

General Company Information

Company Details

Company Name: **FAGIOLI SPA**
HQ: VIA FERRARIS 13 SANT'ILARIO D'ENZA RE
Share capital: 18,299,500.00
Share capital fully paid-up: no
CCIAA (Chamber of Commerce) Code: RE
VAT: 00674300355
Tax Code: 00674300355
REA (Economic Administrative Index) no.: 149557
Legal form: SOCIETÀ PER AZIONI (JOINT-STOCK COMPANY)
Main business sector (ATECO): 494100
Company in liquidation: no
Single-member company: Yes
Company subject to management and coordination by others: Yes
Name of company or entity exercising management and coordination: Fagioli Holding S.p.A.
Part of a group: Yes
Name of parent company: Fagioli Holding S.p.A.
Country of parent company: Italy
Registration number in cooperatives register

Financial Statements at 31/12/2023

Ordinary Balance Sheet

	31.12.23	31.12.22
Assets		
A) Receivables from shareholders for unpaid contributions		
Part recalled	0	0
Part to recall	4,071,231	4,071,231
Total receivables from shareholders for unpaid contributions (A)	4,071,231	4,071,231
B) Fixed assets		
I - Intangible assets		
1) start-up and expansion costs	0	0
2) development costs	0	0
3) industrial patent and intellectual property rights	93	121
4) concessions, licenses, trademarks and similar rights	811,196	1,043,549
5) goodwill	0	0
6) assets in progress and advances	0	0
7) others	450,176	352,036
Total intangible assets	1,261,465	1,395,706
II - Tangible assets		
1) land and buildings	6,071	6,071
2) plants and machinery	15,524,153	16,100,158
3) industrial and commercial equipment	2,651,874	2,625,468
4) other assets	12,779,963	13,374,503
5) assets in progress and advances	55,991	15,000
Total tangible assets	31,018,052	32,121,200
III - Financial assets		
1) investments in		
a) subsidiaries	14,938,012	15,976,034
b) associated companies	2,394,005	2,404,005
c) parent companies	0	0
d) companies subject to the control of the parent companies	0	0
d-bis) other companies	58,585	39,485
Total investments	17,390,601	18,419,523
2) receivables		
a) subsidiaries		
due within one year	0	0
due beyond one year	0	0
Total receivables from subsidiaries	0	0
b) associated companies		
due within one year	0	0
due beyond one year	0	0
Total receivables from associated companies	0	0
c) parent companies		
due within one year	0	0
due beyond one year	0	0
Total receivables from parent companies	0	0
d) companies subject to the control of the parent companies		
due within one year	0	0

due beyond one year	0	0
Total receivables from companies subject to the control of the parent companies	0	0
d-bis) others		
due within one year	0	0
due beyond one year	0	0
Total receivables from others	0	0
Total receivables	0	0
3) other securities	0	0
4) derivative financial instruments receivable	0	0
Total financial assets	17,390,601	18,419,523
Total assets (B)	49,670,118	51,936,429
C) Current assets		
I - Inventories		
1) raw and ancillary materials and consumables	1,826,453	1,774,718
2) products in progress and semi-finished goods	0	0
3) contracted works in progress	16,848,469	18,289,123
4) finished products and goods	25,330	25,330
5) advances	0	0
Total inventories	18,700,251	20,089,171
Tangible assets held for sale	0	0
II - Receivables		
1) customers		
due within one year	25,810,307	31,776,169
due beyond one year	0	0
Total receivables from customers	25,810,307	31,776,169
2) subsidiaries		
due within one year	24,406,324	21,661,644
due beyond one year	0	0
Total receivables from subsidiaries	24,406,324	21,661,644
3) associated companies		
due within one year	1,983,857	1,268,602
due beyond one year	0	0
Total receivables from associated companies	1,983,857	1,268,602
4) parent companies		
due within one year	721,567	142,945
due beyond one year	0	0
Total receivables from parent companies	721,567	142,945
5) companies subject to the control of the parent companies		
due within one year	0	0
due beyond one year	0	0
Total receivables from companies subject to the control of the parent companies	0	0
5-bis) tax receivables		
due within one year	7,243,407	5,561,625
due beyond one year	556,703	353,249

Total tax receivables	7,800,110	5,914,874
5-ter) deferred tax assets	3,179,945	3,113,454
5-quater) others		
due within one year	994,648	184,218
due beyond one year	1,034,802	1,446,658
Total receivables from others	2,029,450	1,630,876
Total receivables	65,931,559	65,508,564
III - Financial assets not held as fixed assets		
1) investments in subsidiaries	0	0
2) investments in associated companies	0	0
3) investments in parent companies	0	0
3-bis) investments in companies subject to the control of the parent companies	0	0
4) other investments	0	0
5) derivative financial instruments receivable	0	0
6) other securities	0	0
financial assets for centralised treasury management	0	0
Total financial assets not held as fixed assets	0	0
IV - Cash and equivalents		
1) bank and postal deposits	18,339,604	18,741,968
2) cheques	0	0
3) cash and equivalents on hand	12,771	14,791
Total cash and cash equivalents	18,352,375	18,756,759
Total current assets (C)	102,984,185	104,354,493
D) Accruals and deferrals	2,157,188	1,250,666
Total assets	158,882,722	161,612,820
Liabilities		
A) Equity		
I - Capital	18,299,500	18,299,500
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	206,297	206,297
V - Statutory reserves	0	0
VI - Other reserves, indicated separately		
Extraordinary reserve	0	0
Reserve from derogations as per art. 2423 Civil Code	0	0
Reserve shares (portions) of the parent company	0	0
Reserve from revaluation of investments	0	0
Capital increase contributions	0	0
Future capital increase contributions	0	0
Capital contributions	545,000	545,000
Loss coverage contributions	0	0
Reserve from share capital reduction	0	0
Merger surplus reserve	0	0
Unrealised exchange rate gains reserve	0	0
Current profit adjustment reserve	0	0
Sundry other reserves	204	204
Total other reserves	204	204
VII - Reserve for hedging transactions of expected financial flows	0	0

VIII - Profits (losses) carried forward	6,180,640	3,919,632
IX - Profit (loss) for the year	-3,915,662	2,261,008
Loss covered in the year	0	0
X - Negative reserve for portfolio treasury shares;	0	0
Total shareholders' equity	21,315,980	25,231,641
B) Provisions for risks and charges		
1) pension and similar obligations	22,247	20,859
2) taxes, including deferred	1,257,368	1,346,678
3) derivative financial instruments payable	0	0
4) others	5,180,143	1,073,000
Total provisions for risks and charges	6,459,758	2,440,536
C) Employee severance indemnity (TFR)	1,410,977	1,510,555
D) Payables		
1) bonds		
due within one year	0	0
due beyond one year	0	0
Total bonds	0	0
2) convertible bonds		
due within one year	0	0
due beyond one year	0	0
Total convertible bonds	0	0
3) payables to shareholders for loans		
due within one year	0	0
due beyond one year	0	0
Total payables to shareholders for loans	0	0
4) payables to banks		
due within one year	30,011,138	31,954,395
due beyond one year	23,350,648	32,489,910
Total payables to banks	53,361,786	64,444,305
5) payables to other lenders		
due within one year	865,363	865,363
due beyond one year	0	0
Total debts to other lenders	865,363	865,363
6) advances		
due within one year	3,498,597	2,642,932
due beyond one year	0	0
Total advances	3,498,597	2,642,932
7) payables to suppliers		
due within one year	48,172,543	42,648,340
due beyond one year	0	0
Total payables to suppliers	48,172,543	42,648,340
8) payables represented by credit securities		
due within one year	0	0
due beyond one year	0	0
Total payables represented by credit securities	0	0
9) payables to subsidiaries		
due within one year	9,883,991	10,785,985
due beyond one year	0	0

Total payables to subsidiaries	9,883,991	10,785,985
10) payables to associated companies		
due within one year	534,408	509,618
due beyond one year	0	0
Total payables to associated companies	534,408	509,618
11) payables to parent companies		
due within one year	0	0
due beyond one year	0	0
Total payables to parent companies	0	0
11-bis) Payables due to companies subject to the control of parent companies		
due within one year	0	0
due beyond one year	0	0
Total payables to companies subject to the control of the parent companies	0	0
12) tax payables		
due within one year	1,356,003	1,184,860
due beyond one year	0	0
Total tax payables	1,356,003	1,184,860
13) payables to pension and social security institutions		
due within one year	963,993	926,834
due beyond one year	0	0
Total payables to pension and social security institutions	963,993	926,834
14) other payables		
due within one year	5,572,598	4,306,845
due beyond one year	29,829	929,829
Total other payables	5,602,427	5,236,674
Total payables	124,239,111	129,244,909
E) Accruals and deferrals	5,456,897	3,185,177
Total liabilities	158,882,722	161,612,820

Ordinary Income Statement

	2023	2022
A) Production value		
1) revenues from sales and services	128,605,598	124,371,801
2) changes in inventories of work in progress, semi-finished and finished goods	0	0
3) changes in contract work in progress	-1,440,655	-2,582,571
4) increases in fixed assets for internal work	646,306	470,610
5) other revenues and income		
contributions in the year	288,302	236,026
others	6,949,527	5,792,294
Total other revenues and income	7,237,829	6,028,320
Total production value	135,049,078	128,288,159
B) Production costs		
6) raw and ancillary materials, consumables and goods	12,652,915	10,727,377
7) services	78,650,155	81,380,674
8) rents and leases	12,486,189	6,965,645
9) personnel		
a) salaries and wages	18,440,991	17,221,495
b) social security contributions	5,376,886	5,119,707
c) employee severance indemnity (TFR)	526,798	634,585
d) pension and similar obligations	0	0
e) other costs	649,671	411,822
Total personnel costs	24,994,347	23,387,609
10) amortisation, depreciation and write-downs		
a) amortisation of intangible assets	578,959	594,149
b) depreciation of tangible assets	3,733,437	3,892,155
c) other write-downs of fixed assets	0	0
d) write-downs of receivables included in current assets and cash and cash equivalents	647,445	1,191,771
Total amortisation, depreciation and write-downs	4,959,840	5,678,075
11) changes in inventories of raw and ancillary materials, consumables and goods	-51,735	-194,858
12) provisions for risks	890,000	133,000
13) other provisions	0	0
14) other operating expenses	2,301,888	1,385,352
Total production costs	136,883,600	129,462,874
Difference between production value and costs (A - B)	-1,834,522	-1,174,715
C) Financial income and expenses		
15) income from investments		
from subsidiaries	7,601,835	6,650,430
associated companies	0	0
parent companies	0	0
companies subject to the control of the parent companies	0	0
others	0	0
Total income from investments	7,601,835	6,650,430
16) other financial income		
a) from receivables recorded as fixed assets		
subsidiaries	0	0

associated companies	0	0
parent companies	0	0
companies subject to the control of the parent companies	0	0
others	0	0
Total financial income from receivables recorded as assets	0	0
b) from securities recorded as fixed assets not held as investments	0	0
c) from securities recorded as current assets not held as investments	0	0
d) other income		
subsidiaries	0	0
associated companies	0	0
parent companies	0	0
companies subject to the control of the parent companies	0	0
others	1,718	1,636
Total other income	1,718	1,636
Total other financial income	1,718	1,636
17) interest and other financial expenses		
subsidiaries	0	0
associated companies	0	0
parent companies	107,366	85,052
companies subject to the control of the parent companies	0	0
others	5,322,147	3,095,465
Total interest and other financial expenses	5,429,514	3,180,516
17-bis) exchange rate gains and losses	4,475	-108,450
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	2,178,513	3,363,100
D) Adjustments to the value of financial assets and liabilities		
18) revaluations		
a) of investments	764,080	450,000
b) of financial assets not held as investments	0	0
c) of securities recorded as current assets not held as investments	0	0
d) of derivative financial instruments	0	0
of financial assets for centralised treasury management	0	0
Total revaluations	764,080	450,000
19) write-downs		
a) of investments	4,112,246	5,000
b) of financial assets not held as investments	0	0
c) of current securities not held as investments	0	0
d) of derivative financial instruments	0	0
of financial assets for centralised treasury management	0	0
Total write-downs	4,112,246	5,000
Total value adjustments to financial assets and liabilities (18 - 19)	-3,348,166	445,000
Pre-tax result (A - B + - C + - D)	-3,004,175	2,633,385
20) Income taxes for the year, current and deferred tax liabilities and assets		
current taxes	166,536	202,686
taxes related to previous years	702,384	105,159
deferred tax liabilities and assets	42,566	64,532
income (expenses) from participation in the tax consolidation/tax transparency scheme	0	0
Total income taxes for the year, current and deferred tax liabilities and assets	911,486	372,377
21) Profit (loss) of the year	-3,915,662	2,261,008

