



*Financial  
Statements at  
31/12/2023*

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**1. DIRECTORS' REPORT ON OPERATIONS,**  
**ACCOMPANYING THE FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2023**

Dear Shareholders,

The financial statements hereby submitted for your review and approval provide a faithful representation of the Company's current situation.

They report a net profit of Euro 9,438 thousand after depreciation and amortisation of Euro 1,185 thousand, allocations to provisions for doubtful debts of Euro 2,578 thousand, allocations to provisions for risks of Euro 205 thousand and impairment adjustments to investments of Euro 3,915 thousand.

We provide below an overview of the Company's operating performance in the last year and details of foreseeable future developments.

## **OPERATING PERFORMANCE**

In addition to a return to profit seven times that reported in prior year – much more in line with the size and potential of the Company - and on top of the significant growth in production volumes, the most significant matters that characterised the 2023 reporting period were as follows:

1. the significant value of new orders taken and the substantial order book achieved which show how the Company has taken advantage of the strong recovery of the Energy market as a whole;
2. the make-up of the order book with a significant – even predominant – presence of the Renewables and Carbon Neutrality sector alongside the traditional Oil&Gas sector;
3. the sale of the San Vitale Yard and the AMT Carrier barge, as a result of the decision not to pursue further opportunities in the Merchant Shipbuilding sector. This decision has boosted the Company's finances while also generating significant gains on disposal which have more than offset the additional losses made in that sector during the reporting period;
4. the ability to reinforce and enhance the business structure, especially in terms of human resources, in order to cope with the growing workload.

The size and make-up of the order backlog are the result of the commercial and business development strategies that the Company dared to launch several years ago and which have proven successful given the results achieved in 2023 and the significant benefits that will be enjoyed in the years ahead. In order to understand fully the significance, it is worth remembering that the current Energy market context is marked by the so-called "trilemma" i.e. the need to meet three, apparently divergent, great expectations: the desire to reduce the portion of "climate-changing" emissions that are caused by the use of fossil fuels, the need to guarantee secure energy sources and the need to ensure that energy is accessible at affordable prices. This complex combination of factors has found the Company and the Group ready to respond positively to the needs of the market and created a number of particularly important opportunities.

In terms of emissions reduction, it should be noted that almost 80% of the Rosetti Marino SpA order backlog – now totalling Euro 590 million – is made up of projects relating to the Renewables and Carbon Neutrality sector, projects that are carried out with the specific aim of generating energy while reducing greenhouse gas emissions.

With regard to energy security, it is worth highlighting the fact that the Company is involved in key projects for both the development of infrastructures to receive liquefied natural gas in Italy and for the conversion or adaptation of floating plants destined for producer countries other than the Russian Federation.

Finally, it should be noted that Rosetti Marino is able to make an important contribution to affordable energy by fulfilling orders for countries on the Mediterranean that can count on existing, depreciated gas pipelines and infrastructures that are currently under-utilised.

Although the bulk of the new orders only materialised in the second half of 2023, thus making a limited contribution to production for the year, Gross Internal Product for the reporting period increased significantly from Euro 181 million in 2022 to Euro 214 million in 2023 (+18%).

Meanwhile, it is important to highlight the fact that net profit was hit by impairment adjustments to equity investments totalling Euro 3,915 thousand, mainly in relation to Italian companies Fores Engineering S.r.l, Rosetti Superyachts Spa

and Green Methane.

A selection of the key performance indicators is provided below:

	<u>31.12.23</u>	<u>31.12.22</u>
Gross Internal Product – G.I.P. (in thousands of Euro) (A1+A2+A3 of the Income Statement)	213,719	181,329
EBITDA (in thousands of Euro) (A+B-10-12-13 of the Income Statement)	15,511	11,867
EBITDA / GIP	7.26%	6.54%
EBIT (in thousands of Euro) (A+B of the Income Statement)	11,543	5,694
EBIT / GIP	5.40%	3.14%
Profit before tax (in thousands of Euro)	7,860	2,317
Profit before tax / GIP	3.68%	1.28%
Net profit (in thousands of Euro) (item 21 of the Income Statement)	9,438	1,239
Net profit / GIP	4.42%	0.68%
R.O.E. (Net profit / Opening equity)	8.00%	1.10%

It should be noted that the interim performance indicators shown in the above table – in particular, EBITDA and EBIT – are not specifically defined under Italian GAAP. Therefore, the methods applied by the Company to determine them might not be consistent with those used by other companies and/or groups in the industry and, consequently, the figures might not be suitable for comparison.

