand at 31 December 2023 (versus a positive euro 134,781 thousand at 31 December 2022) and reflects the recognition in equity of:

- Items that will not be reclassified subsequently to profit or loss:

- actuarial losses related to defined benefit plans of euro 12,605 thousand, presented net of euro 3,859 thousand in tax effects;

• items that may be reclassified subsequently to profit or loss:

- unrealized losses on cash flow hedges, of which euro 3,693 thousand on currency hedges, euro 14,891 thousand on interest rate hedges and euro 529 thousand on commodity swaps, presented net of euro 6,035 thousand in tax effects;
- unrealized losses of euro 132 thousand on the fair value measurement of the FVTOCI financial instrument, presented net of euro 41 thousand in tax effects;
- negative foreign exchange differences of euro 20,877 thousand, mainly attributable to the US dollar, arising on the translation of financial statements in foreign currencies.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

19. PROPERTY, PLANT AND EQUIPMENT

The following tables present a breakdown of this balance and related movements during 2023 and 2022:

(€/000)	31 December 2023			31 December 2022		
(Net carrying amount)	**Historical cost**	**Accumulated depreciation**	**Net carrying amount**	**Historical cost**	**Accumulated depreciation**	**Net carrying amount**
Land	31,592	-	31,592	31,381	-	31,381
Industrial buildings	407,903	(188,229)	219,675	380,882	(183,295)	197,587
Plant	714,121	(360,162)	353,959	614,050	(327,544)	286,506
Industrial machinery and equipment	332,469	(251,122)	81,347	305,326	(237,852)	67,474
Other assets	88,034	(65,708)	22,326	82,004	(61,812)	20,192
Advances and assets under construction	140,645	-	140,645	203,427	-	203,427
Total	**1,714,764**	**(865,221)**	**849,543**	**1,617,070**	**(810,503)**	**806,567**

The following tables show the historical cost and accumulated depreciation of each class of asset for the years ended 31 December 2023 and 31 December 2022.

(Historical cost) *(€/000)*	**01.01.2023**	**Additions**	**Disposals**	**Impair-ment**	**Reclassif-ication**	**Exchange diff.**	**31.12.2023**
Land	31,381	-	-	-	-	212	31,592
Industrial buildings	380,882	27,851	20,710	21	19,099	803	407,903
Plant	614,050	15,894	1,042	-	85,148	71	714,121
Industrial machinery and equipment	305,326	30,016	9,222	128	11,453	(4,977)	332,469
Other assets	82,004	9,987	4,513	3	1,223	(664)	88,034
Advances and assets under construction	203,427	57,255	4,738	1,333	(117,570)	3,603	140,645
Total historical cost	**1,617,070**	**141,003**	**40,225**	**1,485**	**(647)**	**(951)**	**1,714,764**

(Accumulated depreciation) *(€/000)*	**01.01.2023**	**Depreciat-ion**	**Disposals**	**Impair-ment**	**Reclassif-ication**	**Exchange diff.**	**31.12.2023**
Industrial buildings	183,295	20,293	15,429	-	(569)	638	188,229
Plant	327,544	33,408	1,001	-	(59)	270	360,162
Industrial machinery and equipment	237,852	25,112	8,818	-	(268)	(2,756)	251,122
Other assets	61,812	8,813	4,229	-	(178)	(510)	65,708
Total accumulated depreciation	**810,503**	**87,626**	**29,477**	**-**	**(1,074)**	**(2,357)**	**865,221**
(Net carrying amount)	**806,567**	**53,377**	**10,748**	**1,485**	**427**	**1,406**	**849,543**

(Historical cost) *(€/000)*	**01.01.2022**	**Additions**	**Disposals**	**Impair-ment**	**Reclassif-ication**	**Exch. diff.**	**31.12.2022**
Land	31,225	-	-	-	-	156	31,381
Industrial buildings	359,824	17,479	4,029	753	4,881	3,480	380,882
Plant	538,832	20,206	1,575	-	55,650	937	614,050
Industrial machinery and equipment	270,758	22,728	10,128	-	15,326	6,642	305,326
Other assets	78,357	6,752	4,434	91	(24)	1,444	82,004
Advances and assets under construction	221,594	70,626	15,789	(2,463)	(78,888)	3,421	203,427
Total historical cost	**1,500,590**	**137,791**	**35,955**	**(1,619)**	**(3,055)**	**16,080**	**1,617,070**

(Accumulated depreciation) *(€/000)*	**01.01.2022**	**Depreciat-ion**	**Disposals**	**Impair-ment**	**Reclassif-ication**	**Exch. diff.**	**31.12.2022**
Industrial buildings	163,181	23,407	4,066	-	(852)	1,622	183,295
Plant	306,790	28,783	1,575	-	(7,151)	698	327,544
Industrial machinery and equipment	211,568	21,357	7,505	-	8,569	3,865	237,852
Other assets	57,480	8,561	5,043	-	(297)	1,111	61,812
Total accumulated depreciation	**739,019**	**82,108**	**18,189**	**-**	**269**	**7,296**	**810,503**
(Net carrying amount)	**761,571**		**17,766**	**(1,619)**	**(3,324)**	**8,782**	**806,567**

Movements in property, plant and equipment in 2023 report total additions of euro 141,003 thousand (euro 137,791 thousand in 2022). The main investments in the year concerned the Italian plants in Torviscosa and Ceriano Laghetto and the Swiss plant in Geneva, along with investments in the Group's progress towards energy transition and generation of energy from renewable sources. In particular, the first step was completed of expanding the Torviscosa plant's production capacity for the active ingredient lomeprole, which went from 1,300 tonnes/year to 1,400 tonnes/year, while activities continued to raise it still further to 2,000 tonnes/year.

The Group's property, plant and equipment are not subject to ownership restrictions or collateral security, with the exception of the Torviscosa plant owned by Spin S.p.A., which carries a lien in favour of Medio Credito Friuli-Venezia Giulia.

Movements in right-of-use assets accounted for in accordance with IFRS 16 are presented in the following tables for the years ended 31 December 2023 and 31 December 2022:

(Historical cost) *(€/000)*	**01.01.2023**	**Additions**	**Disposals**	**Reclassif-ication**	**Exchange diff.**	**31.12.2023**
Industrial buildings	137,096	21,957	20,022	-	(2,175)	138,463
Other assets	24,244	7,185	3,054	(64)	(169)	28,144
Total historical cost	**161,341**	**29,142**	**23,076**	**(64)**	**(2,343)**	**166,607**

(Accumulated depreciation) *(€/000)*	**01.01.2023**	**Depreciation**	**Disposals**	**Reclassif-ication**	**Exchange diff.**	**31.12.2023**
Industrial buildings	56,154	12,526	13,285	-	(964)	54,427
Other assets	13,984	5,827	2,821	(93)	(58)	16,837
Total accumulated depreciation	**70,138**	**18,353**	**16,106**	**(93)**	**(1,022)**	**71,264**
(Net carrying amount)	**91,203**	**10,789**	**6,970**	**30**	**(1,321)**	**95,343**

(Historical cost) *(€/000)*	**01.01.2022**	**Additions**	**Disposals**	**Reclassif-ication**	**Exchange diff.**	**31.12.2022**
Industrial buildings	125,986	15,530	3,142	(1,841)	563	137,096
Other assets	20,804	4,730	1,787	22	475	24,244
Total historical cost	**146,790**	**20,260**	**4,929**	**(1,819)**	**1,038**	**161,340**

(Accumulated depreciation) *(€/000)*	**01.01.2022**	**Depreciation**	**Disposals**	**Reclassif-ication**	**Exchange diff.**	**31.12.2022**
Industrial buildings	43,961	15,552	3,235	(143)	19	56,154
Other assets	10,964	5,292	2,513	(25)	266	13,984
Total accumulated depreciation	**54,925**	**20,844**	**5,748**	**(168)**	**285**	**70,138**
(Net carrying amount)	**91,865**		**(819)**	**(1,651)**	**753**	**91,202**

The main categories of leased assets impacted by the standard are buildings and motor vehicles. The additions to industrial buildings mainly refer to new leases entered into by Centro Diagnostico Italiano.

20. INVESTMENT PROPERTY

The following tables summarize the movements over the two reporting periods in historical cost, accumulated depreciation and net carrying amount.

(€/000)	**31 December 2023**			**31 December 2022**		
(Net carrying amount)	**Historical cost**	**Accumulated depreciation**	**Net carrying amount**	**Historical cost**	**Accumulated depreciation**	**Net carrying amount**
Land	1,280	-	**1,280**	1,280	-	**1,280**
Non-industrial buildings	6,586	(4,279)	**2,307**	6,586	(4,053)	**2,533**
Total	**7,866**	**(4,279)**	**3,587**	**7,866**	**(4,053)**	**3,813**

(Historical cost) *(€/000)*	**01.01.2023**	**Additions**	**Disposals**	**Reclass.**	**Ex-change diff.**	**31.12.2023**
Land	1,280	-	-	-	-	1,280
Non-industrial buildings	6,586	-	-	-	-	6,586
Total historical cost	**7,866**	**-**	**-**	**-**	**-**	**7,866**

(Accumulated depreciation) *(€/000)*	**01.01.2023**	**Depreciation**	**Disposals**	**Reclass.**	**Ex-change diff.**	**31.12.2023**
Non-industrial buildings	4,053	225	-	-	-	4,279
Total accumulated depreciation	**4,053**	**225**	**-**		**-**	**4,279**
(Net carrying amount)	**3,813**	**-**	**-**	**-**	**-**	**3,587**

(Historical cost) *(€/000)*	**01.01.2022**	**Additions**	**Disposals**	**Reclass.**	**Ex-change diff.**	**31.12.2022**
Land	1,280	-	-	-	-	1,280
Non-industrial buildings	6,080	51	-	455	-	6,586
Total historical cost	**7,360**	**51**	**-**	**455**	**-**	**7,866**

(Accumulated depreciation) *(€/000)*	**01.01.2022**	**Depreciation**	**Disposals**	**Reclass.**	**Ex-change diff.**	**31.12.2022**
Non-industrial buildings	3,827	225	-		-	4,053
Total accumulated depreciation	**3,827**	**225**	**-**		**-**	**4,053**
(Net carrying amount)	**3,533**	**-**	**-**	**455**	**-**	**3,813**

Rental income from the property amounted to euro 466 thousand in 2023 (euro 434 thousand in 2022).

This line item includes the value of the "C.I.D." (Information and Documentation Centre) in Torviscosa, a building adjacent to the production site, housing an auditorium, a museum and the Marinotti Tower.

The building is on gratuitous loan to the Municipality of Torviscosa. Despite the uncertainties surrounding the real estate market, there is no evidence that investment property was impaired at 31 December 2023.