Cash Flow Statement - Indirect Method

Cash flow statement pursuant to OIC 10 (indirect method)	2023	2022
A. Cash flows from operating activities		
Profit (loss) of the year	(3,915,661)	2,261,008
Income taxes	911,486	372,377
Interest expenses (interest income)	5,427,796	3,093,828
(Dividends)	(7,601,835)	(6,650,430)
(Gains)/losses from disposal of assets	-	-
of which tangible assets	(2,177,673)	(1,275,612)
of which intangible assets	-	(1,072)
of which financial assets	-	-
1. Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals	(7,355,887)	(2,199,901)
Adjustments for non-monetary elements that had no balancing entry		
Allocations to provisions	1,541,258	1,296,784
Amortisation/Deprecation of fixed assets	4,312,395	4,486,304
Write-downs for impairment losses	4,112,246	5,000
Value adjustments of financial assets and financial liabilities of derivative financial instruments that do not involve monetary changes	-	-
Other adjustments for non-monetary elements	(804,080)	(479,000)
Total adjustments for non-monetary items that had no balancing entry in net working capital	9,161,819	5,309,088
2. Cash flow before changes in net working capital	1,805,933	3,109,187
Changes in net working capital		
Decrease/(increase) in inventories	1,388,920	2,387,713
Decrease/(increase) in receivables from customers	4,368,027	2,639,576
Increase/(decrease) in payables to suppliers	11,281,787	(4,224,753)
Decrease/(increase) in accrued and deferred assets	(906,522)	970,598
Increase/(decrease) in accrued and deferred liabilities	2,862,784	(448,960)
Other changes in net working capital	(2,159,205)	923,435
Total changes in net working capital	16,835,791	2,247,608
3. Cash flow after changes in NWC	18,641,724	5,356,795
Other adjustments		
Interest collected/(paid)	(5,427,796)	(3,093,828)
(Income taxes paid)	(166,536)	(202,686)
Dividends collected	-	-
(Use of provisions)	(871,758)	(1,269,080)
Other income/(payments)	-	-
Total other adjustments	(6,466,090)	(4,565,594)
CASH FLOW FROM OPERATING ACTIVITIES (A)	12,175,634	791,201
B. Cash flows from investment activities		
Tangible assets	(452,616)	4,089,928
(Investments)	(5,856,298)	(2,401,328)
Disinvestments	5,403,681	6,491,256
Intangible assets	(444,718)	(531,096)

(Investments)	(444,718)	(545,358)
Disinvestments	-	14,263
Financial assets	(9,101)	(1,223,500)
(Investments)	(19,101)	(1,223,500)
Disinvestments	10,000	-
Short-term financial assets	-	-
(Investments)	-	-
Disinvestments	-	-
(Acquisition of business units, net of cash and cash equivalents)	-	-
Disposal of business units, net of cash and cash equivalents	-	-
CASH FLOW FROM INVESTMENT ACTIVITIES (B)	(906,435)	2,335,332
C. Cash flows from financing activities		
Minorities' equity	(11,673,583)	(4,514,107)
Increase (decrease) in short-term payables to banks	(2,082,519)	-
New loans	1,000,000	9,000,000
Repayment of loans	(10,591,064)	(13,514,107)
Equity		
Paid capital increase	-	-
(Repayment of capital)	-	-
- Change in conversion reserve	-	-
Sale (purchase) of treasury shares	-	-
Dividends (and interim dividends) paid	-	-
CASH FLOW FROM FINANCING ACTIVITIES (C)	(11,673,583)	(4,514,107)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+-B+-C)	(404,384)	(1,387,574)
Exchange rate effect on cash and cash equivalents	-	-
OPENING CASH AND CASH EQUIVALENTS	18,756,758	20,144,332
Bank and postal deposits	18,741,968	20,128,768
Cheques	-	-
Cash and equivalents on hand	14,791	15,564
... of which not freely usable	-	-
CLOSING CASH AND CASH EQUIVALENTS	18,352,374	18,756,758
Bank and postal deposits	18,339,604	18,741,968
Cheques	-	-
Cash and equivalents on hand	12,771	14,791
... of which not freely usable	-	-
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(404,384)	(1,387,574)

Notes

To Shareholders,

The annual financial statements for the year ended 31/12/2023, of which these Notes are an integral part, have been prepared in accordance with accounting standards, the provisions of the Civil Code related to the specific matter and supplemented by the accounting standards issued by the National Council of Chartered Accountants and Accounting Experts and by the Documents issued by the OIC (Italian Accounting Body).

The Annual Financial Statements consist of the Balance Sheet, the Income Statement and the Cash Flow Statement (prepared in accordance with the statements respectively pursuant to articles 2424, 2424 bis of the Civil Code, articles 2425 and 2425 bis of the Civil Code and article 2425 ter of the Civil Code) and these Notes.

The purpose of the Notes is to provide an illustration, analysis and, in some cases, an integration of the financial statement data and contain the information required by articles 2427 and 2427 bis of the Civil Code, by other provisions of the Civil Code regarding the financial statements or other previous laws. Moreover, they also include all additional information deemed necessary to provide the most transparent and comprehensive disclosure, even where this is not required by specific legislation.

Pursuant to article 2423-ter, 5th paragraph of the civil code, for each item of the balance sheet, income statement and cash flow statement, the amount of the corresponding item for the previous year is indicated with the specification that all items of the financial statements were comparable without the need for adjustments.

Amounts are expressed in Euro, unless as indicated otherwise.

No exceptional cases occurred requiring any exception to be made pursuant to article 2423, fourth paragraph or article 2423 bis, second paragraph of the Civil Code.

No balance sheet and income statement items have been grouped, as there are no asset and liability items that fall under multiple items in the financial statements.

Pursuant to article 2423-ter of the Civil Code, some items preceded by Arabic numbers have been broken down further as they are not provided for by article 2424 and 2425, where greater detail was necessary in order to provide a true and correct representation. In particular, the other revenues and income and costs for services included the customs fees paid to the customs entity and the related fees charged to customers as reimbursement of expenses. For greater clarity, items preceded by Arabic numbers equal to zero have also been omitted both in these and in the previous financial statements.

The Directors deemed it appropriate to prepare the consolidated financial statements of Fagioli S.p.A. at 31 December 2023 both to facilitate the consolidation operations of the parent company and to fulfill certain contractual disclosure obligations between the shareholders of Fagioli Holding S.p.A.

Recognition, valuation, presentation and disclosure obligations

Pursuant to article 2423, paragraph 4 of the Civil Code, it is not necessary to respect the obligations of recognition, valuation, presentation and disclosure when compliance thereof has irrelevant effects in order to provide a true and fair representation. The Company deemed this legislative derogation applicable regarding investments in subsidiaries that were not operational in 2023, and for investments in associated companies. In fact, for these companies the information required by article 2426, no. 3, and by article 2427, no. 5, of the Civil Code, was considered irrelevant for the purpose of correct reporting.

Key events and business continuity

The financial statements for the year ended 31 December 2023 show a loss of Euro 3,915,662 (profit of Euro 2,261,008 in 2022).

Impact of the war in Ukraine and the Middle East

The conflict between Russia and Ukraine, which arose at the end of February 2022, and the Israeli-Palestinian conflict, which arose in October 2023, should be considered with extreme caution due to the possible repercussions of the continuation of these conflicts on European markets and in the world. The worsening of the war events taking place in Ukrainian territory has had strong repercussions on the global geopolitical balance and in particular on relations between the European Union and Russia, to which numerous heavy sanctions have been applied that have severely limited economic exchanges. These circumstances, of an extraordinary nature and extent, have direct and indirect consequences on economic activity and create a context of general uncertainty, whose evolution and related effects on: i) supply chains, ii) development of demand on international markets and iii) trend inflation, interest rates and the cost of energy are unpredictable. The worrying scenario of war resurgence and the unpredictability of developments in the serious ongoing conflict led the Company and the Group to carefully evaluate its presence in the areas concerned, in order to limit any repercussions on its operations and financial solidity. The Group has no operations or presence of branches/companies in Ukraine; however, it is present in Russia with a subsidiary company (Fagioli Rus) whose liquidation is expected within the 2024 financial year.

Despite the war, which led to a worldwide upheaval in the energy procurement market, with a consequent increase in energy costs, the Company was not affected by an increase in utilities, but instead reported an increase, induced by the extraordinary inflationary context also resulting from the impact of the war in Ukraine, of the costs of raw materials, fuel and sea freight.

The war in Ukraine has led to an acceleration in the research and investment of alternative energy sources to Russian gas by European countries and the USA, which for the Company and the Group must be considered favourably for new projects in LNG and Oil&Gas.

Other events

In February 2024, the shareholders appointed a new CEO, Fernando Bertoni, with a view to changing the strategy of the Fagioli Group, which envisages a downsizing of the investee companies and branches present abroad, in order to contain the fixed, focusing and significant development costs of the US and Australian markets.

The Company and the Group's funding sources are concentrated mainly on the Italian and partly US bank credit market. To date, the credit lines currently available and unused mainly refer to lines for invoice advances. Furthermore, the Company and the Group have two medium/long-term loans outstanding, one disbursed in 2020, by a pool of banks, the other in 2022, by a main national banking institution, both assisted by a guarantee from SACE. The most recent projections according to the scenarios prepared by the Directors therefore allow the Company to be able to meet the short-term cash requirements deriving from ordinary activities, through the use of

credit lines and advance invoices outstanding at 31 December 2023.

In this context of uncertainty of the national and international macroeconomic scenario, the Directors of the Company have prepared and approved the economic, equity and financial plan, including cash flows, for the plan period 2024-2028 of the Company and of the Group (the "Plan"), which foresees an improvement in the levels of operating margins compared to 2023.

Therefore, although in the presence of an uncertain external economic and financial context, the Directors, on the basis of the forecasts included in the Budget, deem it appropriate to adopt the going concern assumption in preparing the financial statements, and also that the Company will be able to meet its obligations in the foreseeable future and in particular in the next 12 months, and to believe, in adopting this assumption, the values of the assets recognised at 31 December 2023 are recoverable, based on the information currently available.

Although the Fagioli Group plans to comply with the financial parameters (covenants) for the year 2024, in order to accelerate the reorganisation process of the Fagioli Group and increase the preparatory investments to reap the opportunities for market development, the Directors have started a process of redefinition of medium-long term debt.

The net loss for the year accounted for by Fagioli S.p.A. represents an indicator of impairment of net invested capital. Therefore, the administrative body in order to substantiate the recoverability of assets has prepared an Impairment test.

The Directors have identified a single Cash Generating Unit (CGU) coinciding with the Fagioli S.p.A. Group.

The methodologies, assumptions and parameters underlying the CGU impairment test were:

- cash flows deriving from the Plan using an explicit 5-year projection (2024 – 2028);
- the expected future cash flows refer to the reference units under current conditions and exclude any non-ordinary transactions and/or transactions not yet defined at the end of the financial year;
- the terminal value was determined as a perpetual annuity, applying a WACC discount rate adjusted by a growth rate ("g") of the cash flow of the last year of the multi-year plan;
- the growth rate "g" for the determination of cash flows beyond the explicit period (from 2028 onwards) was determined to be 2.25%, recorded as a weighting of the growth rates of the markets to which it is exposed, from a purely prudential perspective;
- the discount rate was calculated as the average cost of capital (WACC), in configuration after taxes, determined as a weighted average between the cost of equity, calculated on the basis of the CAPM (Capital Asset Pricing Model) methodology, and the cost of debt. The WACC was determined with reference to the operational riskiness of the sector and the financial structure of a sample of listed companies comparable by risk profile and business sector. The post tax assumed WACC rate was 9.6%, up from 9.2% in 2022. The cost of capital was determined on the basis of the market returns on medium-to long-term government bonds (10 years) of the countries/markets to which the CGU refers observed in the last 6 months, considering a market risk premium, which reflects investment risk. A Beta coefficient was applied based on the observation of a sample of comparable companies. A corrective coefficient was applied, increasing the WACC rate, which discounted prudence in the implementation of the plan equal to a quarter of a percentage point (so-called risk of execution of the plan).

The outcome of the impairment test elaborated on the basis of the assumptions of the Plan through the application of the assumptions described above has shown results of the use value adequate to the book value of the net invested capital. Therefore, no impairment losses emerged, and no write-down of assets recorded in the financial statements was necessary.

However, despite the fact that the administrative body considers that the assumptions used are reasonable, it may be possible that some of the key assumptions vary significantly in consideration of their hypothetical nature and the high degree of uncertainty that characterises the current economic situation. The factors that could cause a write-down are:

- significant worsening of the reported performance compared to forecasts;
- deterioration of the economic-financial context and the markets in which the Company operates.

To support its assessments, the administrative body carried out a sensitivity analysis by reducing the growth rate "g" and increasing the discount rate "WACC", hypotheses considered possible by the administrative body and representative of the situations listed. It should be noted that even reducing the perpetual growth rate "g" by 0.25% and increasing the WACC by 0.5%, compared to the basic data, the values of the Company's assets are not affected in any way, maintaining a positive cover.

For the above, reference is made to the report of operations on the 2023 economic performance and the 2024 economic/financial forecasts for further details.

VALUATION CRITERIA

The accounting standards set out below have been adjusted with the amendments, integrations and additions introduced to the rules of the Civil Code by Legislative Decree 139/2015, which implemented in Italy the Accounting Directive 34/2013/EU. In particular, the national accounting standards were reformulated by the OIC in the version issued 22 December 2016 and subsequent amendments issued 29 December 2017.

The valuation criteria have been agreed with the Board of Statutory Auditors for the cases provided for by law.

As required by articles 2423 and 2423 bis of the Civil Code, the financial statements have been prepared with a view to business continuity, according to the general principles of prudence, competence and relevance, as well as taking into account the prevalence of the substance of the transaction or contract.

Highlighted below are the main valuation criteria and accounting standards adopted in compliance with the provisions of article 2426 of the Civil Code and the aforementioned accounting standards.

Intangible assets

In accordance with the provisions of the Civil Code and the national accounting standard OIC 24, intangible assets recorded refer to costs that do not exhaust their usefulness in a single period, but show their economic benefits over a period of several years. Intangible assets (OIC 24, paragraph D.I) have been recorded at purchase cost, inclusive of ancillary fees, and subject to systematic amortisation within a period in which it is estimated that they will be useful.