21. INTANGIBLE ASSETS

Intangible assets amount to euro 337,557 thousand at the end of 2023, broken down as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Industrial patents and intellectual property rights	13,100	19,508
Concessions, licences, trademarks and similar rights	14,711	19,750
Customer list	1,291	3,760
Other intangible assets	294,507	347,926
Intangibles in progress	13,948	39,026
Total	**337,557**	**429,969**

Movements in intangible assets over 2023 and 2022 are detailed in the following tables:

(Historical cost) *(€/000)*	**01.01.2023**	**Additions**	**Disposals**	**Impair-ment**	**Reclass.**	**Exchange diff.**	**31.12.2023**
Industrial patents and intellectual property rights	220,366	-	-	4,532	-	2,095	217,929
Concessions, licences, trademarks and similar rights	188,571	1,692	73	-	(444)	(3,124)	186,623
Customer list	115,982	-	-	-	-	(3,695)	112,286
Other intangible assets	542,132	8,902	-	24,600	9,207	(15,541)	520,100
Intangibles in progress	39,026	4,163	-	16,940	(12,531)	229	13,948
Total historical cost	**1,106,076**	**14,757**	**73**	**46,071**	**(3,768)**	**(20,036)**	**1,050,886**

(Accumulated amortization) *(€/000)*	**01.01.2023**	**Amortiz-ation**	**Disposals**	**Impair-ment**	**Reclass.**	**Exchange diff.**	**31.12.2023**
Industrial patents and intellectual property rights	200,858	872	(1)	-	517	2,582	204,830
Concessions, licences, trademarks and similar rights	168,821	7,281	27	-	(1,466)	(2,696)	171,912
Customer list	112,221	2,390	-	-	-	(3,617)	110,994
Other intangible assets	194,207	36,353	(1)	-	65	(5,032)	225,593
Total accumulated amortization	**676,107**	**46,896**	**26**	**-**	**(884)**	**(8,763)**	**713,329**
(Net carrying amount)	**429,969**	**(32,138)**	**47**	**46,071**	**(2,884)**	**(11,273)**	**337,557**

(Historical cost) *(€/000)*	**01.01.2022**	**Additions**	**Disposals**	**Impair-ment**	**Reclass.**	**Exchange diff.**	**Change in scope of consolid-ation**	**31.12.2022**
Industrial patents and intellectual property rights	209,138	15,612	-	2,849	(8,767)	7,232	-	220,366
Concessions, licences, trademarks and similar rights	175,644	1,472	3,462	-	10,970	3,947	-	188,571
Customer list	116,772	-	-	-	(7,087)	6,297	-	115,982
Other intangible assets	561,088	2,348	747	51,715	491	30,667	-	542,132
Intangibles in progress	44,749	14,879	-	-	(22,601)	1,998	-	39,026
Total historical cost	**1,107,391**	**34,311**	**4,208**	**54,564**	**(26,994)**	**50,141**	**-**	**1,106,076**

(Accumulated amortization) *(€/000)*	**01.01.2022**	**Amortiz-ation**	**Disposals**	**Impair-ment**	**Reclass.**	**Exchange diff.**	**Change in scope of consolid-ation**	**31.12.2022**
Industrial patents and intellectual property rights	194,041	903	-	-	(592)	6,506	-	200,858
Concessions, licences, trademarks and similar rights	159,939	7,293	3,477	-	1,718	3,347	-	168,821
Customer list	110,521	2,895	-	-	(7,087)	5,892	-	112,221
Other intangible assets	152,410	37,926	598	-	(655)	5,124	-	194,207
Total accumulated amortization	**616,911**	**49,017**	**4,075**	**-**	**(6,616)**	**20,869**	**-**	**676,107**
(Net carrying amount)	**490,480**		**134**	**54,564**	**(20,378)**	**29,272**	**-**	**429,969**

The additions over the year mainly refer to:

- euro 6,000 thousand to obtain the right to market the Gadopiclenolo product in Europe;

- investments in information systems to develop and enhance centralized accounting and business process software;

- investments in Technology Transfer.

Impairment recognized in the year refers mainly to the Oncology PET (Blue Earth Diagnostics) CGU for euro 24.6 million and the SurgVision CGU for euro 9.5 million; see Note 22. Goodwill and Note 13. Depreciation, amortization, impairment and impairment reversals.

The intangible assets recorded in the financial statements mainly consist of amounts arising from the Group's acquisitions in previous years of the companies Blue Earth Diagnostics, Surgvision, E-Z-EM Inc., Bipso G.m.b.H. and Acist Inc.

These also include the allocation of the merger deficit arising in 2006 to certain intangible assets of Bracco Diagnostics Inc., a US subsidiary.

Exchange differences are mainly attributable to US dollar fluctuations, particularly with regard to Blue Earth Diagnostics.

Trademarks relate to the following products currently marketed in the USA:

Trademark	Modality
Isovue	X-ray/CT scan
Gastrografin	X-ray/CT scan
Prohance	Magnetic resonance
Kinevac	Nuclear medicine
CardioGen	Nuclear medicine

In addition, there are a number of trademarks for "injectable ionic" and "radio-pharmaceutical" product families.

In addition to the above, intangible assets include the following assets:

i. Industrial patents and intellectual property rights

Industrial patents and know-how acquired from third parties. These rights are amortized on a straight-line basis over their expected useful lives, which vary between three and eight years depending on the circumstances.

ii. Concessions, licences, trademarks and similar rights

Distribution and marketing rights acquired from third parties. These rights are amortized on a straight-line basis over their expected useful lives, which vary between five and ten years depending on the circumstances.

iii. Customer list

This comprises the customer portfolio resulting from the Group's past acquisitions.

iv. Other intangible assets

These mainly consist of computerized document management systems serving research and development activities and other assets allocated as a result of acquisitions in previous years.

Once again in 2023, the Group confirmed its strong commitment to research and

development, in which it invested a total of approximately euro 146.6 million; the various R&D programs included projects in the field of Nuclear Oncology, which saw completion of phase III clinical trials in the United States for new indications of the Axumin® product to diagnose brain metastases; in parallel, the phase I clinical trial of the rhPSMA therapeutic molecule was initiated.

v. Intangibles in progress

"Intangibles in progress" mainly reflect the value of intangible assets being developed by Surgvision.

22. GOODWILL

Goodwill amounts to euro 206,691 thousand at 31 December 2023 (euro 210,627 thousand at 31 December 2022).

Movements in goodwill for the years ended 31 December 2023 and 31 December 2022, divided by CGU, are set out in the following tables:

(€/000)	**01.01.2023**	**Increases**	**Decreases**	**Reclass.**	**Change in scope consol.**	**Exchange differences**	**31.12.2023**
X-RAY/CT scan	122,807	-	-	-	-	(1,630)	121,177
Magnetic Resonance Imaging (MRI)	13,050	-	-	-	-	(32)	13,018
Oncology PET (Blue Earth Diagnostics)	25,133	-	-	-	-	(873)	24,260
Medical Technologies	39,637	-	-	-	-	(1,402)	38,235
Centro Diagnostico Italiano	10,001	-	-	-	-	-	10,001
Total	**210,627**	**-**	**-**	**-**	**-**	**(3,936)**	**206,691**

(€/000)	**01.01.2022**	**Increases**	**Decreases**	**Reclass.**	**Change in scope consol.**	**Exchange differences**	**31.12.2022**
X-RAY/CT scan	120,654	-	-	-	-	2,153	122,807
Magnetic Resonance Imaging (MRI)	12,744	-	-	-	-	306	13,050
Oncology PET (Blue Earth Diagnostics)	23,669	-	-	-	-	1,464	25,133
Heart Leaflet Technologies	8,532	-	-	(9,229)	-	697	-
Medical Technologies	37,303	-	-	-	-	2,334	39,637
Centro Diagnostico Italiano	10,001	-	-	-	-	-	10,001
Total	**212,902**	**-**	**-**	**(9,229)**	**-**	**6,954**	**210,627**

Identifying the CGUs

In accordance with the requirements of IAS 36, the Group has identified its cash-generating units (CGUs) as the smallest identifiable group of assets capable of generating cash inflows that are largely independent of those from other assets or groups of assets included in the consolidation. In identifying the CGUs, account has been taken of their organizational structure, type of business and the manner in which control is exercised over their operations.

Impairment of assets

The following tables show the total assets allocated to each of the CGUs identified, including the amount of goodwill and indefinite-life intangible assets attributed to each (at 31 December 2023 and 31 December 2022):

	2023		
(€/million) CGU	Total assets (*)	of which goodwill	of which intangible assets under development
X-RAY/CT scan	607.3	121.2	-
Magnetic Resonance Imaging (MRI)	84.2	13.0	-
Ultrasound (CEUS)	132.0	-	-
Cardiology PET and other nuclear	25.5	-	-
Oncology PET (Blue Earth Diagnostics)	285.6	24.3	9.0
Medical Technologies	116.5	38.2	-
SurgVision	8.5	-	8.4
Real estate	26.5	-	-
Centro Diagnostico Italiano	111.2	10.0	-
Total assets	**1,397.3**	**206.7**	**17.4**

	2022		
(€/million) CGU	Total assets (*)	of which goodwill	of which intangible assets under development
X-RAY/CT scan	608.8	122.8	-
Magnetic Resonance Imaging (MRI)	49.1	13.0	-
Ultrasound (CEUS)	128.3	-	-
Cardiology PET and other nuclear	27.1	-	-
Oncology PET (Blue Earth Diagnostics)	356.1	25.1	287.7
Medical Technologies	120.5	39.6	-
SurgVision	18.0	-	17.9
Real estate	46.4	-	-
Centro Diagnostico Italiano	96.6	10.0	-
Total assets	**1,451.0**	**210.6**	**305.6**

(*) total property, plant and equipment, investment property, goodwill and other intangible assets

As previously mentioned, all the CGUs identified have been examined in order to

verify the existence of indications of any impairment.

In accordance with IAS 36, even in the absence of trigger events, management has verified, with the assistance of an independent firm of valuers, that the recoverable amount of CGU assets that include goodwill is not lower than their carrying amount.

Under the above standard, recoverable amount is determined as the higher of fair value and value in use. Management has carried out its own assessments at 31 December 2023 with reference to value in use.

For the purposes of impairment testing, value in use is determined in accordance with the requirements of IAS 36, also taking into account ESMA guidelines.

The value in use of the CGUs has been determined by discounting cash flow forecasts derived from the consolidated 2024-2028 Business Plan, except for those CGUs that, being in a start-up phase, require a longer explicit planning period to capture the full expected cash flow picture, adjusted, if necessary, by execution risk factors.

The key assumptions used for impairment testing were as follows:

CGU	Growth rate "g"	WACC 2023	WACC 2022
X-RAY/CT scan	2.3%	8.8%	8.5%
Magnetic Resonance Imaging (MRI)	2.3%	9.0%	8.7%
Oncology PET (BED)	0.0%	10.2%	9.8%
SurgVision	0.0%	10.4%	10.4%
Medical Technologies	0.0%	8.5%	8.5%
Centro Diagnostico Italiano	1.7%	8.4%	7.7%

The financial projections underlying the impairment test have been formulated based on latest market data, where available, medium-term macroeconomic forecasts and expected trends in the Group's markets of operation with specific reference to the technologies used, and supplemented by specific business assumptions developed by management about positioning and specificity of the products sold. The main assumptions used to project the future cash flows presented in the business plan relate to sales margins, sales quantities, market shares, price trends and operating expenses. Production costs are anticipated to increase due to inflation, which will be counterbalanced by the economies of scale expected from the capital expenditure plans and efficiency projects. Research and development costs are expected to be in line with their past level, serving both existing technologies and the development of new applications.

A sensitivity analysis has been performed for all the CGUs tested for impairment in order to identify the maximum change in the values of the basic assumptions that would make the recoverable amount of the CGU equal to carrying amount: this break-even analysis has not revealed any problem areas.

In addition to this, as mentioned in "Use of Estimates", an extra sensitivity analysis was carried out in relation to carbon neutrality targets to assess any impacts arising from the Group's carbon neutrality commitment. In particular, cash flows for investments to reduce emissions were taken into account and the cost of neutralizing residual emissions was simulated based on the market value of CO2. No critical issues emerged from this exercise.

Raggi X/TAC (X-RAY)

At 31 December 2023, the "X-RAY/CT" CGU includes:

- goodwill of euro 121.2 million, equating to 58% of the Group's total goodwill;
- intangible and tangible assets totalling euro 486.1 million, equating to 41% of the Group's total intangible and tangible assets.

In the presence of goodwill, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

The WACC of 8.8%, used for this valuation, was determined by weighting the WACC of each country in which the CGU operates. This rate is slightly higher than the one used at 31 December 2022 mainly due to the rise in relevant rates.

Long-term growth was assumed to be in line with the expected inflation rate in the geographical areas in which the CGU operates, in other words 2.3%.