Pursuant to article 2427, no. 3-bis of the civil code, if at the end of the year, the value of intangible assets is permanently lower than the purchase or production cost less amortisation, there would be a reduction in value with appropriate disclosure in the notes. The original value should be reinstated in subsequent years if the reasons for the write-down no longer apply.

Research expenses are recognised in the income statement in the year in which they are incurred as required by accounting standards.

Development expenses are capitalised if related to technologies that meet the following requirements:

1. the technology is clearly defined and the costs are indicated separately and can be measured with certainty;
2. technical feasibility is demonstrated;
3. the technology will be used;
4. the asset will generate future economic benefits.

Cost capitalisation begins only when said criteria are met and with the consent of the Board of Statutory Auditors. Said costs are amortised over a period not exceeding 5 years.

Tangible assets

They are recorded at the historical purchase cost, increased by ancillary costs and expenses incurred of an incremental nature and adjusted, in some cases, in accordance with previous monetary revaluation laws.

Depreciation of tangible assets has been calculated on a straight-line basis according to the residual possibility of use of the individual assets starting from the date on which they are ready for use.

The rates actually applied are shown below in these notes.

In the year of first use of the assets, in order to take into account their effective use in the business cycle, these rates were applied to the extent of 50%, *modus operandi* that is believed to be a reasonable approximation of the depreciation calculated *pro-rata temporis*.

Maintenance and repair costs are charged to the income statement in the period in which they are incurred, or capitalised if they increase the value or useful life of the assets.

Tangible assets in progress are valued at cost and depreciated starting from the year in which they are ready for use.

If at the end of the year, there is impairment, the assets are subject to a reduction in value and, pursuant to article 2427 no. 3-bis of the civil code, adequate disclosure is provided in the notes regarding the extent and reasons for said reduction, referring to the contribution of the assets to the future production of economic results, their useful life and their market value. The original value is reinstated in subsequent years if the reasons for the write-down no longer apply.

Leased assets

Assets subject to financial lease contracts are recognised in the financial statements in accordance with the accounting approach envisaged by national accounting standards, i.e. with the equity method, which provides for the user to recognise lease fees as costs of the year and recognise the asset under assets only when ownership is acquired. These notes provide the disclosures required by point no. 22 of article 2427 of the civil code, and the possible effects on the equity and on the result of the year if adopting the accounting of lease transactions according to the financial method.

Financial assets

Financial assets consisting of investments in subsidiaries, associates and other companies have been valued at purchase cost, inclusive of accessory fees (OIC no. 21). For the more significant investments in subsidiaries and associated companies, the cost criterion is compared with the value resulting from the adoption of the equity method on the same date.

When there are impairment losses, the value of investments valued at cost is eventually adjusted to its lowest recoverable amount, which is determined based on future benefits that are expected to flow to the economy of the investor.

If the reasons for the write-downs no longer apply, in compliance with OIC no. 21, the investments are revalued within the limits of the write-downs up to the maximum of the original cost and the adjustment is recognised in the income statement as revaluation.

Closing inventories

Inventories of goods in the spare parts warehouse have been recognised at the last purchase cost which, in any case, approximates FIFO.

Furthermore, when necessary, a warehouse obsolescence provision is recognised in order to take into account the impairment consequent to the seniority of spare parts.

Contract work in progress

For contracts still in progress at the end of the year, the value of work in progress is recorded on the basis of the agreed fees accrued if the fees are determined with reasonable certainty, valued taking into account the percentage of work progress determined on the basis of the quantity of service actually performed. If the fees are not determined with reasonable certainty, the work in progress is valued according to the completed contract method, i.e. at cost.

Any losses on contracts estimated with reasonable approximation fully decrease the value of contract work in progress during the period in which they become known. If this loss is greater than the value of work in progress, the Group recognises a specific provision for risks and charges equal to the excess. Any probable losses are recognised in the period in which it is likely based on an objective and reasonable assessment of the existing circumstances. Losses are recognised independently of the stage of completion of the contract. There were no compensations of such losses with positive margins expected on other projects. For the purpose of the recognition of losses, the contracts are thus considered individually.

During the course of the contract, the company could make requests for additional fees with respect to those provided for in the contract. These requests generally relate to additional fees for higher costs incurred for reasons attributable to the customer, for greater works carried out or for variants of works not formalised in additional deeds. 20 OIC 23).

Additional fees are accounted for on the basis of the principle of prudence; therefore, the reimbursement of the higher costs incurred or the higher fees are included in the contract revenues limited to the amounts whose recognition and determination are reasonably certain. This condition is satisfied when the request for an additional fee is accepted by the customer by the date of the financial statements, or, even in the absence of formal acceptance, at the date of the financial statements, it is highly probable that the request will be accepted on the basis of the most recent information and of historical experience (paragraph 55 OIC 23).

A group of contracts is treated as a single contract when:

- i) the group of contracts was jointly negotiated as a single package and there is specific documentation of this;
- ii) the contracts are so closely connected that they are, in fact, part of a single project with an overall profit margin;
- iii) the contracts are carried out simultaneously or in a continuous sequence;
- iv) the economic plans of the contracts show common costs.

The sums received by the customer during execution of the work, representing forms of financing advance, are recorded as liabilities in the financial statements as a separate item of advances from customers, while those paid to subcontractors are recorded in this item under advances.

Receivables

Receivables are recognised in the financial statements according to the amortised cost criterion, taking into account the time factor and the estimated realisable value. The amortised cost criterion is not applied when the effects are irrelevant, i.e. when transaction costs, commissions paid between the parties and any other difference between the initial value and the due date value are of little importance or if the receivables are short-term (i.e. with due date of less than 12 months). Receivables are recorded at their presumed realisable value, suitably adjusted by specific

write-downs determined taking into account the risks of non-collection both regarding specific receivables and all trade receivables.

The adjustment to the presumed realisable value was made by allocating a receivables write-down provision, determined in accordance with OIC 15 and the amount of the write-down is recognised in the income statement. Receivables transferred following factoring transactions are eliminated from the balance sheet only if sold without recourse and if substantially all the risks regarding the credit are transferred. Receivables sold with recourse, or however without the transfer of all the risks, remain recorded in the financial statements and a financial liability of equal amount is recorded under liabilities for the advance received.

Cash and cash equivalents

Cash and cash equivalents at year-end are stated at the nominal value. Cash and cash equivalents in foreign currency are valued at the year-end exchange rate.

Provisions for risks and charges

They were allocated, pursuant to article 2424 bis of the Civil Code and OIC 19, to cover liabilities of a specific nature and of certain or probable existence the date of occurrence of which or the amount quantifiable could not be determined at the end of the year. The allocations reflect the best possible estimate based on the information available. Risks for which the emergence of a liability is only possible are outlined in the notes to the provisions, without the allocation of a provision for risks and charges. Allocations to the provisions for risks and charges are recognised primarily under income statement cost items of the relevant classes (B, C or D). Whenever the correlation between the nature of the allocation and one of the items to the above classes is not feasible, provisions for risks and charges are recognised under B12 and B13 of the Income Statement.

Employee severance indemnity (TFR)

It reflects the actual payable for indemnities accrued by employees at year-end. Said indemnities were calculated on the basis of the regulations provided for in the civil code and the collective labour agreements in force. In particular, it is noted that following the provisions of Legislative Decree 252/2005 and subsequent additions introduced by law 296/2006, employee severance indemnity (TFR) portions accrued starting from 01/01/2007 by employees of companies with more than 50 employees must be compulsorily contributed to a supplementary pension fund chosen by the employee or to the INPS Treasury Fund for the portion not opted by the same employee.

Portions accrued in 2022 to be contributed to pension funds and the INPS treasury fund and not yet contributed have been classified in the item Payables to pension and social security institutions.

Payables

Payables are recognised according to the amortised cost criterion, taking into account the time factor. The amortized cost criterion is not applied to payables if its effects are irrelevant. The effects are considered irrelevant for short-term payables (i.e. due less than 12 months). For the amortised cost criterion, refer to as outlined above with reference to receivables.

Payables for holidays accrued by employees for deferred remuneration, including amounts due to social security institutions, are allocated on the basis of the amount to be paid in case of employment termination at the date of the financial statements.

Accruals and deferrals

These are portions of costs or income common to two or more years recognized in compliance with the principle of economic and temporal competence expressed by article 2424-bis, point 4 of the civil code exclusively for portions of income components common to two or more years.

For any long-term accruals and deferrals, the conditions that had led to the original entry have been verified, adopting, where necessary, the appropriate changes.

Valuation of assets and liabilities in currencies other than the Euro

During the year, assets and liabilities in foreign currency have been recorded at the historical exchange rates of the date of the relative transactions. Exchange rate differences realised upon the collection of receivables and the payment of payables in foreign currencies are recognised in the income statement.

At the end of the year, the aforementioned assets and liabilities in foreign currency were recorded according to the provisions of article 2426, paragraph 1, point 8 bis of the civil code.

In particular, assets and liabilities in currency, other than tangible, intangible and financial assets consisting of investments valued at cost, are recorded at the spot exchange rate at year-end. Any net gain from conversion is allocated to non-distributable reserve until realised. Exchange rate gains and loss, whether realised or at year-end conversion, have been reclassified in item C 17 bis) of the income statement. In evaluating the adjustment to the year-end exchange rate, forward currency transactions are taken into account if present at year-end.

As required by article 2427 of the civil code, paragraph 1, point 6 bis, information will be provided below on any significant effects of changes in exchange rates after year-end.

Costs and revenues

They are shown in the financial statements according to the principles of prudence and accrual. Revenues and income, costs and expenses are recognised net of returns, discounts and rebates and of taxes directly associated with the purchase/sale of goods and the purchase/sale of the provision of services. Pursuant to article 2425-bis, paragraph 2 of the civil code, revenues and income, costs and expenses relating to foreign currency transactions are converted at the current exchange rate on the date on which the relevant transaction is completed. Revenues related to contract work in progress are recognised in proportion to the work progress.

Income taxes*Current taxes*

Current income taxes of the year are determined on the basis of the reasonable evaluation of the expense for direct taxes pertaining to the year on the basis of current tax regulations. The company adheres to the tax consolidation with the parent company Fagioli Holding S.p.A., regulated by articles 117 to 219 of the TUIR Tax Code (Presidential Decree 917/86).

Deferred tax assets and liabilities

Deferred income tax assets and liabilities are calculated on the temporary differences that arose in the year or in previous years but that will be reversed in subsequent years. The recognition of deferred tax assets is subject to reasonable certainty of their recoverability.

Deferred tax assets are recognised under the item Receivables for deferred tax assets, while deferred tax liabilities are recognised under the item Deferred tax provision.

The disclosure relating to the accounting procedure and the reconciliation between current and deferred taxation is provided below.

ASSETS

Receivables from shareholders for unpaid contributions

The item Receivables from shareholders for unpaid contributions of Euro 4,071 thousand at the end of 2023 reflects the contributions resolved, subscribed but unpaid claimed by the Company towards Fagioli Holding S.p.A.

Assets

With regard to each item of assets, the changes preceding the beginning of the year and the changes of the year are illustrated below.

Intangible assets

Intangible assets are recorded in the Balance Sheet assets at acquisition and/or production cost and are amortised on a straight-line basis over their useful lives.

The value of intangible assets is shown net of accumulated amortisation and write-downs.

Changes in intangible assets

After recognition in the Income Statement of the amortisation portions for the year, which amounted to Euro 579 thousand, intangible assets amounted to Euro 1,261 thousand.

The table below shows the changes in intangible assets:

Categories	31/12/2022	Increases	Decreases	Amortisation/Depreciation of the year	31/12/2023
Development costs	0				0
Industrial patents and intellectual property rights	120			-27	93
Concessions, licenses, trademarks and similar rights	1.043.550	286.518		-518.871	811.197
Assets in progress and advances	0				0
Other intangible assets	352.036	158.200		-60.061	450.175
Total	1.395.706	444.718	0	-578.959	1.261.465

The item "concessions, licences, trademarks and similar rights" refers to software and is amortised over three/five years. Investments of Euro 287 thousand mainly refer to the implementation of the "Nav BC" management system and the transition to "office 365" as well as a greater dissemination of IT tools at company level. The increase in the item "Other intangible assets" mainly refers to leasehold improvements.

Tangible assets

The table below shows the changes in tangible assets:

Tangible assets	Land and buildings	Specific machinery	Commercial and industrial equipment	Vehicles	Railway carts	Fleet	Assets in progress and advances	TOTALS
Opening balance:								
Original cost	10,868	38,562,878	16,971,285	51,304,932	5,904,954	7,359,477	15,000	120,129,394
Revaluations in the period	0	0	0	0	0	0	0	0
Reclassifications	-4,797	0	0	175	0	-175	0	-4,797
Period-end write-downs	0	-173,093	0	0	0	-440,178	0	-613,271
Final accumulated depreciation	0	-22,289,628	-14,345,818	-39,309,101	-	-	0	-87,390,126
Initial net value	6,071	16,100,157	2,625,467	11,996,006	794,751	583,747	15,000	32,121,200
Changes in the period								
Purchases in the year		1,195,378	589,220	3,674,691		356,018	55,991	5,871,298
Disposals in the year		-1,190	-3,130	-3,221,690			-15,000	-3,241,010
Use of accumulated depreciation							0	0
Historical cost reclassifications		0	0				0	0
Accumulated depreciation reclassifications		0	0	0	0	0	0	0
Period write-down			0	0	0	0	0	0
Depreciation for the year		-1,770,194	-559,683	-1,248,606	-56,233	-98,720	0	-3,733,436
Total changes in the period	0	-576,006	26,407	-795,605	-56,233	257,298	40,991	-1,103,148
Closing balance:								
Original cost	6,071	39,583,975	17,557,375	51,758,108	5,904,954	7,275,142	55,991	122,141,616
Revaluations in the period		0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Period-end write-downs	0		0	0	0		0	0
Final accumulated depreciation		-24,059,822	-14,905,501	-40,557,707	-	-	0	-91,123,563
Final net value	6,071	15,524,153	2,651,874	11,200,401	738,518	841,045	55,991	31,018,052

In the 2023 financial year, investments were made in vehicles for approximately Euro 3,675 thousand, mainly relating to the purchase from Saipem of trailers and special vehicles for Euro 1,926 thousand and from assets deriving from leasing operations and recorded at the redemption value for Euro 921 thousand. The decreases, for Euro 3,222 thousand, mainly refer to sales to third parties of trailers and semi-trailers that recorded capital gains for Euro 2,132 thousand and capital losses for Euro 4 thousand.

The increase in the year relating to "Specific machinery" for Euro 1,195 thousand mainly refers to investments in lifting beams and pylons and hydraulic power packs for Strand Jacks.

Industrial and commercial equipment includes heterogeneous subcategories such as workshop equipment, railway cart equipment, accessory equipment for industrial lifting and site material. The increase recorded in 2023 amounted to Euro 589 thousand and mostly refers to the purchase of iron material for sites, lifting systems and electrical machines.

The "fleet" recorded an increase of Euro 356 thousand following extraordinary maintenance.

The sales described involved the realisation of net gains of Euro 2,182 thousand and a loss of Euro 54 thousand mainly attributable to the sale of the vehicles.

Depreciation of tangible assets was in accordance with the following rates:

Category	Rate
Buildings	2.50%
Basic plants	10.00%
Technical systems (Lifting systems - Jack Up Systems/Skid Shoes, Strand Jack, Power back, overhead crane)	from 5.0% to 10.0% according to type
Electronic equipment	25.00%
Railway carts	1.50%
Fleet (barge, speedboats, boats, tugs)	from 3.75% to 20.00% according to type
Cars and motorcycles	25.00%
Cars and vehicles (special purpose vehicle - PPU/SPMT headers, exceptional trailer - SPMT, cranes, tractors, semi-trailers)	from 5.0% to 10.0% according to type
Lifting equipment	7.50%
Workshop equipment	10.00%
Accessory equipment for vehicles	6.67%-7.5%
Site equipment	33.30%
Furnishings	15.00%
Furniture	12.00%
Accessories for vehicles	20.00%
Tarpaulins	20.00%
Containers	6.67%-7.5%

As already indicated in the valuation criteria, in the year of first use of the assets, in order to take into account their effective use in the business cycle, these rates were applied to the extent of 50%, *modus operandi* that which is believed to be a reasonable approximation of the depreciation calculated *pro-rata temporis*.

The directors, following the impairment test carried out as better described in the paragraph Significant events and business continuity assumption, consider that the values of tangible and intangible assets are recoverable and therefore no write-down was necessary.

Financial lease transactions

As indicated above, the company has financial lease contracts that involve the transfer to the lessee of the risks and benefits of the assets, recognised in the accounts in accordance with the provisions of current regulations (equity method).

Below are the statements required by article 2427, no. 22 of the Civil Code.

The following table shows the summary information on the effects of accounting for lease transactions according to the financial method, as required by interpretative document OIC 1:

Increase (Decrease)			
Financial statement items	Effect at 31.12.2022	Effect on the 2023 Income Statement	Effect at 31.12.2023
Assets			
Intangible assets	0		
Tangible assets	4,745,257	222,388	4,967,645
Accrued and deferred assets	-244,560	-12,640	-257,200
	4,500,697	209,747	4,710,445
Liabilities			
short-term implicit financial payables	832,263	91,903	924,166
medium/long-term implicit financial payables	2,000,753	49,579	2,050,332
payables to suppliers	-36,123	29,565	-6,558
Accrued and deferred liabilities	0		0
Deferred tax provision	448,953	19,046	467,999
Profits (losses) carried forward	1,254,851		1,254,851
	4,500,697	190,093	4,690,789
Income Statement			
Reversal financial lease fees		862,221	862,221
amortisation of intangible assets		0	
depreciation of tangible assets		-731,694	-731,694
implicit financial expenses		-62,261	-62,261
release deferred tax provision		-19,046	-19,046
Reversal of gains		-29,565	-29,565
Profit (loss) of the year		19,655	19,655

The table below shows the changes in financial assets:

Financial assets	Investments in subsidiaries	Investments in associated companies	Investments in other companies	Financial receivables from subsidiaries	Financial receivables from associated companies	TOTAL
01/01/2023						
Initial historical cost	40,283,990	2,450,316	49,001	2,097,000	133,927	45,014,234
Previous write-downs	-24,307,956	-46,311	-9,516	-2,097,000	-133,927	26,594,710
Initial net value	15,976,034	2,404,005	39,485	0	0	18,419,524
Changes in the period						
Acquisitions/increases	1		19,100	0	0	19,101
Disposals/decreases	0	-10,000	0	0	0	-10,000
Reclassifications	0	0	0	0	0	0
Write-downs	1,038,023		0	0	0	1,038,023
Total changes in the period	1,038,024	-10,000	19,100	0	0	1,047,124
31/12/2023						
Final historical cost	40,283,990	2,440,316	68,101	2,097,000	133,927	45,023,334
Final write-downs	-25,345,979	-46,311	-9,516	-2,097,000	-133,927	27,632,733
Final net value	14,938,011	2,394,005	58,585	0	0	17,390,601

The increase relating to equity investments in subsidiaries concerns the establishment, during the 2023 financial year, of Fagioli Australia.

The decrease in investments in associated companies for Euro 10,000 refers to the disinvestment of the investment in the Adriatic Consortium.

The increase in investments in other companies is related to the establishment of the M.T.M. consortium company established for the management of Mose maintenance works.

Information on investments in subsidiaries

The following table shows the investments relating to subsidiaries and the additional indications required by article 2427 of the Civil Code.

Values net of write-down provisions

Company Name	Cod. Val.	Equity and Result (amounts in currency)	Shareholding %	Book net value (Euro)	Equity attributable (Euro)	Equity - Cost Difference
Operating Companies						
Fagioli Usa Inc.	USD	Equity	100%	8,463,967	25,581,129	17,117,162
Houston (USA)	USD	Result				8,467,234
Fagioli Ltd	GBP	Equity	100%	0	-1,054,754	-1,054,754
Iver (GB)	GBP	Result				-2,390,007
Fagioli Polska	PLN	Equity	100%	5,607,056	4,960,445	-646,611
Katowice (Poland)	PLN	Result				-1,864,198
Fagioli Asia Pte Ltd	SGD	Equity	100%(*)	0	-1,693,662	-1,693,662
Singapore (Malaysia)	SGD	Result				-341,205
Fagioli India Private Ltd (a)	INR	Equity	100%(**)	300,000	2,359,999	2,059,999
Mumbai (India)	INR	Result				218,213,352
Fagioli Thailand Company Ltd	THB	Equity	100%(***)	0	-215,920	-215,920
Bangkok (Thailand)	THB	Result				-3,418,825
Mak Offshore Srl	EUR	Equity	100%	180,028	291,613	111,585
Venice (IT)	EUR	Result				-20,906
Fagioli South Africa (PTY) Ltd	ZAR	Equity	1.00		-292,470	-292,470
Johannesburg (SA)	ZAR	Result				-3,758,458
Fagioli Mozambique Lda	MZN	Equity	95%	0	-30,281	-30,281
Maputo (MOZ)	MZN	Result				-545,134
Fagioli Australia	AUD	Equity	51%	1	-38,374	-38,375
Sydney (AUS)	AUD	Result				-62,407
Fagioli Rus	RUB	Equity	100%	693	7,191	6,498
Moscow (RU)	RUB	Result				-1,945,648
Infrastructure Protection Engin. S.R.L.	EUR	Equity	51%	5,100	197,925	192,825
Turin (IT)	EUR	Result				167,164
Total operating companies				14,556,845		

(*) owned 52% by Fagioli Ltd and 48% by Fagioli S.p.A.

(**) owned 60% by Fagioli Ltd and 40% by Fagioli S.p.A.

(***) owned 79% by Fagioli Asia Ltd and 21% by Fagioli S.p.A.

Non-operating companies				
Daco Holding GMBH	EUR	n.a.	80%	-
Dusseldorf (D)	EUR	n.a.		
Fagioli GMBH	EUR	n.a.	100%	76,499
Nuremberg (D)	EUR	n.a.		
Fagioli Tunisia Sarl	TND	n.a.	99%	-
Tunisia	TND	n.a.		
Fagioli PSC Ltd	GBP	n.a.	100%	-
Iver (GB)	GBP	n.a.		
Fagioli Sarl	DZD	n.a.	99%	2,016
Algeria	DZD	n.a.		
Fagioli Libya S.p.A.	LYD	n.a.	65%	277,881
Tripoli (Libya)	LYD	n.a.		
Fagioli do Brasil Parts.Ltda	BRL	n.a.	99%	19,800
Rio de Janeiro (Brazil)	BRL	n.a.		
Fagioli Sarl (Tunisia)	TND	n.a.	99%	4,970
Tunisia	TND	n.a.		
Blau Shipping & Trading Ltd	CHF	n.a.	95%	-
Zurich (CH)	CHF	n.a.		
Total non-operating companies				381,166

The indication of the profit (loss) of the last year and of the shareholders' equity refer to the figures of the financial statements last approved or pending approval which, generally refer to 31 December 2023.

The column Equity-cost differences shows the difference, in Euro, between the book value of the investment in the financial statements and the valuation of the investment according to the equity method pursuant to article 2426, no. 4 CC and reflected in the consolidated financial statements.

Following the company strategy that envisages a reduction in the number of investments in companies whose markets no longer present opportunities for investment continuity, the shareholders and the new management have opted for a liquidation plan for the investee companies with the exception of those operating in the US, Canadian and Australian markets. Already in the first months of 2024, liquidation procedures concerning investments in subsidiaries, associates, other companies and branches have been activated. Against this strategic choice, defined in the first months of 2024, the Directors of the Company, if the difference between the book value of the investments and the relative shareholders' equity pertaining to the Company were negative, aligned this value to what was considered recoverable or to the shareholders' equity held, taking into account the realisable values of the assets recorded at 31 December 2023 in the subsidiaries. Any portion of negative equity of the Company's shareholdings was recorded among the provisions for risks to cover losses. This approach affected investments in Asia, Thailand, Fagioli Ltd, South Africa and Mozambique.

In particular, for Fagioli Asia Pte Ltd, the value of the investment was zeroed by recording a write-down of Euro 600

thousand and, jointly, recording among the provisions for risks to cover losses Euro 1,694 thousand, equal to the relative negative equity pertaining to the Company.

With regard to Fagioli Ltd, the value of the investment was zeroed by recording a write-down of Euro 432 thousand and, jointly, recording among the provisions for risks to cover losses Euro 1,055 thousand, equal to the relative negative equity pertaining to the Company.

From the analysis of the equity of Fagioli South Africa, the value of the investment was zeroed by recording a write-down of Euro 3 thousand and, jointly, recording among the provisions for risks to cover losses Euro 292 thousand, equal to the relative negative equity pertaining to the Company.

The analysis of the investment in Fagioli Mozambique has also revealed the need to fully write down the investment for Euro 3 thousand, and jointly, to record among the provisions for risks, to cover losses, Euro 30 thousand, equal to the relative negative equity pertaining to the Company.

With regard to the investment held in Fagioli Thailand, during the year 2023, the Company reclassified the provision for bad debts of Euro 980 thousand, allocated in 2022, to a provision for risks to cover losses by releasing the excess portion of Euro 764 thousand in the income statement in order to align this provision with the Company's negative equity.

This analysis reveals a negative differential of Fagioli Polska, being however with positive equity, after paying, in the year Euro 362 thousand of dividends to the Company; there are no elements of an impairment loss.

At 31 December 2023, Fagioli India Private Ltd had positive equity and the difference between the carrying value of the investment equal to Euro 300 thousand and the pro-quota equity of the company was positive for approximately Euro 2 million. The objective of the Fagioli Group is to also dispose of the investments in Fagioli India and in the JV Megaload, whose difference between the carrying value of the investment equal to Euro 1 thousand and the pro-quota shareholders' equity of the company is positive for Euro 11 thousand. Pending the completion of the liquidation process of the receivables that Fagioli Spa claims against its subsidiary (equal to Euro 3.8 million); the liquidation process is still in progress as it provides for the authorisation of the Indian Central Bank for the payment and/or clearing of foreign receivables following a thorough verification of the underlying documentation not yet concluded.

Information on investments in associates

The following table shows the investments relating to associates and the additional indications required by article 2427 of the Italian civil code.

Company Name	Val. Cod	Equity and Result	% ownership	Net book value (Euro)
Fasan Qeshm Co.	EUR	n.d.		0
Teheran - Iran	EUR	n.d.	50%	
Kestrel Italia S.r.l.	EUR	1.405.697		65.000
Genova	EUR	15.507	30%	
Transoceanic Fagioli JV Ltd	GBP	n.d.		745
Surbiton Surrey - UK	GBP	n.d.	50%	
Ponton Koper d.o.o.	EUR	2.204.450		1.303.750
Slovenia	EUR	188.287	50%	
A.F. Marine S.r.l.	EUR	2.676.090		1.005.000
Milano	EUR	79.637	50%	
Servizi Portuali Valdaro SRL	EUR	246.678		6.000
Mantova	EUR	147.824	50%	
Autovictor & Fagioli Cranes Srl	EUR	n.d.		0
Novara	EUR	n.d.	50%	
G4 soc.consortile a r.l.	EUR	200.000		12.500
Milano	EUR		25%	
Megaload Private Limited	INR	n.d.		1.000
India	INR	n.d.	49%	

Information on investments in other companies

This item refers for Euro 36 thousand to the investment in Cemat S.p.A. (0.25% of the share capital) and for Euro 3 thousand to the investment in Consorzio Realizzazione Impianti Venezia S.c.a.r.l. (3.33% of the share capital) and for 19 thousand (19.1% of the share capital) to the M.T.M Consortium Company established for the maintenance of the Mose.