The plan covered a time horizon from 2024 to 2028. Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those in the last year of the explicit planning period and capable of expressing the benefit of the significant investments in production capacity envisaged in the plan. The plan assumed a gradual growth in revenues and average margins.

On the basis of the known information, the recoverable amount is above the value of the recognized assets and, at present, no changes can be reasonably foreseen in the

basic assumptions that would reduce the recoverable amount below the carrying amount.

Lastly, a break-even sensitivity test was performed to determine the value of WACC and the percentage change in EBITDA estimated in the Terminal Value that would, with all other operating and financial conditions being equal, make the recoverable amount of the CGU equal to its carrying amount. In the case of the X-Ray CGU, the break-even WACC would be 8.9%. The change in EBITDA estimated in the Terminal Value was found to be a sensitive variable with the test showing that minor decreases in the rates used could have some critical implications for recoverable amounts.

The impairment test did not, however, consider the synergies of this CGU with other modalities, even though they are particularly relevant in terms of market positioning.

Magnetic Resonance Imaging (MRI)

At 31 December 2023, the "Magnetic Resonance Imaging (MRI)" CGU includes:

- goodwill of euro 13 million, equating to 6% of the Group's total goodwill;
- intangible and tangible assets totalling euro 71.2 million, equating to 6% of the Group's total intangible and tangible assets.

In the presence of goodwill, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

The WACC of 9%, used for this valuation, was determined by weighting the WACC of each country in which the CGU operates. This rate was slightly higher than the one used at 31 December 2022 mainly due to the rise in relevant rates.

Long-term growth was assumed to be in line with the expected inflation rate in the geographical areas in which the CGU operates, in other words 2.3%.

The plan covered a time horizon from 2024 to 2028. Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those in the last year of the explicit planning period. The plan assumed a significant increase in revenues over the planning period, while the EBITDA Margin was expected to stabilize.

On the basis of the known information, the recoverable amount is well above the value

of the recognized assets and, at present, no changes can be reasonably foreseen in the basic assumptions that would reduce the recoverable amount below the carrying amount.

Lastly, a break-even sensitivity test was performed to determine the value of WACC and the percentage change in EBITDA estimated in the Terminal Value that would, with all other operating and financial conditions being equal, make the recoverable amount of the CGU equal to its carrying amount. In the case of the MRI CGU, the break-even WACC would be 20%, while the corresponding reduction in EBITDA used to estimate Terminal Value would have to be of irrationally large. This test therefore did not reveal any critical issues.

Ultrasound (CEUS)

At 31 December 2023, the "Ultrasound (CEUS)" CGU includes:

- intangible and tangible assets totalling euro 132 million, equating to 11% of the Group's total intangible and tangible assets.

Management has reviewed whether there are indications of possible impairment of the assets allocated to this CGU, with particular reference to finite-life property, plant and equipment and intangible assets.

This review has not revealed any evidence of impairment.

Cardiology PET and other nuclear

At 31 December 2023, the "Cardiology PET and other nuclear" CGU includes:

- intangible and tangible assets totalling euro 25.5 million, equating to 2% of the Group's total intangible and tangible assets.

Management has reviewed whether there are indications of possible impairment of the assets allocated to this CGU.

This review has not revealed any evidence of impairment.

Oncology PET (BED)

At 31 December 2023, the "Oncology PET (BED)" CGU includes:

- goodwill of euro 24.3 million, equating to 12% of the Group's total goodwill;
- intangible and tangible assets totalling euro 261.3 million, equating to 22% of the Group's total intangible and tangible assets. Intangible assets also include euro 9 million in intangible assets currently under development.

In the presence of goodwill and intangible assets and evidence of impairment, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

The test was carried out both for the CGU as a whole, and for specific individual assets, namely "Technology Axumin®" and "Technology Posluma/Rh-Psma", since trigger events had occurred for each during the year; in the case of Axumin, this was its considerably worse-than-expected performance, while in the case of the new Posluma® product, it was a delay of about six months in obtaining the coding required for insurance reimbursement purposes in the US market. The specific impairment test has resulted in the recognition of euro 29 million in impairment, of which euro 24.6 million against the Axumin® asset.

The WACC of 10.2%, used for this valuation, was determined by weighting the WACC of each country in which the CGU operates. This rate was slightly higher than the one used at 31 December 2022 (9.8%), mainly due to the rise in relevant market rates. The explicit period of the plan covered a longer time horizon than five years, namely from 2024 to 2034, since some of the products related to this CGU are still in the start-up phase and the market launch and related revenues are expected only in the medium term. Furthermore, the risk related to the ongoing development process of some products was taken into account, by adjusting the cash flows from some of the products' applications to reflect the need to complete additional stages in the clinical approval process before obtaining approval for sale. A different probability of success was identified for each of the solutions currently under development, also derived from industry-specific articles and studies on the success rates of newly developed drugs at different stages of the approval process.

Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those expected for the last year of the explicit period and a conservative long-term growth rate of zero.

The plan assumes that revenues will increase substantially from 2024 onwards,

particularly following the launch of the new product Posluma® (Rh-PSMA), which received marketing approval in the US market at the end of May 2023 and for which the relevant coding required for insurance reimbursement purposes is effective from January 2024.

Management estimates that Posluma (Rh-PSMA), a diagnostic agent approved during 2023 and capable of highly accurate detection of possible prostate cancer, will generate the majority of Blue Earth Diagnostic Ltd's revenues in the planning period. The main assumption underlying the expected results of the new product, also supported by sector-specific studies, is the gradual increase in market share in the initial planning period and a consistent growth in revenues and profitability.

The impairment test performed on the specific Posluma® asset has not revealed any impairment losses.

With regard to the other products in the portfolio, the main assumptions related to the gradual reduction in the volume of Axumin® (Prostrate) and the start of sales of other Axumin® applications over the planning period.

As regards "Technology Axumin®", a finite-life intangible asset, based on the above considerations and as already mentioned, the Group has recognized an impairment loss that has taken the residual net book value of the asset to euro 3.2 million at 31 December 2023.

Lastly, the impairment test for the CGU as a whole has confirmed the carrying amount.

However, the sensitivity test applied to the Oncology PET CGU (BED) has shown that the recoverable amount of the CGU's assets is particularly sensitive to the plan's variables and assumptions, which by their nature could be subject to even significant variations. Any changes to the existing plan or in the assumptions could make it difficult to recover the amount of recognized assets.

Medical Technologies

At 31 December 2023, the "Medical Technologies" CGU includes:

- goodwill of euro 38.2 million, equating to 18% of the Group's total goodwill;
- intangible and tangible assets totalling euro 78.3 million, equating to 7% of the Group's total intangible and tangible assets.

In the presence of goodwill and indefinite-life intangible assets, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

The WACC of 8.5%, used for this valuation, was determined by weighting the WACC of each country in which the CGU operates. This rate was in line with that used at 31 December 2022.

Long-term growth was prudently assumed to be zero.

The plan covered a time horizon from 2024 to 2028. Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those in the last year of the explicit planning period. The plan assumed a gradual growth in revenues and average margins.

On the basis of the known information, the recoverable amount is well above the value of the recognized assets and, at present, no changes can be reasonably foreseen in the basic assumptions that would reduce the recoverable amount below the carrying amount.

Lastly, a break-even sensitivity test was performed to determine the value of WACC and the percentage change in EBITDA estimated in the Terminal Value that would, with all other operating and financial conditions being equal, make the recoverable amount of the CGU equal to its carrying amount. In the case of the Medical Technologies CGU, the break-even WACC would be 19%, while the corresponding reduction in EBITDA estimated in Terminal Value would have to be of an irrational amount.

SurgVision

At 31 December 2023, the "SurgVision" CGU includes:

- intangible and tangible assets totalling euro 8.5 million, equating to 1% of the Group's total intangible and tangible assets. The CGU's intangible assets include euro 8.4 million in assets under development.

In the presence of intangible assets under development, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

Impairment testing has resulted in the recognition of euro 9.5 million in impairment against these assets.

The WACC of 10.4%, used for this valuation, was determined by weighting the WACC of each country in which the CGU operates. This rate is in line with that used at 31 December 2022.

The explicit period of the plan covered a longer time horizon, namely from 2024 to 2033, as the business is still in a start- phase and revenues are only expected to reach their full potential in the medium term.

Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those expected for the last year of the explicit period and a conservative long-term growth rate of zero.

Sales of the device for oncological surgical procedures, which can be used by employing different contrast agents already present on the market, are expected to start in 2024. Therefore, taking into account the uncertainties of the reference market and the outcome of the commercial negotiations in progress, a probability of success was identified for the flows included in the aforesaid plan.

With reference to the intangible asset tested for impairment, based on the above considerations, the Group has recognized an impairment loss of euro 9.5 million. The residual net book value of the asset was euro 8.4 million at 31 December 2023.

Real Estate

At 31 December 2023, the "Real Estate" CGU includes:

- intangible and tangible assets totalling euro 26.5 million, equating to 2% of the Group's total intangible and tangible assets.

In line with previous years, the Group has analysed the real estate components of this CGU and verified that the assets were not impaired. In particular, recoverable value was determined on the basis of the value in use of the principal assets. No critical issues were revealed as a result of this review.

Centro Diagnostico Italiano

At 31 December 2023, the "Centro Diagnostico Italiano" CGU includes:

- goodwill of euro 10 million, equating to 5% of the Group's total goodwill;
- intangible and tangible assets totalling euro 101.2 million, equating to 8% of the

Group's total intangible and tangible assets.

In the presence of goodwill, a valuation has been prepared to support management in verifying that the recoverable amount of the assets attributed to the CGU was not lower than their carrying amount.

The WACC of 8.4%, used for this valuation, was slightly higher than that used at 31 December 2022.

Long-term growth was assumed to be in line with the expected long-term inflation rate in Italy, in other words 1.7%.

The plan covered a time horizon from 2024 to 2028. Terminal value was estimated by assuming revenues and EBITDA Margin as equal to those in the last year of the explicit planning period. The plan assumed a gradual growth in revenues and average margins.

On the basis of the known information, the recoverable amount is above the value of the recognized assets and, at present, no changes can be reasonably foreseen in the basic assumptions that would reduce the recoverable amount below the carrying amount.

Lastly, a break-even sensitivity test was performed to determine the value of WACC and the percentage change in EBITDA estimated in the Terminal Value that would, with all other operating and financial conditions being equal, make the recoverable amount of the CGU equal to its carrying amount. In the case of the CDI CGU, the break-even WACC would be 11.7%. In addition, simulating reductions of between 19% and 25% in EBITDA estimated in Terminal Value, no critical issues emerged.

23. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets amount to euro 29,078 thousand at 31 December 2023 (euro 59,950 thousand in 2022), comprised as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Equity investments	10,356	22,060
Other financial receivables	6,321	5,772
Financial receivables for cash flow hedging derivatives (IRS)	12,401	32,118
Total	**29,078**	**59,950**

Equity investments in other companies are detailed as follows:

(€/000)	Type of share	% owned	31 December 2023	31 December 2022
Other companies				
Humanitas S.p.A.	Unlisted	0.00%	-	3,697
Bioindustry Park Silvano Fumero S.p.A.	Unlisted	17.44%	2,040	2,040
Halo Industry S.p.A.	Unlisted	15.00%	2,257	2,257
Sofinnova Telethon Found	Unlisted	9.25%	4,650	3,650
Polarean Imaging plc	Listed	7.60%	1,178	10,348
Other minor investments	Unlisted	-	231	68
Total			**10,356**	**22,060**

Changes in the value of these equity investments over the last two years are set out in the following tables:

(€/000)	01.01.2023	Movements in the year		(Impairment) revaluation through profit or loss	(Impairment) through equity	31.12.2023
		Increases	Decreases			
Other companies						
Humanitas S.p.A.	3,697	-	(3,697)	-	-	-
Bioindustry Park Silvano Fumero S.p.A.	2,040	-	-	-	-	2,040
Halo Industry S.p.A.	2,257	-	-	-	-	2,257
Sofinnova Telethon Fund	3,650	1,000	-	-	-	4,650
Polarean Imaging plc	10,348	-	-	(9,170)	-	1,178
Other minor investments	68	105		58	-	231
Total	**22,060**	**1,105**	**(3,697)**	**(9,112)**	**-**	**10,356**

(€/000)	01.01.2022	Movements in the year		(Impairment) revaluation through profit or loss	(Impairment) through equity	31.12.2022
		Increases	Decreases			
Other companies						
Humanitas S.p.A.	3,697	-	-	-	-	3,697
Bioindustry Park Silvano Fumero S.p.A.	2,040	-	-	-	-	2,040
Halo Industry S.p.A.	2,257	-	-	-	-	2,257
Sofinnova Telethon Fund	2,650	1,000	-	-	-	3,650
Polarean Imaging plc	10,998	-	-	(650)	-	10,348
Other minor investments	86	80	-	(98)	-	68
Total	**21,728**	**1,080**	**-**	**(748)**	**-**	**22,060**

The main changes during the year are reported below:

- Humanitas S.p.A.: the investment has decreased as a result of being sold by the subsidiary Claude Montana Bv. Additional information can be found in Note 14. Gains (losses) on non-current financial assets;
- Polarean Imaging plc: the fair value of the shares held has been adjusted to their market value at 31 December 2023 (GBP 0.0625 per share), as already described in the Note 14. Gains (losses) on non-current financial assets;
- Sofinnova Telethon Fund: additional shares worth a total of euro 1,000 thousand have been purchased in this fund. Depending on possible future investments by the fund, the Group could subscribe up to euro 4.5 million in additional shares. The fair value of the equity investment is determined with reference to the fund's equity; the latest valuation confirms the carrying amount.
- The value of the investment in Halo Industry S.p.A. amounts to euro 1,650 thousand (unchanged since 31 December 2022) for a 15% interest in the company's share capital. The Group's share of the company's equity is valued at euro 2,397 thousand (based on the company's latest approved financial statements).
  The value of the investment also includes euro 707 thousand (unchanged since 31 December 2022) for the call option on the shares in Halo Industry S.p.A. currently held by Friulia S.p.A., under agreements between the shareholders, as illustrated below.

Halo Industry S.p.A.'s main business purpose is the management of a latest generation membrane chlor-alkali plant, which became operational in 2017.

A shareholders' agreement was signed at the time of forming Halo Industry S.p.A. with the purpose of defining the relationship between them. This agreement was revised on 10 October 2019. The new arrangements assigned call and put options over the shares held by Friulia S.p.A., exercisable from 1 January 2021 until 30 September 2024 and from 1 January 2022 until 30 September 2024, respectively, at a price equal to the outlay incurred by Friulia S.p.A. to subscribe to its shares, plus a return on capital equal to 6-month Euribor plus a spread.

In accordance with IFRS 9, the valuation of the equity investment is presented in the above tables net of impairment of euro 101 thousand, unchanged from the previous year.

"Other financial receivables", amounting to euro 6,321 thousand, include euro 2,850 thousand for a loan granted to Halo Industry S.p.A. against a future share capital increase of euro 3,000 thousand, which was approved by the Board of Directors of the

subsidiary Spin S.p.A. in its meeting of 1 August 2016; as of January 2018, the loan became interest-bearing, with interest accruing at an annual rate of 1.5%.

In accordance with IFRS 9, the loan is presented net of a fair value adjustment of euro 150 thousand, unchanged from the previous year.

"Financial receivables for cash flow hedging derivative contracts (IRS)" refer to the portion of interest rate swaps maturing beyond the next financial year, as better described in Note 30. Derivative financial instruments.

24. OTHER NON-CURRENT ASSETS

These amount to euro 25,897 thousand at 31 December 2023 (euro 20,026 thousand at 31 December 2022).

	31 December 2023			**31 December 2022**		
(€/000)	**Total**	**1-5 years**	**>5 years**	**Total**	**1-5 years**	**>5 years**
Other non-current assets	25,897	25,897	-	20,026	20,026	-
Total	**25,897**	**25,897**	**-**	**20,026**	**20,026**	**-**

The balance mainly refers to costs incurred by the Group for the continued transfer of nuclear medicine technology to new production sites in the United States.

25. INVENTORIES

Inventories are broken down as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Raw materials	183,829	121,977
Semi-finished products	29,887	27,832
Finished products	294,998	254,671
Advances	439	173
Total	**509,154**	**404,653**

The increase in inventories mainly reflects higher raw material prices and growth in

the Group's production costs.

Inventories are presented net of the write-down allowance for euro 13,758 thousand (euro 16,056 thousand in 2022).

The inventory write-down allowance is recognized to take into account obsolete and slow-moving items, as well as product sales risks.

The following tables shows movements in the inventory writedown allowance during 2023 and 2022.

(€/000)	**01.01.2023**	**Increases**	**Uses**	**Reclassif-ications**	**Exchange differences**	**31.12.2023**
Inventory write-down allowance	16,056	-	(2,235)	13	(75)	13,758
Total	**16,056**	**-**	**(2,235)**	**13**	**(75)**	**13,758**

(€/000)	**01.01.2022**	**Increases**	**Uses**	**Reclassif-ications**	**Exchange differences**	**31.12.2022**
Inventory write-down allowance	13,804	1,908	-	-	344	16,056
Total	**13,804**	**1,908**	**-**	**-**	**344**	**16,056**

26. TRADE RECEIVABLES

These amount to euro 224,586 thousand at 31 December 2023, an increase of euro 14,019 thousand since 31 December 2022 as shown below:

(€/000)	**31 December 2023**	**31 December 2022**
Trade receivables	224,586	210,567
Total	**224,586**	**210,567**

Trade receivables are presented net of the credit loss allowance for euro 8,723 thousand (euro 8,891 thousand at 31 December 2022). In calculating the Expected Credit Loss, the Group has made estimates/judgements about the extent of credit realization, including by analysing the historical default rates observed for each individual customer over a three-year period. These default rates have then been adjusted for a forward-looking estimate that includes the probability of a deterioration in the economic scenario.

Movements in the credit loss allowance for 2023 and 2022 are as follows:

(€/000)	**01.01.2023**	**Increases**	**Uses**	**Exchange differences**	**31.12.2023**
Credit loss allowance	8,891	-	(64)	(104)	8,723
Total	**8,891**	**-**	**(64)**	**(104)**	**8,723**

(€/000)	**01.01.2022**	**Increases**	**Uses**	**Exchange differences**	**31.12.2022**
Credit loss allowance	8,443	740	(495)	203	8,891
Total	**8,443**	**740**	**(495)**	**203**	**8,891**

During the year, transactions involving the non-recourse factoring of receivables from hospitals amounted to euro 12,958 thousand (euro 9,220 thousand in 2022).

Under the terms of these factoring arrangements, the entire credit risk, risk of late payment and interest rate risk are transferred to the financial counterparty.

27. CURRENT FINANCIAL ASSETS

These amount to euro 26,845 thousand at 31 December 2023 (euro 26,081 thousand at 31 December 2022) and are broken down as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Financial assets at FVTOCI	10,311	10,484
Financial receivables for derivative contracts	16,303	15,495
Other financial receivables	231	102
Total	**26,845**	**26,081**

"Financial assets at FVTOCI" refer to a bond issued by the European Investment Bank (EIB) at a fixed rate of 4.125% and maturing on 15 April 2024. It has been measured at fair value through other comprehensive income (FVTOCI) at 31 December 2023, with the change in fair value recorded in the "FVTOCI financial assets reserve" (see Note 32.iv Other reserves).

"Financial receivables for derivative contracts" mainly refer to the positive fair value measurement of derivative contracts and interest rate swaps, as described in more detail in Note 30. Derivative financial instruments

28. OTHER CURRENT RECEIVABLES AND ASSETS

Other receivables are broken down as follows:

(€/000)	**31 December 2023**	**31 December 2022**
VAT credits	26,831	34,222
Prepaid expenses	16,010	18,887
Other tax receivables	28,851	36,363
Advances to suppliers	6,475	10,877
Cash flow hedges	729	4,726
Other receivables	8,983	6,060
Total	**87,881**	**111,135**

During the year a total of euro 12,699 thousand in VAT credits pertaining to the subsidiaries Bracco Imaging S.p.A. and Spin S.p.A. were transferred without recourse.

In addition, Spin S.p.A. and Bracco Imaging S.p.A. collected the following VAT credits during the year:

- VAT credit of euro 2,001 thousand, reported in the 2020 annual VAT return;
- VAT credit of euro 6,169 thousand, reported in the 2021 annual VAT return;
- VAT credit of euro 4,997 thousand for the third quarter of 2022;
- VAT credit of euro 7,786 thousand, reported in the 2022 annual VAT return;
- VAT credit of euro 4,012 thousand for the first quarter of 2023.

At 31 December 2022, "Other tax receivables" included the tax credit recognized during the previous year for so-called "energy-intensive" and "gas-intensive" businesses amounting to euro 3,942 thousand. These credits were used in full during 2023 as offsets against other taxes.

29. CASH AND CASH EQUIVALENTS

This balance is made up as follows at 31 December 2023:

(€/000)	**31 December 2023**	**31 December 2022**
Bank and postal deposits	152,586	159,853
Cash on hand	315	304
Time deposits	4,883	17,832
Total	**157,784**	**177,989**

Changes in the Group's indebtedness are also described in Note 34. "Financial debt and liabilities" and Note 41. "Net financial debt", as well as being presented in the consolidated statement of cash flows.

Time deposits, which are readily available, refer to restricted current accounts denominated in South Korean won, maturing at different dates during 2024, for euro 4,883 thousand (equivalent to KRW 7 billion).

Bank and postal deposits refer to the balances on current accounts repayable on demand, and include euro 111,164 thousand (euro 119,694 thousand in 2022) denominated in currencies other than the euro (mainly US dollars).

30. DERIVATIVE FINANCIAL INSTRUMENTS

During the year and in line with previous years, Bracco S.p.A., the group Parent, continued to apply its financial risk management policy, with particular reference to exchange rate and interest rate risks, in order to minimize their potential impact on its cash flow and net result for the year. The derivative instruments used are of a "plain vanilla" kind, arranged with the sole purpose of hedging.

The Group reduces its counterparty risk by working with leading institutions.

These instruments are recorded in the following line items within the statement of financial position:

- cash flow hedge derivatives with a positive fair value: "Other current receivables and assets", "Current financial assets" and "Non-current financial assets"
- cash flow hedge derivatives with a negative fair value: "Other current liabilities" and "Current financial liabilities"

- trading derivatives with a positive fair value: "Current financial assets"
- trading derivatives with a negative fair value: "Current financial liabilities"

Derivatives outstanding at 31 December 2023 and 2022 are analysed as follows:

€/000	**31 December 2022**			**31 December 2021**		
	Notional amount	**Positive fair value**	**Negative fair value**	**Notional amount**	**Positive fair value**	**Negative fair value**
Cash flow hedges						
Exchange risk						
Forward contracts	59,637	729	-	149,215	4,514	-
Interest risk						
Interest rate swaps	450,000	27,371	-	450,000	46,879	-
Price risk						
Commodity swaps	7,685	-	(484)	572	212	-
Total cash flow hedges	517,322	28,100	(484)	599,787	51,605	-
FVTPL						
Exchange risk:						
Forward contracts	118,752	-	(462)	213,402	-	(470)
Forward contracts	96,159	1,334	-	85,402	791	-
Interest risk:						
Interest rate swaps	-	-	-	-	-	-
Total FVTPL	214,911	1,334	(462)	298,804	791	(470)
Total financial instruments and derivatives - Assets (liabilities)	**732,233**	**29,434**	**(946)**	**898,591**	**52,396**	**(470)**

The fair value of derivative financial instruments has been calculated considering market inputs at the reporting date and adopting valuation models widely used in financial markets in line with the requirements of IFRS 13 (calculation of DVA-Debit Valuation adjustments or CVA-Credit Valuation adjustments).

Cash flow hedges and FVTPL

It is the Group's policy to adopt hedge accounting for:

- exchange risk hedges of US dollar trade flows (cash flow hedges);
- interest rate risk hedges (cash flow hedges);
- hedges of commodity risks (cash flow hedges);
- exchange risk hedges of foreign currency cash flows (FVTPL);
- exchange risk hedges of foreign currency trade receivables and payables (FVTPL).

If hedge accounting is not applied, gains or losses arising from the derivative financial instrument's fair value measurement are recognized immediately in profit or loss.

As regards the nature of the instruments in place at the reporting date, the main transactions are described below:

Cash flow hedge derivatives

"Forward contracts" consist of US dollar forward sale contracts for a notional amount of USD 65,620 thousand at an average exchange rate of USD 1.1003 and maturing at different dates up to December 2024.

Fair value derivatives

These consist of forward purchase and sale contracts outstanding at 31 December 2023:

- with a negative fair value of euro 462 thousand, consisting of contracts that hedge foreign currency cash pooling accounts and mature at different dates up to June 2024;
- with a positive fair value of euro 1,334 thousand, consisting of contracts that hedge the Group's internal transactions and short-term trade transactions and mature at different dates up to June 2024.

Cash flow hedge derivatives - Interest Rate Swaps

These consist of hedging contracts with a total notional amortizing value of euro 450,000 thousand, maturing on 29 September 2026, which provide for the quarterly receipt of a fixed rate against a quarterly payment (or receipt, depending on the trend in interest rates) of a variable 3-month Euribor rate.

Cash flow hedge derivatives - Commodity swaps

"Commodity swaps" consist of forward purchase contracts of CO2 certificates with a notional value of euro 7,685 thousand maturing in March 2025.

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Cash flow hedge derivatives

"Forward contracts" consisted of US dollar forward sale contracts for a notional amount of USD 156,000 thousand at a weighted average exchange rate of USD 1.0455 and maturing at different dates up to December 2023.

Fair value derivatives

These consisted of forward purchase and sale contracts outstanding at 31 December 2022:

- with a negative fair value of euro 470 thousand, consisting of contracts that hedge foreign currency cash pooling accounts and mature at different dates up to June 2023;
- with a positive fair value of euro 791 thousand, consisting of contracts that hedge the Group's internal transactions and short-term trade transactions and mature at different dates up to June 2023.

Cash flow hedge derivatives - Interest Rate Swaps

These consisted of hedging contracts with a total notional amortizing value of euro 450,000 thousand, maturing on 29 September 2026, which provide for the quarterly receipt of a fixed rate against a quarterly payment (or receipt, depending on the trend in interest rates) of a variable 3-month Euribor rate.

Cash flow hedge derivatives - Commodity swaps

"Commodity swaps" consisted of forward purchase contracts of CO2 certificates with a notional value of euro 572 thousand maturing in March 2023.

31. DEFERRED TAX ASSETS AND LIABILITIES

The consolidated statement of financial position at 31 December 2023 reports euro 75,771 thousand in deferred tax liabilities (euro 99,510 thousand at 31 December 2022) and euro 74,047 thousand in deferred tax assets (euro 67,905 thousand at 31 December 2022), as recorded by the individual consolidated companies. The net balance of deferred tax assets and deferred tax liabilities is as follows:

	31 December 2023	31 December 2022
Deferred tax assets	74,047	67,905
Deferred tax liabilities	75,771	99,510
Net deferred tax liabilities	**(1,725)**	**(31,605)**

When recognizing deferred tax assets, Group companies have critically assessed whether the conditions exist to recover these assets in the future, on the basis of updated strategic plans and relevant tax planning.

Deferred taxes on subsidiaries' reserves of undistributed retained earnings are recognized to the extent that their distribution is expected or probable. No taxes are

recognized on the retained earnings of subsidiaries if the Group does not expect them to be distributed, or such distribution is not probable in the foreseeable future.

The following tables present the movements during the years ended 31 December 2023 and 31 December 2022 in deferred tax assets and deferred tax liabilities according to type.

(€/000)	**31 December 2023**	**31 December 2022**
	Consolidated statement of financial position	
Deferred tax assets on:		
Property, plant and equipment and Intangible assets	341	218
Net current assets/liabilities	40,901	37,119
Employee benefits	5,700	3,902
Provisions for risk and charges	2,370	2,653
Other	24,735	24,012
Total	74,047	67,905
Deferred tax liabilities on:		
Property, plant and equipment and Intangible assets	63,443	85,037
Net current assets/liabilities	4,476	12,253
Employee benefits	3,412	4,321
Provisions for risk and charges	-	(470)
Other	4,440	(1,654)
Total	75,771	99,510
Net deferred tax liabilities	**(1,725)**	
Presented in the statement of financial position as follows:		
Deferred tax assets	74,047	
Deferred tax liabilities	75,771	
Net deferred tax liabilities	**(1,725)**	

Movement in net deferred taxes *(€/000)*	**31 December 2023**	**31 December 2022**
Net deferred tax liabilities at 1 Jan	(31,605)	(25,001)
(Debits) Credits to income/expenses	20,006	14,900
(Debits) Credits to assets/liabilities	9,946	(24,763)
Change in scope of consolidation	-	5,726
Exchange differences	(72)	(2,467)
Net deferred tax liabilities at 31-Dec	(1,725)	(31,605)

32. EQUITY

The composition of and movements in the Group's equity for the years ended 31 December 2023 and 31 December 2022 are reported in the consolidated statement of changes in equity.

The following tables reconcile the equity and profit reported by Bracco S.p.A., the group Parent, with those reported in the consolidated financial statements:

(€/000)	31-Dec-2023 **Equity**	31-Dec-2022 **Equity**
Bracco S.p.A.	**501,954**	**507,768**
Results for year/effect of consolidation	502,269	553,502
Dividends paid to non-controlling interests	(8,616)	(7,205)
Elimination of intragroup margins	(52,650)	(65,587)
Goodwill recognized upon consolidation	64,509	64,509
Other consolidation journal entries	(13,635)	(12,287)
Consolidated Bracco Group	**993,830**	**1,040,700**

(€/000)	31-Dec-2023 **Profit/(loss)**	31-Dec-2022 **Profit/(loss)**
Bracco S.p.A.	**9,497**	**37,017**
Results for year/effect of consolidation	35,369	55,211
Dividends distributed by subsidiaries	(25,400)	(51,000)
Reinstatement of impairment of investments in subsidiaries	-	-
Elimination of intragroup margins	11,622	(4,642)
Other consolidation journal entries	22	17
Consolidated Bracco Group	**31,110**	**36,603**

i. Share capital

At 31 December 2023, the share capital of Bracco S.p.A., the group Parent, amounts to euro 104,000 thousand, unchanged from 31 December 2022, and is fully subscribed and paid in; it consists of 200,000,000 ordinary shares with a par value of euro 0.52 each.

ii. Treasury shares

These are unchanged from the previous year at euro 146,332 thousand (20,000,000

shares with a par value of euro 10,400 thousand), and represent 10% of share capital. The shares were purchased during 2000 further to a resolution adopted by the Shareholders' Meeting on 10 May 2000.

Treasury shares for which the legally required reserve has been set up, as indicated in the following note, are deducted directly from equity, as required by IAS 32.

iii. Legal reserve

At 31 December 2023, this reserve amounts to euro 20,800 thousand, unchanged from the previous year and equating to one-fifth of share capital, in compliance with Italian law.

iv. Other reserves

These consist of the following reserves:

Revaluation reserves

Reserve under Law 413/1991

At 31 December 2023, this reserve amounts to euro 1,433 thousand, the same as at 31 December 2022. It corresponds to the monetary revaluation of fixed assets resulting from application of Italian Law 413/1991. As required by Law 311/2004, a 4% substitute tax has been paid on this reserve (accounted for in profit or loss).

Reserve under Law 342/2000

At 31 December 2023, this reserve amounts to euro 8,303 thousand, the same as at 31 December 2022. It corresponds to the monetary revaluation of fixed assets resulting from application of Italian Law 342/2000. As required by Law 311/2004, a 4% substitute tax has been paid on this reserve (accounted for in profit or loss).

Treasury shares reserve under art. 2357 (Italian Civil Code)

At 31 December 2023, this reserve amounts to 146,332 thousand, the same as at 31 December 2022 and equating to the value of treasury shares purchased under the resolution adopted by the Shareholders' Meeting on 10 May 2000.

Valuation reserves

(€/000)	**01.01.2023**	Increases/ (Decreases)	Movement in distributable portion of deemed cost reserve	Deferred taxes	**31.12.2023**
Fair value (deemed cost) reserve	13,023	-	(122)	-	12,901
Reserve for FVTOCI financial assets	236	(173)	-	41	104
Reserve for actuarial gains (losses)	21,162	(16,460)	-	3,859	8,561
Hedging reserve for derivative instruments	40,271	(25,146)	-	6,035	21,160
Total	**74,693**	**(41,779)**	**(122)**	**9,935**	**42,726**

(€/000)	**01.01.2022**	Increases/ (Decreases)	Movement in distributable portion of deemed cost reserve	Deferred taxes	**31.12.2022**
Fair value (deemed cost) reserve	13,071	-	(47)	-	13,023
Reserve for FVTOCI financial assets	898	(871)	-	209	236
Reserve for actuarial gains (losses)	(19,137)	53,736	-	(13,437)	21,162
Hedging reserve for derivative instruments	3,374	48,548	-	(11,651)	40,271
Total	**(1,794)**	**101,413**	**(47)**	**(24,879)**	**74,693**

Fair value (deemed cost) reserve

This reserve relates to the recognition upon first-time adoption of IAS/IFRS of the fair value (deemed cost) measurement of land, property and plant of Bracco S.p.A. (since transferred to Bracco Real Estate S.r.l.), Spin S.p.A. and Centro Diagnostico Italiano S.p.A..

Reserve for FVTOCI financial assets

This reserve relates to unrealized gains resulting from fair value adjustments to FVTOCI financial assets (this reserve may reverse to profit or loss).

Reserve for actuarial gains (losses)

At 31 December 2023, the "Reserve for actuarial gains (losses)" reflects the actuarial components, net of deferred taxes, relating to the valuation of defined benefit plans, charged directly to equity (this reserve will not reverse to profit or loss).

Hedging reserve for derivative instruments

This reserve refers to cash flow hedges. Specifically, it relates to unrealized gains and losses, net of related tax effects, resulting from the fair value adjustment of financial instruments designated as hedging instruments (this reserve may reverse to profit or loss)

(€/000)	**01.01.2023**	Transfers to profit or loss	Change in fair value	**31.12.2023**
Hedging reserve - Exchange rate	4,152	(4,318)	625	459
Hedging reserve - Interest rate	35,956	-	(14,889)	21,067
Hedging reserve - Commodities	163	(161)	(368)	(366)
Total	**40,271**	**(4,479)**	**(14,632)**	**21,160**

Distributable fair value reserves

These relate to the difference between depreciation recalculated on the fair value of assets and depreciation calculated using the accounting standards in force before the transition to IAS/IFRS.