Current assets

The following table shows for each asset item the initial balance, the changes of the year and the balances after year-end valuation.

Inventories

Inventories are represented as shown in the table below:

Inventories	31/12/2023	31/12/2022	changes
Raw and ancillary materials and consumables	1,826,453	1,774,718	51,735
Contract work in progress	16,848,469	18,289,123	-1,440,655
Finished products and goods	25,330	25,330	0
Total	18,700,251	20,089,171	-1,388,920

Contract work in progress decreased by approximately Euro 1.4 million compared to the previous year, due to the combined effect of the completion of some contracts, the start of work on new contracts and the adjustment of reserves and additional components based on the work completed in 2023.

It is noted that in line with the provisions of OIC 23, part of the contract work in progress at 31 December 2023 includes some requests for additional fees (so-called "Reserves") presented to some customers in the context of public works against higher costs incurred or variations carried out, however not yet formalised in additional deeds. These are fees added to the contractual total in the calculation of the value of the work in progress inventory, although these have not yet been formally accepted by the customer. The Directors, assisted by their own legal advisors, made a formal request for the Reserves to the customers according to the correct reference regulatory framework.

The value of these reserves (variants) included in the progress of work in progress is equal to Euro 1.9 million (in line with the amount at 31 December 2022).

Receivables

The following table shows the information related to changes in receivables recorded as current assets and, where relevant, information related to the expiry of the same.

Receivables	31/12/2023	31/12/2022	change
Receivables from customers within one year	25,810,307	31,776,170	-5,965,863
Receivables from subsidiaries within one year	24,406,324	21,661,644	2,744,680
Receivables from associates within one year	1,983,857	1,268,602	715,255
Receivables from parent companies within one year	721,567	142,945	578,622
Tax receivables within one year	7,243,407	5,561,625	1,681,782
Tax receivables beyond one year	556,703	353,249	203,454
Receivables for deferred tax assets within one year	3,179,945	3,113,454	66,491
Receivables from others within one year	994,648	184,218	810,430
Receivables from others beyond one year	1,034,802	1,446,658	-411,856
Total receivables	65,931,559	65,508,564	422,995

Receivables from third-party customers decreased compared to the previous year as the Company implemented a series of actions to recover receivables more incisive than in previous years.

At the end of the 2023 financial year, following the valuation at the presumed realisation value of receivables from customers, there were an allocation to the bad debt provision for a total of Euro 487 thousand, releases for Euro 60 thousand, uses for Euro 298 thousand and a reclassification from bad debt provision to hedge investments for Euro 980 thousand relating to receivables and related losses of Fagioli Thailand.

The receivables write-down provision, which at 31 December 2023 amounted to a total of Euro 2,564 thousand, is deemed appropriate with respect to the risk of non-collection of trade receivables on the basis of a specific recoverability analysis conducted by Management and based on the percentages of realisation of the individual situations that present risk profiles of collectability.

At 31 December 2023, factoring without recourse was made for an amount of Euro 11,087 thousand. (Euro 11,793 thousand at 31 December 2022), mainly for the most significant contracts. Trade receivables from subsidiaries, associates, parent companies and related companies, unless otherwise provided for, are regulated at market conditions .

The item Tax receivables within one year, which at 31/12/23 amounted to Euro 7,800 thousand, mainly consists of:

- VAT receivable of the Company, and its foreign permanent establishments for Euro 2,731 thousand;
- receivables from Tax Authorities for withholding tax for Euro 456 thousand, requested as reimbursement;
- receivables for VAT on bankruptcy proceedings for Euro 228 thousand;
- receivables for withholding tax for Euro 3,131 thousand;
- other tax receivables for Euro 1,253 thousand;
- Tax credits for investments 4.0 for Euro 1,080 thousand

With regard to tax receivables paid abroad, the value at 31 December of each year is carefully valued in order to assess recoverability on the basis of the Company's prospects of operating in the countries in which these taxes had been paid and only receivables considered recoverable over a period of 8 years are recorded.

Receivables for deferred tax assets

Reference is made to the following paragraph relating to the deferred tax liabilities provision.

Receivables from others

The following are details of receivables from other:

Other receivables	31/12/2023	31/12/2022	change
Receivables from others within one year; cost advances	44,302	59,287	-14,985
Advances to suppliers	20,169	26,954	-6,785
Receivables for contributions	0	32,042	-32,042
Payables to personnel and entities	10,036	10,988	-952
Payables to others within one year	920,141	54,947	865,194
Total other receivables within one year	994,648	184,218	810,430
Security deposits	545,414	333,892	211,522
Receivables from others beyond one year	489,387	1,112,766	-623,378
Total other receivables beyond one year	1,034,802	1,446,658	-411,856
Total other receivables	2,029,450	1,630,876	398,574

The item "Receivables from others within one year" is mainly represented by a receivable of Fagioli SpA from Fagioli Finance for Euro 900 thousand, present in the previous year in the item "Receivables from others beyond

one year", generated by an agreement between shareholders for which Fagioli SpA will pay (on behalf of Fagioli Finance) a settlement deed for a dispute that originated before the entry of the new majority shareholder into the corporate structure by December 2024.

Pursuant to article 2427, no. 6 of the civil code, the following table has been prepared showing the breakdown of receivables from customers, subsidiaries, parent companies and associates at the end of the year by geographical area, with evidence of the related write-down provisions.

The table that provides a breakdown by geographical area of other receivables of current assets at the end of the year, as required by article 2427, no. 6 of the civil code, has not been prepared because almost all the debtors are national residents and therefore, it is not significant.

Receivables by geographical area	2023	Comp. %
Receivables from customers		
Italy	16,192,191	63%
<i>Italy provision</i>	-1,123,357	-4%
EU	2,106,608	8%
<i>EU provision</i>	-157,847	-1%
Non-EU	9,345,810	36%
<i>Non-EU provision</i>	-553,098	-2%
Total receivables from customers	25,810,307	100%
Receivables from subsidiaries		
Italy	290,874	1%
<i>Italy provision</i>	-243,143	
EU	333,943	2%
NON-EU	24,511,438	100%
<i>Non-EU provision</i>	-486,788	-2%
Total receivables from subsidiaries	24,406,324	100%
Receivables from associates		
Italy	1,310,674	66%
EU		0%
NON-EU	673,183	34%
Total receivables from associates	1,983,857	100%
Receivables from parent companies		
Italy	721,567	100%
EU		0%
NON-EU		0%
Total receivables from parent companies	721,567	100%
Total receivables	52,922,055	100%

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value.

	31/12/2023	31/12/2022	change
Bank and postal deposits	18,339,604	18,741,968	402,364
Cash and equivalents on hand	12,771	14,791	2,020
Total	18,352,375	18,756,759	404,384

Ratei e risconti attivi

The item "Deferred assets on services" recorded an increase compared to the previous year due to a cost per sea freight pertaining to the following year.

Accrued and deferred assets	31/12/2023	31/12/2022	change
Accrued assets on other			0
<u>Total short-term accruals</u>			0
Deferred assets on leases	121,878	59,166	-62,712
Deferred assets on insurance	358,503	257,469	-101,034
Deferred assets on services	903,716	186,321	-717,395
Deferred assets on other	452,731	398,230	-54,500
Deferred assets on interest	75,574	143,385	67,810
<u>Total short-term deferrals</u>	<u>1,912,402</u>	<u>1,044,572</u>	-867,830
Deferred assets beyond 12 months	244,786	206,095	-38,691
<u>Total long-term accruals and deferrals</u>	<u>244,786</u>	<u>206,095</u>	-38,691
Total	2,157,188	1,250,666	-906,522

LIABILITIES AND SHAREHOLDERS' EQUITY

The items are recorded in the Financial Statements at the book value in accordance with the indications contained in accounting standard OIC 28.

Changes in equity items

With reference to the year ending, the following tables show changes in individual items of equity and a breakdown of other reserves. As required by article 2427, no. 4 of the civil code, the following table shows changes in shareholders' equity items in the previous three financial years.

Changes in Equity	Capital share	Reserve legal	Reserve exchange rate adj.	Reserve as per art. 55/917	Contributions capital	Reserve rounding	Profit/loss carried forward	Result of the year	Total Equity
Values at 31/12/20	18,299,500	0	0	204	545,000	0	0	1,079,835	19,924,539
Allocation result		53,992					1,025,842	-1,079,834	0
Capital contributions									0
Reclassifications									0
Uses									0
Change rounding reserve									0
Result of the year								3,046,094	3,046,094
Values at 31/12/21	18,299,500	53,992	0	204	545,000	0	1,025,842	3,046,095	22,970,633
Allocation result		152,305					2,893,790	-3,046,095	0
Capital contributions									0
Reclassifications									0
Uses									0
Change rounding reserve									0
Result of the year								2,261,008	2,261,008
Values at 31/12/22	18,299,500	206,297	0	204	545,000	0	3,919,632	2,261,008	25,231,642
Allocation result							2,261,008		0
Capital contributions									0
Reclassifications									0
Uses									0
Change rounding reserve									0
Result of the year								-3,915,662	-3,915,662
Values at 31/12/23	18,299,500	206,297	0	204	545,000	0	6,180,640	-3,915,662	21,315,980

The change in 2023 is attributable to the carry-forward of the previous year's profit.

Share capital

The share capital of Fagioli S.p.A. consists entirely of 36,599 ordinary shares with nominal value of Euro 500 each, for a total of Euro 18,299,500.

Availability and use of shareholders' equity

The equity items are analytically indicated in the following table, with specification of their origin, possibility of use and distributability, as well as the use made of them in previous financial years.

Nature/description	Amount	Possibility of use			Distributable reserves	Restricted by the Law	Notes
		capital increase	loss coverage	shareholder distribution			
Share capital	18,299,500						
Reserves:							
Legal reserve	206,297		x			206,297	(1)
Capital contributions	545,000	x	x	x	545,000		
Reserve pursuant to article 55 Presidential Decree 917/86	204	x	x	x	204		(2)
Exchange rate adjustment reserve		x	x				(3)
Rounding reserve	1						
Total reserves	751,502				545,204	206,297	
Profits (losses) carried forward	6,180,640						
Profit (loss) of the year	-3,915,662						
TOTAL	21,315,980				545,204	206,297	

(1) Not available until the legal reserve has reached 20% of the share capital (article 2430 CC).

(2) Reserve under tax suspension from a fiscal point of view, subject to taxation by the company/shareholders in the event of distribution.

(3) The exchange rate adjustment reserve is non-distributable until realisation (article 2426, no. 8-bis CC)

Treasury shares

The company does not hold and did not purchase or sell treasury or parent company shares or units during the year, not even through trust companies or third parties.

Provisions for risks and charges

In 2023, this item changed as follows:

Provisions for risks and charges	31/12/2022	Allocations	Reclassifications	Uses	Releases	31/12/2023
Provision for pensions	20,859	15,402		-14,014		22,247
Deferred tax provision	1,346,678	109,058		-198,367		1,257,368
Personnel restructuring provision	40,000					40,000
Provision for legal dispute risks/liquid. co.	1,033,000	890,000		-33,000	-40,000	1,850,000
Provision for investee coverage		3,290,143				3,290,143
Total	2,440,537	4,304,603		-245,381	-40,000	6,459,758

With reference to legal disputes and liquidation expenses of investee companies, it is noted that the following changes occurred during the year:

- Following the liquidation of Autovictor & Fagioli Cranes, a provision of Euro 33 thousand was set aside during 2022 to cover the expenses of the liquidation, used entirely in 2023;
- A further provision of Euro 40 thousand was recognised for the dispute with the transport company Fesco.
- A provision for risks relating to a case was issued at the Court of Crotone for Euro 40 thousand. Therefore, at 31 December 2023, the portion of the provisions for risks attributable to it is equal to Euro 110 thousand.
- Following certain technical problems encountered in the use of a crane held for hire that led to damage to the cables of the same, the Company decided to prudentially allocate a provision for risks of Euro 850 thousand to cover the restoration of the aforementioned cables, pending verification of responsibilities.

With reference to the legal disputes already recognised during the previous year amounting to Euro 1,000 thousand, of which Euro 600 thousand with some Korean suppliers, there have been no updates compared to the previous year. Therefore, the provision set aside in the financial statements is deemed appropriate.

During the 2022 financial year, Fagioli filed a claim for damages against a supplier for significant disservices and delays in the execution of the works commissioned as part of a contract, as well as for expenses incurred by the Company in place of the supplier itself. Subsequently, the Company received, from the same supplier, debit requests for the alleged execution of additional work not authorised by the Company. The Directors, also through the support of their legal advisors, believe that no liabilities to be accounted for also in the financial statements at 31 December 2023 can emerge from the aforementioned disputes.

In relation to the personal restructuring provision, it is noted that no further allocations were made in 2023 against the commitments made.

As regards the item "Provision for investee coverage", reference is made to as already exhaustively reported in the paragraph "Information on investments in subsidiaries".

With reference to article 2427-bis, paragraph 1, point 1-b, it is specified that at the end of 2023, there are no financial derivative instruments.

Deferred tax provision

The provision was allocated to record the allocation of taxes relating to temporary differences that are taxable in future years on the basis of current tax regulations. Below are the changes in the year of both receivables for deferred tax assets and of the deferred tax liabilities provision, reporting, as required by article 2427, no. 14 CC, a summary of the temporary differences that gave rise to deferred tax liabilities and assets.

Taxable amount						IRES				
Deferred tax assets										
Description	Balance 31/12/2022	adjustments from Unico 2023	Return 2023	Increase 2023	Balance 31/12/2023	Balance 31/12/2022	adjustments from Unico 2023	Return 2023	Increase 2023	Balance 31/12/2023
Negative exchange rate adjustment	1,263,215	(482,597)		207,570	988,189	303,171	(115,823)		49,817	237,165
Provision for bad debts taxed	2,222,952	926,247	(1,337,979)	3,607	1,814,827	533,508	222,300	(321,115)	866	435,559
Redundancy incentives provision	40,000				40,000	9,600				9,600
Provision for legal dispute risks	1,033,000		(73,000)	890,000	1,850,000	288,207		(17,520)	245,463	516,150
Write-down inventories	421,854				421,854	101,245				101,245
Write-down tangible assets	173,093				173,093	41,542				41,542
Directors' fees not paid	300,000		(7,813)	69,000	361,187	72,000		(1,875)	16,560	86,685
Loyalty risk premium provision	20,859		(14,013)	15,402	22,248	5,007		(3,363)	3,696	5,340
Contribution various associations				31,140	31,140				7,474	7,474
MBO bonuses				213,118	213,118				51,148	51,148
Tax loss before CNM	6,050,469				6,050,469	1,452,114		(2)		1,452,112
Previous tax losses 2021	1,130,090	(220,104)			909,986	271,222	(52,825)			218,397
Unpaid dividends	149,327		(149,327)	73,036	73,036	35,838		(35,838)	17,529	17,529
TOTAL	12,804,859	223,546	(1,582,132)	1,502,873	12,949,146	3,113,454	53,650	(379,712)	392,553	3,179,945

Taxable amount						IRES				
Deferred tax liabilities										
Description	Balance 31/12/2022	adjustments from Unico 2023	Return 2023	Increase 2023	Balance 31/12/2023	Balance 31/12/2022	adjustments from Unico 2023	Return 2023	Increase 2023	Balance 31/12/2023
Positive exchange rate adjustment	2,946,244	329,965	(826,529)	11,859	2,461,539	707,100	79,192	(198,367)	2,846	590,769
Gains	2,664,910	2	(1,099,987)	1,212,571	2,777,496	639,579		(263,997)	291,017	666,599
TOTAL	5,611,154	329,967	(1,926,516)	1,224,430	5,239,035	1,346,678	79,192	(462,364)	293,863	1,257,368

In 2023, the final IRES tax loss amounted to Euro 0.3 million (tax effect equal to Euro 0.07 million). Against this loss, the Directors decided not to allocate further receivables for deferred tax assets in the financial statements at 31 December 2023.

Furthermore, the Directors assessed the conditions for the recoverability of the deferred tax assets on the losses recorded at the beginning of the financial year on the basis of the reasonable certainty of their future recovery taking into account the projection of the economic results included in the forecast data of the Company, which shows the recoverability of the deferred tax assets recorded at 31 December 2023.

Employee severance indemnity (TFR)

The TFR was calculated in accordance with the provisions of article 2120 of the Civil Code, taking into account the legislative provisions and specificities of contracts and professional categories, and includes the annual portions accrued and the revaluations carried out on the basis of ISTAT coefficients.

Breakdown TFR at 31/12/2023

Employee severance indemnity (TFR)	Provision at 31/12/2023
Executives provision	-93,517
Employees provision	-799,886
Workers/drivers provision	-517,573
Total TFR	-1,410,977

Change TFR at 31/12/2023

Employee severance indemnity (TFR)	Changes
Provision at 31/12/2022	1,510,555
Allocation of the year	526,798
Uses/Disbursements/Contributions Treasury and Compl. Provision	-626,376
Total TFR at 31/12/2023	1,410,977

The amount of the provision is recorded net of advances paid and portions used for terminations of employment during the year and represents the actual payable in respect of employees at the reporting date.

This item shows, for each category of employees, the amount and changes during the year.

Payables

Payables are stated at their nominal value, adjusted if necessary on the occasion of subsequent changes.

The following table shows the information related to changes in the payables and any information related to the expiration of the same.

For each liability item other than provisions, the table shows the initial balance, the changes of the year and the balances at the end of the tax period.

Payables	31/12/2023	31/12/2022	change
Payables to shareholders for loans			0
Due within one year			0
Due beyond one year			0
Total payables to shareholders for loans			0
Payables to banks			0
Due within one year	30,011,138	31,954,395	-1,943,257
Due beyond one year	23,350,648	32,489,910	-9,139,262
Total payables to banks	53,361,786	64,444,305	-11,082,519
Payables to other lenders			0
Due within one year	865,363	865,363	0
Due beyond one year			0
Total payables to other lenders	865,363	865,363	0
Advances			0
Due within one year	3,498,597	2,642,932	855,665
Total advances	3,498,597	2,642,932	855,665
Payables to suppliers			0
Due within one year	48,172,543	42,648,340	5,524,203
Due beyond one year	0	0	0
Total payables to suppliers	48,172,543	42,648,340	5,524,203
Payables to subsidiaries			0
Due within one year	9,883,991	10,785,985	-901,994
Total payables to subsidiaries	9,883,991	10,785,985	-901,994
Payables to associated companies			0
Due within one year	534,408	509,618	24,790
Total payables to associated companies	534,408	509,618	24,790
Payables to parent companies			0
Due within one year	0	0	0
Total payables to parent companies	0	0	0
Payables to companies subject to the control of the parent companies			0
Due within one year	0	0	0
Total payables to companies subject to the control of the parent companies	0	0	0
Tax payables			0
Due within one year	1,356,003	1,184,860	171,143
Total tax payables	1,356,003	1,184,860	171,143
Payables to social security institutions			0
Due within one year	963,993	926,834	37,159
Due beyond one year	0	0	0
Total payables to social security institutions	963,993	926,834	37,159

Other payables			0
Due within one year	5,572,598	4,306,845	1,265,753
Due beyond one year	29,829	929,829	-900,000
Total other payables	5,602,427	5,236,674	365,753
Total payables	124,239,111	129,244,911	-5,005,800

Payables to banks within one year are represented by current account overdrafts and advances (all falling within credit limits), and by the portions of medium and long-term loans, of which 9 million relating to the installments of the SACE loan of original Euro 36 million was repaid.

Below is the detailed statement of outstanding lines at 31/12/2023:

Payables to banks	Short-term portion	M/L-term portion	Total
Payables represented by mortgages	174,478	825,522	1,000,000
Payables represented by ML loans	10,000,000	22,525,126	32,525,126
Sub total loans	10,174,478	23,350,648	33,525,126
Payables represented by account loans, hot money, invoice advances and related	19,836,660		19,836,660
Sub total Other Forms of financing	19,836,660		19,836,660
TOTALS	30,011,138	23,350,648	53,361,786

The detail of ML loans is as follows:

Bank	Line	Start date	Maturity date	Rate	Original amount	Net value at 31/12/2023
Banca pop Milano	Mortgage	14/11/2023	08/11/2027	3-month Euribor + spread	1,000,000	1,000,000
BNL	MLT Loan	01/07/2022	30/06/2028	3-month Euribor + spread	8,000,000	7,931,871
Pool of Banks	MLT Loan	09/10/2020	30/09/2026	3-month Euribor + spread	36,000,000	24,593,255
Totals					45,000,000	33,525,126

In continuity with the previous year, the main source of long-term financing of the company is the loan disbursed in October 2020 for an amount of Euro 36 million, maturing in September 2026. The loan is backed by a SACE guarantee and disbursed by a pool of banks (BNL, BPM, Unicredit, BPER) with a rate equal to the three-month Euribor plus an additional cost (consisting of spreads and guarantee commissions), increasing according to time, equal to a total of 235 basis points in the first 2 years of the loan, up to 385 basis points after the 4th year. It should be noted that the amortisation plan provides for repayments of capital starting from the end of 2022, in quarterly installments.

At the end of June 2022, a further loan of Euro 8 million was taken out, also long-term maturing in June 2028, and assisted by a SACE guarantee and disbursed by BNL at a rate equal to the three-month Euribor plus an additional cost (consisting of spreads and guarantee commissions) increasing over time, equal to a total of 245 basis points in the first year of the life of the loan, reaching 395 basis points starting from the 4th year. The amortisation plan provides for repayments of capital starting from September 2024, in quarterly installments.

According to the provisions of article 2426 of the civil code and OIC 19, the financial payable is recognised in the accounts according to the amortised cost criterion. It is noted that the loans of Euro 36 million disbursed by the pool of banks and Euro 8 million disbursed by BNL are subject to compliance with certain financial constraints (covenants) with respect to the figures in the consolidated financial statements of the Fagioli Spa Group which, with reference to 2023, have been complied with.

During the 2023 financial year, the Unicredit mortgage was completely settled and a new mortgage of Euro 1 million was taken out with Banca Popolare di Milano with a maturity of November 2027.

The item Advances mainly includes advances relating to long-term contracts.

The item "Payables to subsidiaries" recorded a reduction of Euro 901 thousand following compensation with Fagioli Inc..

The item "payables to suppliers" includes Euro 734 thousand for invoices received from suppliers in relation to higher costs invoiced to the Company by the same that are not contracted, and therefore not accepted by the Company. Said payable was the subject of an injunction against which the Company filed an objection. The Directors supported by the opinion of their legal advisors decided not to recognise the payable since, as previously mentioned, it was deemed not due. Therefore, in the financial statements at 31 December 2022, credit notes to be received for the same amount from the same suppliers were recorded. During 2023, there were no circumstances such that it was considered to continue to maintain this approach even in the financial statements at 31.12.2023

Payables to suppliers at 31 December 2023 include Euro 4.1 million recorded in previous years to a supplier subject to dispute between the Company and the supplier. The Directors of the company, supported by their own legal advisors, believe that there are no additional liabilities that may arise from this dispute not recorded among the liabilities at 31 December 2023.

The item "Other payables" includes a payable for a dispute contracted by Fagioli Finance and which, following an agreement between the shareholders, Fagioli SpA undertakes to advance the payment of Euro 900 thousand on behalf of the minority shareholder. As previously reported in the other receivables section, we find the receivable item in favour of the shareholder Fagioli Finance for the same amount of Euro 900 thousand. These payables and receivables were allocated in the financial statements at 31.12.2022 and did not undergo any changes during the 2023 financial year.

Breakdown of payables by geographical area

Pursuant to article 2427, no. 6 of the Civil Code, the following table is provided showing the breakdown by geographical area of payables to suppliers including those to investee companies.

Payables by geographical area	2023	Comp. %
Payables to suppliers		
Italy	24,012,356	56.53%
EU	9,571,153	22.53%
Non-EU	8,892,302	20.93%
Total payables to suppliers	42,475,811	100%
Payables to subsidiaries		
Italy	491,062	5.3%
EU	4,791,528	52%
NON-EU	3,937,399	43%
Total payables to subsidiaries	9,219,989	100%
Payables to associated companies		
Italy	532,678	100%
NON-EU		0%
Total payables to associated companies	532,678	100%
Total payables to parent companies	0	0%
Total payables	52,228,478	100%

Payables to social security institutions are represented as follows:

Payables to social security institutions	31/12/2023	31/12/2022	change
Payables to INPS within one year	728,527	728,742	-215
Other social security payables	235,467	198,092	37,374
Total social security payables within one year	963,993	926,834	37,159
Payables to INPS beyond one year	0	0	0
Total social security payables within one year	0	0	0
Total payables to social security institutions	963,993	926,834	37,159

Other payables are as follows:

Other payables	31/12/2023	31/12/2022	change
Payables to personnel	3,885,492	3,535,924	349,567
Payables to auditors	101,942	102,000	-58
Other payables due within one year	1,223,978	348,942	875,036
Payables to Directors	361,187	319,978	41,209
Total Other payables due within one year	5,572,598	4,306,845	1,265,754
Other payables due beyond one year: security deposits	29,829	29,829	0
Other payables beyond one year	0	900,000	-900,000
Total Other payables due beyond one year	29,829	929,829	-900,000
Total other payables	5,602,427	5,236,674	365,753

The item "Payables to personnel" includes salaries for Euro 881 thousand, bonuses to employees for Euro 888 thousand and for a total of Euro 2,116 thousand for vacation accruals, thirteenth and fourteenth months. Payables

do not have values with residual duration greater than five years and they are not backed by real guarantees on corporate assets.

The item "Other payables due within one year", amounting to Euro 1,224 thousand, mainly includes the aforementioned transaction with a supplier for Euro 900 thousand, generated before the entry of the new majority shareholder, for which the company has a receivable from Fagioli Finance by virtue of an agreement between shareholders that provides for and will be payable on 31 December 2024 or in case of exit of the majority shareholder, if prior to said date.

Accrued and deferred liabilities

Below is the detail of the items recorded in the financial statements, with breakdown and comparison with the previous year.