Other reserves

"Other reserves" mainly refer to the foreign exchange translation reserve. The movement in the period reflects the effect of changes in the exchange rate of currencies other than the euro (mainly the US dollar) when translating the financial statements of companies included in the scope of consolidation (this reserve will reverse to profit or loss upon deconsolidation of the related subsidiaries).

v. Retained earnings

At 31 December 2023, these amount to euro 782,300 thousand, with the changes occurring during the year mainly reflecting the carry-forward of 2022 profit (euro 29,400 thousand) and the distribution of dividends declared by Bracco S.p.A. (euro 15,300 thousand).

vi. Non-controlling interests

During 2023, the Bracco-Eisai Co Ltd joint venture was dissolved, accompanied by acquisition of the non-controlling (49%) interest from Japanese partner Eisai Co Ltd for consideration of approximately euro 1.3 million; the company, now renamed Bracco Japan Ltd, will allow the Group to sell directly to end customers in Japan as of 1 April 2024.

Non-controlling interests in equity are as follows:

(€/000)	**31-Dec-2023**	**31-Dec-2022**
Centro Diagnostico Italiano S.p.A.	7,440	7,500
Bracco-Eisai Co. Ltd	-	3,067
Shanghai Bracco Sine Pharmaceutical Corp. Ltd	15,188	18,601
Total	**22,628**	**29,168**

The percentages held by non-controlling interests are as follows:

	31-Dec-2023	**31-Dec-2022**
Centro Diagnostico Italiano S.p.A.	11%	11%
Bracco-Eisai Co. Ltd	-	49%
Shanghai Bracco Sine Pharmaceutical Corp. Ltd.	30%	30%

Shanghai Bracco Sine Pharmaceutical Corp. Ltd.

As required by the relevant accounting standards (IFRS 12), the company's summarized financial information is presented below.

Shanghai Bracco Sine Pharmaceutical Corp. Ltd.	**31-Dec-2023** *Cny/000*	**31-Dec-2022** *Cny/000*
Current assets	635,938	688,712
Non-current assets	188,120	218,744
Current liabilities	(331,338)	(343,550)
Non-current liabilities	(101,336)	(110,007)
Group share	**273,969**	**317,729**
Share of non-controlling interests	**117,415**	**136,170**
Total revenue	1,250,787	1,199,373
Total costs	(1,094,004)	(1,034,696)
Net profit	**156,783**	**164,677**
Group share	**109,748**	**115,274**
Share of non-controlling interests (NCI)	**47,035**	**49,403**
Other comprehensive income attributable to the Group	-	-
Other comprehensive income attributable to NCI	-	-
Total other comprehensive income	**-**	**-**
Comprehensive income attributable to the Group	**109,748**	**115,274**
Comprehensive income attributable to NCI	**47,035**	**49,403**
Total comprehensive income	**156,783**	**164,677**

Net cash (outflow) from operating activities	138,178	225,299
Net cash (outflow) from investing activities	(9,627)	(10,650)
Net cash (outflow) from financing activities	(232,098)	(180,809)
Net cash flow	**(103,547)**	**33,840**

Shanghai Bracco Sine Pharmaceutical Corp. Ltd was established on 19 December 2001 under an arrangement between Shanghai Sine Laboratories and Bracco Diagnostics Asia Pte. Ltd., with the primary purpose of manufacturing and marketing contrast agents in China.

Its share capital is currently 30% owned by Shanghai Sine Laboratories and 70% by Bracco Diagnostics Asia Pte. Ltd. The company is governed by a Board of Directors composed of 5 members, 3 of whom are appointed by the Group.

On 18 December 2017, the agreement with the local partner was renewed under the same terms and conditions, extending the shareholders' agreement until December 2037.

Centro Diagnostico Italiano

As required by the relevant accounting standards (IFRS 12), the summarized financial information of the Centro Diagnostico Italiano group is presented below.

Centro Diagnostico Italiano Group	**31-Dec-2023**	**31-Dec-2022**
	€/000	*€/000*
Current assets	36,331	32,988
Non-current assets	114,133	99,697
Current liabilities	(38,962)	(42,985)
Non-current liabilities	(43,863)	(26,491)
Group share	**60,199**	**56,256**
Share of non-controlling interests	**7,440**	**6,953**
Total revenue	136,770	135,161
Total costs	(137,134)	(132,335)
Net profit	**(364)**	**2,826**
Group share	**(324)**	**2,515**
Share of non-controlling interests (NCI)	**(40)**	**311**
Other comprehensive income attributable to the Group	64	(150)
Other comprehensive income attributable to NCI	8	(9)
Total other comprehensive income	**72**	**(159)**

Comprehensive income attributable to the Group	**(260)**	**2,365**
Comprehensive income attributable to NCI	**(32)**	**302**
Total comprehensive income	**(292)**	**2,667**
Net cash (outflow) from operating activities	26,015	19,759
Net cash (outflow) from investing activities	(31,992)	(13,840)
Net cash (outflow) from financing activities	5,785	(7,082)
Net cash flow	**(192)**	**(1,163)**

Centro Diagnostico Italiano S.p.A., the parent company of the Centro Diagnostico Italiano group, was established on 25 March 1971, with the main purpose of managing healthcare facilities and centres for illness prevention, diagnosis and treatment. Its activities are carried out exclusively within Italy.

Its share capital, fully paid-up and unchanged since the previous year, amounts to euro 5,200 thousand, of which 88.96% is owned by Bracco S.p.A., the group Parent.

33. EMPLOYEE BENEFIT OBLIGATIONS

Group companies provide post-employment benefits to their employees both directly and through contributions to funds outside the Group.

The ways in which these benefits are provided and distributed vary depending on the legal, fiscal and economic conditions of the countries in which the Group companies operate.

Defined contribution plans

Group companies pay contributions to public and/or private insurance institutions in accordance with legal or contractual obligations or on a voluntary basis. All their obligations are discharged by paying the contributions. The cost for the year is recognized in Employee costs according to the service rendered by the employee during the reporting period.

Defined benefit plans

The Group manages various defined benefit plans in which benefits are defined on the basis of length of service, salary or other factors depending on the rules of each plan. Defined benefit plans may be unfunded or wholly or partly funded by contributions by companies and, sometimes their employees, paid into an entity or fund that is legally separate from the reporting entity providing the employee

benefits. Defined benefit plans further divide into plans whose actuarial gains and losses are recognized directly in equity (pension plans and termination benefits) and other long-term employee benefit plans whose actuarial gains and losses are recognized directly in profit or loss.

The Group's liability for defined benefit plans is determined actuarially using the "projected unit credit" method and recognized, net of the fair value of any plan assets, in "Employee benefit obligations".

The Group's defined benefit net deficit at 31 December 2023 was euro 47,574 thousand (euro 41,372 thousand in 2022). The increase is mainly due to the actuarial effect. Defined benefit obligations (DBO) and defined benefit plan assets are analysed as follows:

(€/000)	**DBO**	**Assets**	**(Deficit)/Surplus at 31-Dec-2023**
Pension plans – USA	(105,792)	129,529	23,737
Pension plans – Germany	(37,929)	70	(37,859)
Other long-term benefits - Germany	(1,267)	-	(1,267)
Pension plans - Switzerland	(34,571)	27,122	(7,449)
Statutory severance benefit - Italy	(10,242)	-	(10,242)
Total plans	***(188,534)***	***156,721***	***(31,813)***
Other funded and unfunded plans	(15,761)		(15,761)
Total defined benefit plans	**(204,295)**	**156,721**	**(47,574)**

(€/000)	**DBO**	**Assets**	**(Deficit)/Surplus at 31-Dec-2022**
Pension plans – USA	(113,490)	129,862	16,372
Pension plans – Germany	(30,932)	70	(30,862)
Other long-term benefits - Germany	(1,142)	-	(1,142)
Pension plans - Switzerland	(34,376)	30,924	(3,452)
Statutory severance benefit - Italy	(10,628)	-	(10,628)
Total plans	***(190,569)***	***160,857***	***(29,712)***
Other funded and unfunded plans	(11,660)	-	(11,660)
Total defined benefit plans	**(202,229)**	**160,857**	**(41,372)**

Pension plans

Where pension plans are funded, contributions are paid into a separate fund that independently manages the plan assets. The funds envisage contributions by employees and employers depending on the requirements of the legislation or regulations in force in each country.

The main pension plans operated by the Group are those in the United States, Germany and Switzerland. The analyses and prior year comparative figures required by the amendment to IAS 19 are provided below in order to provide complete information about these plans.

Pension plans USA

The Group's US companies have a defined benefit plan covering Bracco Diagnostics Inc. and Acist Medical Systems Inc.

The plan, known as the Bracco Retirement Plan, does not require the assets serving the plan to be specifically allocated to each participating company. As a result, the Group has always adopted the policy of determining the net liability and costs of the plan on the basis of an allocation, generally agreed with the actuary and mainly based on the number of each company's employees participating in the plan. The allocation method is agreed annually by the companies when preparing the budget.

The comparative figures at 31 December 2023 and 31 December 2022 for the US companies' retirement plan are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Present value of defined benefit obligation (A)	(105,792)	(113,490)
Fair value of plan assets (B)	129,529	129,862
Net pension plan assets (obligation) USA (A-B)	**23,737**	**16,372**

Movements in the defined benefit obligations during the year are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**113,490**	**150,879**
Current service cost	267	5,387
Interest expense	5,588	4,586
Actuarial losses (gains)	10,951	(52,604)
Exchange differences	(3,622)	9,208
Plan amendment	(11,667)	-
Settlement	(4,916)	-
Benefits paid	(4,299)	(3,966)
At 31 December	**105,792**	**113,490**

Changes in the fair value of pension plan assets are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**129,862**	**146,615**
Expected return	6,651	4,333
Increase (decrease) in value of assets	2,242	(28,946)
Administrative expenses	(277)	*(261)*
Contributions paid in	-	3,039
Exchange differences	(257)	9,049
Settlement	(4,394)	-
Benefits paid	(4,299)	(3,966)
At 31 December	**129,529**	**129,862**

The assets servicing the pension plans consist mainly of equity instruments and bonds issued by third parties, invested as follows at 31 December 2023:

	31 December 2023
Shares	67%
Bonds	26%
Other financial instruments	7%
Total	**100%**

It should be noted that, during 2023, the subsidiary Bracco Diagnostics Inc. discontinued its defined benefit plan. The freezing of this plan had a positive impact of around euro 12 million on profit or loss. Additional information can be found in Note 10. Employee costs.

In addition, as part of the plan's closure, its participants were given the opportunity to receive a lump sum, resulting in a reduction of euro 4,916 thousand in the obligation, settled by using euro 4,294 thousand in plan assets. The resulting positive impact of euro 622 thousand has been recognized in profit or loss.

The Group estimates that in 2024 it will incur net interest expense of approximately euro 897 thousand for its US retirement plan.

Defined benefit plans Germany

The liability for the pension plans of Bracco Imaging Deutschland G.m.b.H. and BIPSO G.m.b.H. amounts to euro 37,859 thousand (2022: euro 32,074 thousand). The plans are almost entirely unfunded in accordance with market practice in Germany.

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**32,074**	**48,485**
Reclassifications	1,142	-
Current service cost	1,656	2,898
Interest expense	1,209	441
Actuarial losses (gains)	2,792	(18,779)
Benefits paid	(1,014)	(972)
At 31 December	**37,859**	**32,074**

The Group estimates that in 2024 it will incur service costs of approximately euro 1,657 thousand and net interest expense of approximately euro 1,197 thousand for its German pension plans.

Other long-term employee benefits

At 31 December 2023 there are three plans that qualify as other long-term employment plans, all of which in Germany and all unfunded. The total obligation for these plans is euro 1,267 thousand at 31 December 2023 (euro 1,142 thousand at 31 December 2022).

Pension plans Switzerland

Group companies operate defined benefit plans for employees in Switzerland. The total net liability and the related values at 31 December 2023 and 2022 of Swiss company pension plans are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Present value of defined benefit obligation (A)	(34,571)	(34,376)
Fair value of plan assets (B)	27,122	30,924
Net pension plan obligation Switzerland (A-B)	**(7,449)**	**(3,452)**

Movements in the defined benefit obligations during the year are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**34,376**	**44,218**
Current service cost	1,038	2,072
Interest expense	948	137
Actuarial losses (gains)	4,234	(12,639)
Exchange differences	2,086	3,958
Benefits paid	(8,111)	(3,369)
At 31 December	**34,571**	**34,376**

Changes in the fair value of pension plan assets are as follows:

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**30,924**	**34,514**
Expected return	899	110
Increase (decrease) in value of assets	(236)	*(3,909)*
Contributions paid in	1,958	2,033
Exchange differences	1,689	1,699
Benefits paid	(8,111)	(3,522)
At 31 December	**27,122**	**30,924**

The companies in Switzerland are members of three collective pension funds, whose assets are invested as follows:

	31 December 2023
Shares	34%
Bonds	28%
Real Estate	25%
Other financial instruments	13%
Total	**100%**

The Group estimates that in 2024 it will incur service costs of approximately euro 1,739 thousand and net interest expense of approximately euro 75 thousand for its Swiss pension plans.

Italian statutory severance benefits

As already mentioned in the section on accounting policies, following the amendments introduced by Italian Law 296 of 27 December 2006 (the "2007 Finance Act") and subsequent implementing decrees and regulations, only the liability for accrued statutory severance benefits remaining within the employer is valued for IAS 19 purposes, since amounts accrued as from 1 January 2007 are paid into a separate entity (supplementary pension funds or INPS funds, depending on the choice made by employees during the first half of 2007). As a result of these payments (which qualify as defined contributions), Bracco Imaging S.p.A. and Spin S.p.A. no longer have any obligations related to future service of employees.

Movements in this obligation over the year are summarized in the following table:

(€/000)	**31 December 2023**	**31 December 2022**
At 1 January	**10,628**	**13,101**
Current service cost	109	112
Interest expense	402	115
Actuarial losses (gains)	231	(1,727)
Benefits paid	(1,128)	(973)
At 31 December	**10,242**	**10,628**

The Group estimates that in 2024 it will incur service costs of approximately euro 75 thousand and interest costs of approximately euro 329 thousand for this benefit.

PRINCIPAL RISKS

The pension plans operated by the Group carry exposure to a number of risk factors. Liabilities and costs are subject to the following variables, to varying degrees from plan to plan: life expectancy of members, future rates of salary growth and future rates of inflation. Another variable to consider when determining the amount of the obligation is the discount rate, determined by reference to market yields of AA corporate bonds. For funded plans, there is also a risk that financial returns will be lower than expected returns and that additional employer contributions will be required.

Assumptions and sensitivity analysis

The discount rates used to value the obligation are defined on the basis of the yield curves of high-quality fixed income securities (AA rating) for which the amounts and maturities correspond to the amounts and maturities of the estimated benefit payments.

The main financial and demographic assumptions adopted by the actuary in determining the reported amounts are as follows:

	Germany	**Italy**	**Switzerland**	**USA**
Assumptions at 31-Dec-2023				
Discount rate	3.20%	3.30%	1.30%	4.90%
Rate of salary increase	3.25%	3.08%	1.15%	N/A
Rate of price inflation	2.20%	2.00%	1.25%	N/A

A 0.25% increase or decrease in the inflation rate and discount rate used, with all other variables remaining equal, would have the following effect on the obligation:

(€/000)	**Germany**	**Italy**	**Switzerland**	**USA**
Sensitivity of assumptions				
- 0.25% discount rate	604	10,431	2,288	3,425
+ 0.25% discount rate	(2,295)	10,056	(211)	(3,255)
- 0.25% inflation rate	(76)	10,126	626	N/A
+ 0.25% inflation rate	77	10,359	1,377	N/A

Actual contributions and payments for the current year and the actuary's best estimate of the expected contribution to these pension plans, including benefits paid directly to employees in the case of unfunded plans, are as follows:

(€/000)	**Germany**	**Italy**	**Switzerland**	**USA**
Contributions and payments				
Actual 2023	1,014	1,128	3,020	-
Expected 2024	1,165	526	2,762	-

Other funded and unfunded plans

Further information can be found in Note 11. Employee costs.

34. FINANCIAL DEBT AND LIABILITIES

These amount to euro 899,647 thousand at 31 December 2023 versus euro 900,819 thousand at 31 December 2022, analysed as follows:

	31 December 2023				**31 December 2022**			
(€/000)	**Total**	**<1 year**	**1-5 years**	**>5 years**	**Total**	**<1 year**	**1-5 years**	**>5 years**
Bank debt	797,549	130,289	50,335	616,926	799,213	126,265	672,797	151
Borrowings from other lenders	810	797	13	-	1,428	619	809	-
Financial liabilities for derivative contracts	454	454	-	-	470	470	-	-
Total financial liabilities	*798,815*	*131,540*	*50,350*	*616,926*	*801,113*	*127,354*	*673,608*	*151*
Lease liabilities (IFRS 16)	100,830	18,241	23,989	58,601	99,706	24,738	59,523	15,446
Total	**899,647**	**149,781**	**74,338**	**675,527**	**900,819**	**152,091**	**733,131**	**15,597**

i. Bank debt and credit facilities

The following table shows the main bank debt and credit facilities to which the Group is exposed:

€/000	Type	Total lines	Drawn down	Term	Maturity
Bank debt					
	amortized	450,000	450,000	5 years	2026
	amortized	60,000	60,000	5 years	2027
	amortized	50,000	50,000	5 years	2028
	amortized	20,000	17,500	5 years	2027
	amortized	17,500	13,125	5 years	2027
	amortized	15,000	15,000	4 years	2027
	amortized	10,000	10,000	4 years	2026
	amortized	10,000	10,000	4 years	2025
	amortized	10,000	9,056	3 years	2026
	amortized	10,000	3,511	5 years	2025
	amortized	10,000	8,750	5 years	2027
	amortized	3,000	342	15 years	2025
	amortized	600	286	4 years	2025
	Schuldschein	100,000	100,000	4 years	2025
	uncommitted	239,000	30,000		-
Bank credit facilities					
	committed revolving	60,000	17,000	5 years	2027
	committed revolving	30,000	-	3 years	2024
	committed revolving	20,000	-	5 years	2027
	committed revolving	20,000	-	3 years	2026
	committed revolving	20,000	-	5 years	2027
	committed revolving	15,000	-	2 years	2025
	committed revolving	12,500	-	3 years	2025

Some of the above loans are ESG-linked instruments whose pricing mechanism is linked to the growing use of renewable energy at Bracco production sites.

In addition, none of the above loans is collateralized but some of them require compliance with financial covenants throughout the term of the contract.
As at 31 December 2023, these covenants have been fully complied with.
The covenant parameters are essentially two:

- leverage ratio, given by the ratio between EBITDA and net financial position;
- interest coverage ratio, given by the ratio of EBITDA to net finance costs.

ii. Borrowings from other lenders

"Borrowings from other lenders" refer to a number of loans granted through financial institutions by public entities.

iii. Financial liabilities for derivative contracts

These reflect the valuation of derivative contracts with negative fair values, as already described in Note 30. Derivative financial instruments.

iv. Lease liabilities (IFRS 16)

These refer to liabilities arising under lease agreements with the exception of short-term leases (ie. those with a term of 12 months or less) and low-value asset leases (defined under Group policy as those for assets worth less than euro 10,000 when new).

The lease liability is initially measured at the present value of future payments at the lease commencement date. The discount rate applied to future lease payments is calculated taking into account the cost of funding (determined by reference to the Group parent's credit lines) over different time periods (1-3 years, 3-5 years, more than 5 years), credit spread (calculated on the basis of parameters relating to the financial position of the company for which the calculation is made) and LIBOR.

The increase in this balance at 31 December 2023 is mainly due to the recognition of lease liabilities (under IFRS 16) for new leases entered into by Centro Diagnostico Italiano.

Further information can be found in the paragraph on "Rights of use".

35. PROVISIONS FOR RISKS AND CHARGES

These amount to euro 18,560 thousand at 31 December 2023, an increase of euro 2,833 thousand since 31 December 2022 and broken down as follows:

(€/000)	**01.01.2023**	**Increase in provisions**	**Uses**	**Reclassif-ications**	**Exchange differences**	**31.12.2023**
Provisions for risks and charges	15,727	6,624	(2,780)	(825)	(186)	18,560
Total provisions for risks and charges	**15,727**	**6,624**	**(2,780)**	**(825)**	**(186)**	**18,560**

(€/000)	**01.01.2022**	**Increase in provisions**	**Uses**	**Reclassif-ications**	**Exchange differences**	**31.12.2022**
Provisions for risks and charges	21,511	4,469	(8,118)	(2,250)	115	15,727
Total provisions for risks and charges	**21,511**	**4,469**	**(8,118)**	**(2,250)**	**115**	**15,727**

Increases in the year mainly comprise a provision against the best estimate of costs that could arise upon finalizing supply agreements in the US market for the Nuclear Oncology segment.

There are no outstanding issues that could lead to the recognition of provisions for risks and charges among non-current liabilities.

36. TRADE PAYABLES

These amount to euro 284,425 thousand at 31 December 2023, an increase of euro 46,382 thousand since 31 December 2022 and broken down as follows:

(€/000)	**31 December 2023**	**31 December 2022**
Trade payables to third parties	284,425	238,043
Total	**284,425**	**238,043**

Trade payables originate from transactions involving the purchase of goods and services.

The carrying amount of trade and other payables approximates their amortized cost.

37. OTHER CURRENT AND NON-CURRENT LIABILITIES

These amount to euro 175,826 thousand at 31 December 2023, an increase of euro 12,783 thousand since 31 December 2022 and broken down as follows:

	31 December 2023				31 December 2022			
(€/000)	**Total**	**<1 year**	**1-5 years**	**>5 years**	**Total**	**<1 year**	**1-5 years**	**>5 years**
Employees	71,459	71,459	-	-	65,485	65,485	-	-
Accrued expenses	15,224	15,224	-	-	18,154	18,154	-	-
Cash Flow Hedges	335	335	-	-	-	-	-	-
Social security institutions	5,406	5,406	-	-	5,041	5,041	-	-
VAT payable	4,157	4,157	-	-	4,483	4,483	-	-
Deferred income	21,967	10,082	11,885	-	16,647	7,190	9,458	-
Other payables	57,278	46,272	11,006	-	53,233	42,575	10,658	-
Total	**175,826**	**152,936**	**22,891**	**-**	**163,043**	**142,928**	**20,116**	**-**

Payables to "Employees" mainly refer to accrued and unpaid remuneration such as holidays and bonuses.

""Other payables" at 31 December 2022 included the debt for the investment in building the gas-fired co-generation plant supplied by E.on Business Solutions. At the end of 2022, the Group exercised its option to purchase this co-generation plant effective as of 1 January 2023. This debt was consequently extinguished in 2023.

Payables to "Social security institutions" refer to amounts owed by employer and employees on wages and salaries for December 2023.

With reference to Bracco S.p.A., the group Parent, under paragraph 1 of article 157 of Italian Legislative Decree 34/2020, after 25 March 2024 tax periods up to 2017 can be considered closed for the purposes of direct and indirect taxes, with such periods no longer assessable by the Italian Revenue Service.

38. CURRENT TAX LIABILITIES

These amount to euro 37,016 thousand at 31 December 2023, an increase of euro 6,947 thousand since 31 December 2022:

(€/000)	**31 December 2023**	**31 December 2022**	**Change**
Current tax liabilities	37,016	30,069	6,947
Total	**37,016**	**30,069**	**6,947**

"Current tax liabilities" also include payables for tax litigation, the payable for CFC substitute tax and the current payable for substitute tax (euro 301 thousand) on the realignment of tax bases to the statutory amounts reported in the financial statements, as permitted by Italian Legislative Decree 104/2020.