Accrued and deferred liabilities	31/12/2023	31/12/2022	change
Accrued liabilities on interest expenses	110,920	110,920	0
Other accrued liabilities	2,674,408	1,843,321	831,087
Accrued liabilities within one year	2,785,328	1,954,241	831,087
Deferred liabilities on other within one year	1,216,732	312,490	904,242
Deferred liabilities within one year	1,216,732	312,490	904,242
Total accruals and deferrals within one year	4,002,060	2,266,730	1,735,329
Accrued liabilities beyond one year			
Deferred liabilities on contributions beyond 12 months	1,454,837	918,447	536,390
Total accruals and deferrals beyond one year	1,454,837	918,447	536,390
Total accrued and deferred liabilities	5,456,897	3,185,177	2,271,720

The item Other accrued liabilities mainly refers to rental contracts of some vehicles for Euro 1,082 thousand with final purchase obligation and represents the sum of the capital portions to be repaid during the loan and for Euro 905 thousand to the deferral of a sale of axes and PPU the transfer of which will take place in the 2024 financial year.

The increase recorded under the item "deferred liabilities on other within one year" refers to the deferred income for transport pertaining to 2024 to the company Fagioli Asia.

The item "Deferred liabilities on contributions beyond one year" refers to the deferred contribution of the tax credit 4.0.

Income Statement

Revenues, income, costs and expenses are recorded in the financial statements as required by article 2425-bis of the Civil Code.

Production value

The breakdown of revenues from services and other income is as follows:

Production value	2023	2022	change
Revenues from sales and services:			
Normal shipping	205,867	211,012	-5,145
Exceptional transport	32,283,080	27,097,853	5,185,227
Shipping for plant engineering	25,130,518	29,941,441	-4,810,924
Maritime transport and rescue services	0	218,080	-218,080
River transport	428,653	221,343	207,310
Warehousing, logistics	1,497,291	1,313,536	183,754
Other services, rentals	116,852	394,343	-277,491
Revenues from lifting and large handling	68,943,338	64,974,192	3,969,145
Total	128,605,598	124,371,800	4,233,797
Change in contract work in progress	-1,440,655	-2,582,571	1,141,916
Increases in assets for internal work	646,306	470,610	175,696
Contributions in the year	288,302	236,026	52,276
Other revenues and income	1,971,952	1,801,734	170,218
Other revenues and income: gains	2,388,293	1,928,911	459,382
Contingent and extraordinary assets	56,692	143,090	-86,398
Other revenues and income: rec. for claims and insurance comp.	211,722	447,801	-236,080
Other revenues and income: reversals maritime freight	0	0	0
Recovery costs/expenses	18,942	21,093	-2,151
Other revenues and income: lease income	627,983	730,486	-102,503
Other revenues and income: sale of workshop material and packaging	1,673,944	719,179	954,765
Other revenues and income: penalties charged to customers	0	0	0
Customs clearance	0	0	0
Total	6,949,527	5,792,293	1,157,234
Total	135,049,078	128,288,159	6,760,919

Revenues from sales and services of Fagioli SpA increased from Euro 124,372 thousand to Euro 128,606 thousand (+3.4%). Volume growth linked to the performance of HHL and HRT (+5.2% and +20.6% respectively) more than compensated for the missing volumes of the PFW division (-14.8%). The percentage margin was affected by a greater use of external resources, partly due to overlapping in the execution of some projects.

The value of the inventories includes Reserves (variants) included in the progress of work in progress amounting to approximately Euro 2 million. For more information, please refer to the more detailed comment above.

Breakdown of revenues from sales and services by geographical area

As required by article 2427 of the Civil Code, below is also the distribution of sales and services according to geographic areas, capable of completing the framework of information necessary to be able to appreciate the company's operations:

Revenues by geographical area	2023	2022	2021
Italy	44%	44%	42%
EU	32%	20%	10%
Non-EU	24%	36%	48%
Total	100%	100%	100%

Production costs

Costs and expenses are recognised on an accrual basis, in accordance with the principle of correlation with revenues, and recorded under the respective items in accordance with accounting standard IAB 12.

Cost of raw, ancillary and consumable materials

These amounted to Euro 12,652 thousand (in 2022, Euro 10,727 thousand) and include the costs incurred for the purchase of workshop material, spare parts for vehicles, tires, fuels and lubricants. The increase in raw material costs is attributable to a trend of increasing raw material costs in general and an high inflation rate in the Eurozone.

Costs for raw materials	2023	2022	change
Fuels and lubricants	2,138,247	1,730,631	407,616
Spare parts	1,099,480	1,448,054	-348,574
Various equipment	333,051	68,804	264,247
Workshop consumables	2,757,052	1,848,458	908,593
Various workshop	6,325,086	5,631,430	693,656
Total	12,652,915	10,727,377	1,925,538

Costs for services

They amounted to Euro 78,650 thousand (Euro 81,381 thousand in 2022) and include:

Costs for services	2023	2022	change
Costs for freight and auxiliary services	33,735,059	42,482,013	-8,746,954
Costs for rentals	21,007,779	18,766,306	2,241,472
Permits, authorisations and customs operations	1,627,703	1,193,650	434,053
Transport, handling and lifting costs and operations	6,671,536	4,713,559	1,957,977
Consultancy and professional services	3,948,747	3,540,531	408,216
General services	4,236,713	3,413,661	823,052
Asset fleet maintenance	1,642,941	1,725,983	-83,042
Insurance	2,348,809	2,195,748	153,062
Personnel services, travel expenses	2,410,290	2,332,253	78,037
External contract work	-	-	0
Bank and factoring charges and fees	484,985	517,486	-32,501
Directors' fees	240,000	240,000	0
Promotional advertising and representation expenses	164,693	135,583	29,110
Remuneration coordinated and continuous collaborators	77,900	72,900	5,000
Auditors' fees	53,000	51,000	2,000
Total	78,650,155	81,380,674	-2,730,519

Costs for services decreased compared to 2023, as further described in the Report on Operations, to which reference is made.

The main change is attributable to the reduction in the item "Costs for freight and ancillary services" of Euro 8,746 thousand due to the lower turnover of the Project Forwarding BU, which continues to decrease during the years.

Costs for rents and leases

These amounted to Euro 12,486 thousand (in 2022, Euro 6,966 thousand), of which Euro 4,872 thousand relating to lease fees for the leased properties and offices where business is carried out. Financial lease installments amounted to Euro 907 thousand, up compared to the previous year, due to the stipulation of some lease contracts.

Personnel costs

Personnel costs amounted to Euro 24,994 thousand (Euro 23,388 thousand in 2022), an increase of 1.6 million compared to the previous year, mainly due to the contractual renewal that took place during the year; in particular, it affected operating personnel costs, which represent the majority of the Company's personnel. All the elements of indemnity (night, duty and travel, etc.) have increased compared to the previous contract with a view to adjusting for expensive life and inflation that has deteriorated real purchasing power, such as hotel reimbursement. Collective wage structures have also been created for site engineers, site managers and project managers in order to standardise treatments as much as possible and make them fair and pursue the predetermined substance. Among the new hires, an impact was certainly from the new BH project, which from May onwards, has seen the dedicated hiring between direct and administered of about 13 people; net of these, incoming and outgoing personnel more or less at HC level are equivalent. There have also been salary increases at the transversal level of the structure.

Amortisation, depreciation and write-downs

Amortisation of intangible assets amounted to Euro 579 thousand (Euro 594 thousand in 2022). Depreciation of tangible assets were calculated on the basis of the useful life of the individual assets and their use in the production cycle.

Depreciation of tangible assets	2023	2022	change
Depreciation of commercial and industrial equipment	559,683	602,515	-42,832
Depreciation of vehicles	1,248,606	1,459,639	-211,032
Depreciation of fleet	98,720	81,162	17,558
Depreciation of railway carts	56,233	56,233	0
Depreciation of plants and machinery	1,770,194	1,692,606	77,588
Total	3,733,437	3,892,155	-158,718

Changes in inventories

There was an increase in inventory of raw and ancillary materials, consumables and goods of Euro 52 thousand.

Provisions for risks

As regards the provisions for the year amounting to Euro 890 thousand, reference is made to as exhaustively reported in the paragraph on provisions for risks.

Other operating expenses

They include costs of a heterogeneous nature not otherwise classifiable in the other items of class B of the income statement for Euro 2,302 thousand relating to contingencies, losses, losses on receivables, taxes and local duties.

Other operating expenses	2023	2022	change
Taxes other than income taxes	163,572	148,191	15,381
Non-deductible duties and taxes	408,696		408,696
Membership fees	246,275	215,512	30,763
Contingent and extraordinary liabilities	349,918	42,518	307,400
Other expenses	1,133,429	979,131	154,298
Total	2,301,889	1,385,352	916,537

The increase of 409 thousand in the item "Non-deductible taxes and duties" refers to receivables for withholding taxes relating to the dividends of Fagioli Inc not recoverable.

Financial income and expenses

We summarize the financial income and expenses, as per article 2425, letter C of the Civil Code, with the comparison with the previous year.

Income from investments

Breakdown and change compared to 2022:

Income from investments	2023	2022	change
Dividends from subsidiaries	7,601,835	6,650,430	951,405
Gains on disposal of investments	0		0
Total	7,601,835	6,650,430	951,405

The item Income from investments from subsidiaries includes the dividends approved by the company Fagioli Inc. for about Euro 7.2 million and Fagioli Polska Sp.z.o.o. for Euro 362 thousand.

Other financial income

Breakdown of the balance:

Other financial income	2023	2022	change
Interest income on bank deposits	1,718	1,636	82
Total other financial income	1,718	1,636	82

Interest and other financial expenses

Breakdown of the balance:

Interest and other financial expenses	2023	2022	change
Interest and other financial expenses from subsidiaries	107,366	85,052	22,314
Interest expenses on short-term loans	1,599,683	822,389	777,294
Interest expense on mortgages	2,508,210	1,500,340	1,007,870
Interest expenses bank account and charges	267,631	148,956	118,675
Other financial expenses	946,624	623,779	322,845
Total	5,429,514	3,180,516	2,248,998

The item Interest and other financial expenses from subsidiaries for Euro 107 thousand includes interest applied to the loan granted by the subsidiary Fagioli Inc.

There was an increase compared to 2022 in interest expense on mortgages and short-term loans due to the increase in interest rates applied compared to the previous year.

Exchange rate gains and losses

Breakdown of the balance:

Exchange rate gains and losses	2023	2022	change
Positive trade exchange rate differences	772,483	2,205,740	-1,433,258
Positive financial exchange rate differences	1,478,230	1,563,540	-85,310
Exchange rate difference gains	2,250,713	3,769,280	-1,518,568
Negative trade exchange rate differences	-927,451	-1,574,718	647,267
Negative financial exchange rate differences	-1,123,076	-2,116,608	993,532
Exchange rate difference losses	-2,050,527	-3,691,326	1,640,799
Exchange rate adjustments at year-end:			
Unrealised exchange rate gains	11,859	589,684	-577,825
Unrealised exchange rate losses	-207,570	-776,088	568,518
Total exchange rate gains and losses	4,475	-108,450	112,924

Pursuant to article 2426, no. 8-bis of the Civil Code, the company recorded assets and liabilities in currency at the year-end exchange rate, with the exception of fixed assets. Related adjustment gains and losses were recognised in the income statement.

Value adjustments of financial assets

Breakdown and change compared to 2022:

Value adjustments of financial assets	31/12/2023	31/12/2022	change
Losses from associate investments		-5,000	5,000
Revaluation subsidiary investments	764,080	300,000	464,080
Release of provisions		150,000	-150,000
Write-down of investments in subsidiaries	-4,112,246	0	-4,112,246
Total	-3,348,166	445,000	-3,793,166

As already described in the chapter relating to investments in subsidiaries, in 2023, the values of the investments were adjusted to the value considered recoverable or to the equity pertaining to the Company of the investments Fagioli Asia, Fagioli Thailand, Fagioli Ltd, Fagioli South Africa and Fagioli Mozambique by zeroing the value of the same and jointly allocating a specific provision to cover losses, depending on the company strategy, which envisages reducing the number of investments and focusing more on the development of the US and Australian markets. For further information, see the paragraph "Information on investments in subsidiaries".