OTHER INFORMATION

39. CONTINGENT LIABILITIES

The Group still has an outstanding dispute with Genus Medical Technologies LLC, a US company, concerning the marketing of bartered products for which, based on the factual circumstances, management believes there is no legal basis. The Group will continue to monitor developments in the case.

40. RELATED PARTY TRANSACTIONS

i. Remuneration of Directors, Statutory Auditors and Key Management Personnel

Emoluments paid to members of the group Parent's Board of Directors amounted to euro 2,778 thousand in 2023.

The members of the group Parent's Board of Directors are:

- Diana Bracco
- Eva Baratta
- Fulvio Renoldi Bracco
- Mario Cattaneo
- Emma Marcegaglia
- Angelo Provasoli

- Alberto Santa Maria
- Alessandro Spada
- Veronica Squinzi

The remuneration of the members of the group Parent's Board of Statutory Auditors amounted to euro 243 thousand.

The members of the group Parent's Board of Statutory Auditors are:

- Angelo Casò (Chairman)
- Luca Giovanni Bonanno
- Paolo Golia
- Cecilia Elena Mottola
- Luca Petroni

ii. Fees of the independent auditors

The fees of the independent auditors Deloitte & Touche S.p.A. incurred by Bracco S.p.A., the group Parent, consist of:

- euro 89 thousand (euro 85 thousand in 2022) for the annual statutory audit of the accounts;
- euro 61 thousand (euro 74 thousand in 2022) for other audit services.

iii. Transactions with other related parties

Transactions with related parties, as defined by IAS 24, referred to professional services concerning matters of a strategic nature (Studio Legale Associato Santa Maria: euro 1.1 million), office leases (Magnolia S.p.A.: euro 0.4 million) and donations (Fondazione Bracco: euro 1.2 million).

41. NET FINANCIAL DEBT

Net financial debt at 31 December 2023 is analysed as follows:

(€/000)	**31-Dec-2023**	**31-Dec-2022**
Cash and cash equivalents	157,784	177,989
Current third-party financial assets	25,049	24,820
Current third-party financial liabilities	(131,086)	(126,884)
Short-term net cash	**51,747**	**75,925**
Non-current borrowings from banks and other lenders	(667,274)	(673,757)
Non-current financial assets	12,401	32,118
Net financial debt before IFRS 16 lease liabilities	**(603,126)**	**(565,714)**
IFRS 16 lease liabilities	(100,833)	(99,708)
Net financial debt	**(703,958)**	**(665,421)**

Net debt is determined as the algebraic sum of: Bank debt (non-current and current portion), Financial debt and liabilities (non-current and current portion), Current and non-current financial assets and Cash and cash equivalents.

The following table reconciles the Group's net financial debt to the amount required for presentation by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 (reference ESMA32-382-1138):

(€/000)	**31-Dec-23**	**31-Dec-22**
Net financial debt – as reported above	**(703,958)**	**(665,421)**
Adjustments to exclude:		
Non-current financial assets	12,401	32,118
Adjusted net financial debt	**(716,359)**	**(697,539)**

42. EVENTS AFTER THE REPORTING PERIOD

The market context in the first few months of the year continues to be characterized by significant economic and geopolitical uncertainty, as well as strong price volatility.

Under the budget, the Traditional Imaging and Medical Technologies businesses are forecast to confirm their upward growth trend, while the Posluma® and Vueway® products are expected to consolidate their position in the United States and the latter is scheduled to launch in Europe.

During the first quarter of 2024, the Group submitted an application to the Food and Drug Administration for approval to market in the United States its new platform for the management of cardiology procedures, forming part of its Medical Technologies business.

The industrial sites will continue to be engaged in projects to expand capacity and improve production yields, but are still expected to come under pressure from commodity purchase prices.

The Group also confirms its major commitment to numerous research programs particularly focused on the MRI, Microbubbles and Nuclear Oncology segments.

No situations or particular strains on the Group's financial structure are currently foreseen that could jeopardize business continuity.

Lastly, it is noted that sales revenue in the initial months of 2024 has been in line with budget.

Further to its meeting on 22 April 2024, the Board of Directors hereby submits the present consolidated financial statements for approval of the Shareholders' Meeting of Bracco S.p.A..

On behalf of the Board of Directors

The Chairman and Chief Executive Officer

Diana Bracco

Appendix 1. Scope of consolidation - list of companies consolidated on a line-by-line basis

	Registered office	Currency	% interest 2022	% interest 2023	Share capital
Group parent company					
Bracco S.p.A.	Milan (Italy)	EUR	Group Parent	Group Parent	share capital EUR 104,000 thousand
Installation of electrical and technical systems					
American Husky III S.r.l.	Milan (Italy)	EUR	100%	100%	share capital EUR 100 thousand
Companies engaged in commercial activities					
Acist Europe B.V	Heerlen (Netherlands)	EUR	100%	100%	EUR 18.2 thousand
Acist Japan Inc.	Tokyo (Japan)	JPY	100%	100%	share capital and share premium JPY 58,881 thousand
Bracco Imaging Italia S.r.l.	Milan (Italy)	EUR	100%	0%[1]	N/A
Bracco Imaging Deutschland GmbH	Constance (Germany)	EUR	100%	100%	share capital EUR 2,000 thousand
Bracco International B.V.	Amsterdam (Netherlands)	EUR	100%	100%	EUR 107 thousand
Bracco Diagnostics Inc.	Delaware (USA)	USD	100%	100%	share capital USD 1, share premium USD 44,496 thousand
Bracco U.K. Ltd.	Oxford (Great Britain)	GBP	100%	100%	Share capital GBP 2, share premium GBP 3,499,998
Bracco Österreich GmbH	Vienna (Austria)	EUR	100%	100%	share capital EUR 1,200 thousand
Bracco Far East Ltd.	Hong Kong	HKD	100%	100%	share capital HKD 6,240 thousand
Bracco Imaging Europe B.V.	Amsterdam (Netherlands)	EUR	100%	100%	Authorized share capital EUR 100 thousand, capital subscribed and paid in EUR 20 thousand, share premium EUR 7,380 thousand
Bracco Imaging France S.A.S.	Massy (France)	EUR	100%	100%	share capital EUR 7,000 thousand
Bracco Imaging Korea Ltd.	Seoul (South Korea)	KRW	100%	100%	share capital KRW 773,200 thousand
Bracco Imaging do Brasil Importação e Distribução de Medicamentos Ltda.	Duque de Caxias (Rio de Janeiro - Brazil)	BRL	100%	100%	share capital BRL 159,477 thousand
Bracco Imaging Scandinavia AB	Goteborg (Sweden)	SEK	100%	100%	share capital SEK 100 thousand and capital contribution reserve SEK 36,000 thousand
Bracco Imaging Czech s.r.o	Prague (Czech Republic)	CZK	100%	100%	share capital CZK 3,700 thousand and share premium CZK 192,300 thousand
Bracco Imaging Polska Sp. z.o.o.	Warsaw (Poland)	PLN	100%	100%	share capital PLN 700 thousand
Bracco Imaging Slovakia s.r.o	Bratislava (Slovakia)	EUR	100%	100%	share capital EUR 300 thousand and share premium EUR 2,500 thousand
Bracco Imaging México S.A. DE C.V.	Tlalpan (Mexico City - Mexico)	MXN	100%	100%	share capital MXN 130,029 thousand
Bracco Imaging Medical Technologies (Shanghai) Co., Ltd.	Shanghai (China)	CNY	100%	100%	share capital USD 200,000
Blue Earth Diagnostics Inc	Delaware (USA)	USD	100%	100%	share capital USD 1
Companies engaged in production activities					
Spin S.p.A.	Milan (Italy)	EUR	100%	100%	EUR 25,000 thousand

BIPSO G.m.b.H.	Singen (Germany)	EUR	100%	100%	share capital EUR 26 thousand and share premium EUR 61,892 thousand
Companies engaged in production and commercial activities					
Bracco Japan Co., Ltd.	Tokyo (Japan)	JPY	51%	100%	share capital JPY 500,000 thousand
Shanghai Bracco Sine Pharmaceutical Corp. Ltd.	Shanghai (China)	USD	70%	70%	share capital USD 13,260 thousand
E-Z-EM Canada Inc.	Montreal (Quebec – Canada)	CAD	100%	100%	share capital CAD 5,459 thousand
Companies engaged in research activities					
Blue Earth Therapeutics Ltd	Oxford (Great Britain)	USD	100%	100%	share capital USD 139 and share premium 30,000 thousand
HLT Inc.	Minnesota (USA)	USD	100%	100%	share capital USD 1 and share premium USD 25,514 thousand
Bracco Injeneering S.A.	Lausanne (Switzerland)	CHF	100%	100%	share capital CHF 6,000 thousand and share premium CHF 9,107 thousand
SurgVision GmbH	Monaco (Germany)	EUR	100%	100%	share capital EUR 25 thousand and share premium EUR 20,659 thousand
Companies engaged in research and commercial activities					
Blue Earth Diagnostics Ltd	Oxford (Great Britain)	USD	100%	100%	share capital USD 29,210 thousand and share premium USD 1,222 thousand
Companies engaged in research, production and commercial activities					
Acist Medical Systems Inc.	Delaware (USA)	USD	100%	100%	share capital and share premium USD 309,360 thousand
Bracco Suisse S.A.	Cadempino (Switzerland)	CHF	100%	100%	share capital CHF 45,000 thousand, share premium CHF 11,254 thousand
Bracco Imaging S.p.A.	Milan (Italy)	EUR	100%	100%	share capital EUR 102,900 thousand
Investment holding companies					
Bracco AMT Inc.	Delaware (USA)	USD	100%	100%	share capital and share premium USD 284,735 thousand
Claude Montana B.V.	Amsterdam (Netherlands)	EUR	100%	100%	share capital EUR 20 thousand and share premium EUR 3,500 thousand
Bracco Imaging Holding B.V.	Amsterdam (Netherlands)	EUR	100%	100%	share capital EUR 20 thousand, share premium EUR 289,947 thousand
Bracco Diagnostics Asia Pte Ltd	Singapore	SGD	100%	100%	share capital SGD 20,916 thousand
Bracco USA Inc.	Delaware (USA)	USD	100%	100%	share capital USD 1, share premium USD 162,448 thousand
E-Z-EM Inc.	Delaware (USA)	USD	100%	100%	share capital USD 1, share premium USD 58,787 thousand
Dafri G.m.b.H.	Munich (Germany)	EUR	100%	100%	share capital EUR 1,250 thousand and share premium EUR 68,000 thousand
Bracco Horizons Ltd	Oxford (Great Britain)	USD	100%[2]	100%[2]	share capital USD 36, share premium USD 489,969,323 thousand
Real estate companies					

Bracco RE S.r.l.	Milan (Italy)	EUR	100%	100%	share capital EUR 10,000 thousand
3023354 Canada Inc.	Montreal (Quebec – Canada)	CAD	100%	100%	share capital CAD 100
Companies engaged in production activities (dormant companies)					
Bracco Imaging Baltics OÜ	Tallinn (Estonia)	EUR	100%	100%	share capital EUR 24 thousand
Blue Earth Diagnostics Ireland Ltd	Dublin (Ireland)	EUR	100%	100%	share capital EUR 500
Companies that provide healthcare services					
C.D.I. Centro Diagnostico Italiano S.p.A.	Milan (Italy)	EUR	89%	89%	share capital EUR 5,200 thousand
Bionics S.r.l	Milan (Italy)	EUR	100%	100%	share capital EUR 5,000 thousand
Centro medico SME-Diagnostica per immagini S.r.l.	Varese (Italy)	EUR	-	100%	share capital EUR 21 thousand

[1] Merged into Bracco Imaging S.p.A.
[2] Key Managers own shares without voting and dividend rights.