Income taxes for the year, current and deferred tax liabilities and assets

Below is the detail of the breakdown of taxes for the year and the related comparison with the year 2023:

Income taxes	31/12/2023	31/12/2022	change
Income taxes of the year: IRES			
Income taxes of the year: IRAP	166,536	202,686	-36,150
Total current taxes	166,536	202,686	-36,150
Direct taxes related to previous years	666,989	2,442	664,547
Sanctions on direct taxes previous years	35,396	104	35,292
Total taxes related to previous years	702,384	2,546	699,838
Ascertainment of deferred tax assets IRES	42,566	64,532	-21,966
Allocation deferred tax liabilities IRES			0
Reversal receivables for deferred tax assets IRES			0
Use deferred tax assets/deferred tax liabilities IRES	0	102,613	-102,613
Total deferred tax liabilities and assets	42,566	167,145	-124,579
Total income taxes of the year	911,486	372,377	539,109

Below is the breakdown between tax charge IRES from financial statements and theoretical tax charge:

	Taxable amount	tax
Pre-tax result	(3,004,175)	
Theoretical tax expense IRES (24%)		(721,002)
Permanent increase reversals:		
Contingent liabilities	969,645	
Non-deductible vehicle costs	226,811	
Dividends from subsidiaries	307,056	
Non-deductible duties and taxes	408,696	
Sanctions and other non-deductible expenses	76,140	
Other	157,571	
	2,145,920	515,021
Permanent decrease reversals		
Dividends from subsidiaries	(6,141,114)	
Super-depreciation	(22,644)	
Tax credit - investments 4.0	(145,783)	
Deductions IRAP from IRES	(208,606)	
Other	(154,540)	
	(6,672,687)	(1,601,445)
Temporary increase reversals		
Write-downs and provisions for risks	893,607	
Negative exchange rate adjustment	207,570	
Directors' fees not paid	69,000	
Loyalty risk premium provision	228,520	
Non-deductible interest expense	4,906,034	
Unpaid membership fees	31,140	
	6,335,871	1,520,609
Increase reversals due to the return of previous temporary differences		
Gains	1,403,130	
Dividends 2022 paid 2023	149,327	
Write-downs investments	3,290,143	
	4,842,599	1,162,224
Decrease reversals due to the return of previous temporary differences		
Foreign exchange losses previous years		
Allocations/uses provisions	(146,013)	
Revaluation investment	(764,080)	
Other	(36,790)	
	(946,884)	(227,252)
Temporary decrease reversals		
Positive exchange rate adjustment	(11,859)	
Unpaid dividends	(1,460,721)	
Gains 2023	(1,515,714)	
	(2,988,294)	(717,191)
Taxable IRES before use of tax losses	(287,649)	(69,036)
Use of tax losses (80%)	-	-
Taxable amount and IRES from financial statements	(287,649)	(69,036)

Below is the reconciliation between Difference between production value and costs A-B and Taxable IRAP:

IRAP - Reconciliation between Difference between production value and costs A-B and Taxable IRAP

	Taxable amount
Gross taxable IRAP (A-B)	24,928,311
Theoretical tax expense IRAP (3.9%)	972,204
Permanent increase reversals	
Contingencies and extraordinary items previous years	41,351
Fines/Penalties	36,693
Losses on receivables	184,204
Remuneration of Directors	257,103
External personnel	8,347
Scholarship and intern fees	45,185
Remunerations CO.CO.CO.	77,900
INPS by company CO.CO.CO.	10,158
Non-deductible lease interest	62,261
	723,201
Permanent decrease reversals	
Release other provisions	(132,958)
Agency margin on temp. employment	(72,251)
Tax credit 4.0	(145,783)
Tax receivable for automotive diesel	(125,368)
Contingent assets	(15,799)
	(492,160)
Taxable IRAP before deductions	25,159,352
Lump-sum deduction and contribution charges (tax wedge)	-
Deductions of the residual cost for employees	(20,645,104)
Other deductions	(17,668)
Taxable IRAP	4,496,580
Rate % IRAP Emilia Romagna	3.9%
IRAP tax charge 2023	166,250

Other information

The following is the other information required by articles 2427 and 2427 bis of the Civil Code.

Employment figures

The breakdown is already detailed in the income statement. The item includes all expenses for employees including category promotions, the cost of unrealised holiday pay and provisions of the law and collective agreements. Summarised below is the average number of employees by contract qualification in 2023 and the comparison with the previous two years.

QUALIFICATION	2023			2022			2021		
				WOMAN	MAN	TOTAL	WOMAN	MAN	TOTAL
Executive		9	9		10	10		11	11
Clerk	39	101	140	37	103	140	37	111	148
Worker		151	151		144	144		135	135
Apprentice clerk	2	5	7	4	3	7	1	2	3
Apprentice worker		11	11		9	9		4	4
TOTAL	41	277	318	41	269	310*	38	263	301
	13%	89%		13%	87%		13%	87%	

In addition to this total is the personnel of the Abu Dhabi branch, including 12 operators and 4 clerks.

Compared to the previous year, there was an increase in the overall workforce of around 2.5%, due to the hiring of new workers to follow maintenance.

Fees, advances and receivables granted to Directors and Auditors and commitments undertaken on their behalf

Directors and auditors' fees

The amount of fees due for 2023 to the Administrative Body was Euro 252,795 while that relating to the Board of Statutory Auditors was Euro 51,000.

Auditor fees

The amount of fees due for 2023 to the independent auditor was Euro 63 thousand for statutory audit activities and Euro 6 thousand for non-audit activities.

Summary statement of the financial statements of the company that exercises management and coordination

Belonging to a Group and mandatory preparation of the consolidated financial statements

Fagioli S.p.A. is wholly owned by Fagioli Holding S.p.A., which in turn is 71.23% owned by the QuattroR Fund and 28.77% by Fagioli Finance S.p.A. It is confirmed that the Company's activity is subject to the coordination management of Fagioli Holding S.p.A., of which the financial statements at 31/12/2022 are provided below, i.e. the latest approved (for brevity of reporting, items with zero balance have been excluded):

Balance Sheet

	31 December 2022	31 December 2021
Assets		
A) Receivables from shareholders for unpaid contributions		-
B) Fixed assets		
I - Intangible assets		-
II - Tangible assets		-
III - Financial assets	65,580,442	65,580,442
Total assets (B)	65,580,442	65,580,442
C) Current assets		
I - Inventories		-
Tangible assets held for sale		-
II - Receivables		
due within one year	130,084	130,084
due beyond one year		-
prepaid taxes	14,400	9,600
Total receivables	144,484	139,684
III - Financial assets not held as fixed assets		-
IV - Cash and equivalents	13,479	116,150
Total current assets (C)	157,964	255,834
D) Accruals and deferrals		-
Total assets	65,738,406	65,836,277

Liabilities		
A) Equity		
I - Capital	56,000,390	56,000,390
II - Share premium reserve		-
III - Revaluation reserves		-
IV - Legal reserve		-
V - Statutory reserves	510,000	510,000
VI - Other reserves	1,283,879	1,253,156
VII - Reserve for hedging transactions of expected financial flows		-
VIII - Profits (losses) carried forward	-862,563	-519,943
IX - Profit (loss) for the year	-335,400	-342,620
Loss covered in the year		-
X - Negative reserve for portfolio treasury shares		-
Total shareholders' equity	56,596,306	56,900,983
B) Provisions for risks and charges		-
C) Employee severance indemnity (TFR)		-
D) Payables		
due within one year	5,070,869	4,864,063
due beyond one year	4,071,231	4,071,231
Total payables	9,142,100	8,935,294
E) Accruals and deferrals		-
Total liabilities	65,738,406	65,836,277

Income Statement

	2022	2021
A) Production value		
1) revenues from sales and services	-	-
2), 3) changes in inventories of work in progress, semi-finished and finished goods and contract work in progress		
2), 3) changes in inventories of work in progress, semi-finished and finished goods and contract work in progress	-	-
2) changes in inventories of work in progress, semi-finished and finished goods	-	-
3) changes in contract work in progress	-	-
4) increases in fixed assets for internal work	-	-
5) other revenues and income		
contributions in the year	-	-
others	-	-
Total other revenues and income	-	-
Total production value	-	-
B) Production costs		
6) raw and ancillary materials, consumables and goods	-	-
7) services	268,814	261,089
8) rents and leases	-	-
9) personnel		
a) salaries and wages	-	-
b) social security contributions	-	-
c), d), e) employee severance indemnity, pension, other personnel costs		
c), d), e) employee severance indemnity, pension, other personnel costs	-	-
c) employee severance indemnity (TFR)	-	-
d) pension and similar obligations	-	-
e) other costs	-	-
Total personnel costs	-	-
10) amortisation, depreciation and write-downs		
a), b), c) depreciation of tangible assets and amortisation of intangible assets, other write-downs of assets		
a), b), c) depreciation of tangible assets and amortisation of intangible assets, other write-downs of assets	-	-
a) amortisation of intangible assets	-	-
b) depreciation of tangible assets	-	-
c) other write-downs of fixed assets	-	-
d) write-downs of receivables included in current assets and cash and cash equivalents	-	-
Total amortisation, depreciation and write-downs	-	-
11) changes in inventories of raw and ancillary materials, consumables and goods	-	-
12) provisions for risks	-	-

13) other provisions	-	-
14) other operating expenses	701	636
Total production costs	269,515	261,726
Difference between production value and costs (A - B)	-269,515	-261,726
C) Financial income and expenses		
15) income from investments		
subsidiaries	-	-
associated companies	-	-
parent companies	-	-
companies subject to the control of the parent companies	-	-
others	-	-
Total income from investments	-	-
16) other financial income		
a) from receivables recorded as fixed assets		
subsidiaries	-	-
associated companies	-	-
parent companies	-	-
companies subject to the control of the parent companies	-	-
others	-	-
Total financial income from receivables recorded as assets	-	-
b), c) from securities recorded as assets not held investments and from securities recorded as current assets not held as investments		
b), c) from securities recorded as assets not held investments and from securities recorded as current assets not held as investments	-	-
b) from securities recorded as fixed assets not held as investments	-	-
c) from securities recorded as current assets not held as investments	-	-
d) other income		
subsidiaries	-	-
associated companies	-	-
parent companies	-	-
companies subject to the control of the parent companies	-	-
others	-	-
Total other income	-	-
Total other financial income	-	-
17) interest and other financial expenses		
subsidiaries	-	-
associated companies	-	-
parent companies	-	-
companies subject to the control of the parent companies	-	-
others	70,684	68,293
Total interest and other financial expenses	70,684	68,293
17-bis) exchange rate gains and losses	-	-
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	-70,684	-68,293
D) Adjustments to the value of financial assets and liabilities		

18) revaluations		
a) of investments	-	-
b) of financial assets not held as investments	-	-
c) of securities recorded as current assets not held as investments	-	-
d) of derivative financial instruments	-	-
of financial assets for centralised treasury management	-	-
Total revaluations	-	-
19) write-downs		
a) of investments	-	-
b) of financial assets not held as investments	-	-
c) of current securities not held as investments	-	-
d) of derivative financial instruments	-	-
of financial assets for centralised treasury management	-	-
Total write-downs	-	-
Total value adjustments to financial assets and liabilities (18 - 19)	-	-
Pre-tax result (A - B + - C + - D)	-340,200	-330,019
20) Income taxes for the year, current and deferred tax liabilities and assets		
current taxes	-	-
taxes related to previous years	-	-
deferred tax liabilities and assets	4,800	4,800
income (expenses) from participation in the tax consolidation/tax transparency scheme	-	-17,401
Total income taxes for the year, current and deferred tax liabilities and assets	4,800	-12,601
21) Profit (loss) of the year	-335,400	-342,620

Although, pursuant to article 27, paragraphs 3 and 4 of Legislative Decree 127/91, Fagioli S.p.A. (Sole Shareholder) may be exempted from the preparation of the consolidated financial statements as it has not issued securities listed on the Stock Exchange, the Directors deemed it appropriate to prepare the consolidated financial statements of Fagioli S.p.A. at 31 December 2023 both to facilitate the consolidation operations of the parent company and to fulfill certain contractual disclosure obligations between the shareholders of Fagioli Holding S.p.A.

Final part

Sureties and patronage letters

At 31 December 2023, sureties given by banks and insurance companies amounting to Euro 17,300 thousand (Euro 14,725 thousand at 31 December 2022) are in favour of:

- Customers for the proper execution of works for Euro 15,607 thousand (Euro 12,255 thousand in December 2022);
- Suppliers, entities, municipal administrations, customs and police for Euro 548 thousand (Euro 693 thousand in December 2022);
- International banks for Euro 685 thousand (Euro 717 thousand in December 2022);
- Simest SpA for the capital increases contributed to Fagioli Inc. and to Fagioli Asia Pte for Euro 460 thousand (purchase of contractually agreed shares).

The patronage letters refer to commitments made in the interest of subsidiaries towards certain credit institutions. No surety has been enforced for defaults on the part of Fagioli.

Disclosures pursuant to article 2427 nos. 22-bis and 22-ter C.C.

With reference to the disclosure required by Legislative Decree no. 173/2008, it is noted that in 2023, transactions were carried out with Related parties concluded at normal market conditions. In fact, transactions with the Sole Shareholder, subsidiaries, associates and companies subject to the control of the minority shareholder of Fagioli Holding, take place at current values; there are no agreements not resulting from the balance sheet (off balance sheet) that may entail significant risks or benefits for the Company and the knowledge of which is useful for assessing the equity and financial situation and the economic result.

Disclosure relating to contributions received from public administration

The following are details of the public contributions collected in the year:

Disbursing Entity	Amount	Collection Date	Reason
FORTE	9,750	25.04.2023	Incentive for the development and realisation of systems and technologies for the construction of machines and for the improvement of project logistics and transport.
FDIR	5,000	19/01/2023	
		31/5/2023	
REGION	3,000	23/10/2023	IFOA Training
		30/11/2023	
EBILOG	5,580	17/02/2023	Reimbursements for personnel training
		22/02/2023	and reimbursements of costs for
		30/03/2023	internships
Total	23,330		

Monetary revaluations

Pursuant to and for the effects of article 10 of Law 19 March 1983, no. 72, as also referred to by subsequent monetary revaluation laws, an indication is provided of equity assets that have been subject to monetary revaluation as well as the related amount.

Also in accordance with article 10 above, it is also noted that the legal valuation criteria have never been derogated for assets still in equity.

The following summary is taken from the analysis shown in the appropriate inventory book, kept in the deeds, in which all assets are analytically described.

	Original cost	Reval. as per L. no. 72/83	Revalued cost
Transport vehicles and vehicles	1,544,976	300,035	1,845,011
Plants	151,327	5,900	157,227
Railway carts	1,901,700	377,760	2,279,460
Totals	3,598,003	683,695	4,281,698

Final considerations

These notes are concluded ensuring that the results of the financial statements correspond to the balances of the accounting records kept in compliance with current regulations and that the financial statements clearly, truthfully and correctly represent the Company's equity and financial position, as well as the result of the year.

We trust in your agreement regarding the criteria used in the preparation of these financial statements and we therefore kindly request that you approve it and propose to allocate the loss of the year 2023 of Euro 3,915,662 as follows:

- Losses carried forward

Chair of the Board of Directors**SIGNED****Rocco Sabelli**