An analysis of the various business segments in which the Company operates is provided below. Please refer to the Notes to the Financial Statements for more detailed analysis of the numbers themselves:

### **Oil&Gas Sector**

The Oil&Gas Sector recorded a large increase in value of production (+18% compared to prior year) to reach Euro 180 million against Euro 152 million in 2022.

Production activities were carried out in the Oil & Gas Platforms segment (Euro 116 million), the Brown Field segment (Euro 31 million), the Engineering segment (Euro 3 million) and the Technical Services segment (Euro 30 million).

In the first half of the year, work continued on a Platform for Argentina that was being built at the Piomboni Yard and on the Brownfield project in Qatar; both of these projects were completed by the reporting date. Meanwhile, the second half of the year saw the start of work on the construction of both an LNG unloading platform and the mooring structures of the FSRU and the LNG carriers for the new offshore LNG terminal in Ravenna. Engineering activities for third parties were carried out continuously throughout the year, as was work on Technical Services projects. It is important to note that the volume of work and number of projects carried out in the Technical Services segment in 2023 reached levels never seen previously by the Company.

### **Renewables and Carbon Neutrality Sector**

The Renewables and Carbon Neutrality Sector doubled its volume of business from Euro 11 million in 2022 to Euro 22 million in 2023. It should be noted that production activities were concentrated almost exclusively on the project for the new Green Tyres plant in Ravenna, the contract for which was acquired in the first quarter of 2023. The other important projects in this sector that currently form part of the Company's order backlog were only awarded in the third and fourth quarters of the year.

## Shipbuilding Sector

Value of production realised the Shipbuilding Sector in 2023 amounted to Euro 11 million, down on the total of Euro 17 million generated in 2022 (-35%). Around Euro 6 million of this total value of production was generated in the Superyachts segment, around Euro 4 million in the Tugboats segment and around Euro 1 million in the Repair&Refit segment. In line with the decision taken at the end of 2022, no new orders were taken during the reporting period as the Company wants to wait for an improvement in the future prospects of this sector.

## CAPITAL EXPENDITURE

In 2023, the Company incurred capital expenditure totalling Euro 2,011 thousand with Euro 39 thousand invested in intangible assets and Euro 1,972 thousand in tangible assets.

The main item of capital expenditure regards the purchase of land adjacent to the headquarters (over which land-use rights were already held) from associated company RigRos for Euro 1,642 thousand. This investment will enable a significant expansion of the production area in via Trieste (around 5 hectares) while providing direct access to the Candiano Canal.

The reporting period was also marked by the sale of two important assets (the San Vitale Yard and the AMT Carrier barge) for a total amount of Euro 45 million; this led to a significant improvement in the net financial position and to the realisation of significant gains on disposal.

## EQUITY INVESTMENTS

There were no changes to the direct investments held in subsidiaries and associated companies during the reporting period.

Associated company RigRos S.r.l was put into liquidation in February 2024 as it no longer had any corporate objective following the pro-quota sale of the land owned by it to the two quotaholders.

The subsidiaries and associated companies continue to operate on their respective markets and with their own specialisations. They thus carry out the missions assigned to them and continue to integrate with the Company and with other Group companies when this is required by contracts for complex multi-purpose facilities. We would recall that the subsidiaries and associated companies (both direct and indirect) have operated in the following segments:

- Fores Engineering S.r.l and Fores Engineering Algeria Eurl: design, construction and maintenance of automation and control systems;
- Basis Pivot Ltd and Tecon S.r.l: engineering companies mainly involved in multi-disciplinary design of oil and petrochemical facilities;
- Kazakhstan Caspian Offshore Industries Llp, Rosetti Ali & Sons Llc, Rosetti Marino for Trading Wll, Rosetti Libya Jsc, Rosetti Pivot Ltd, Rosetti Marino Project Ooo and Rosetti Marino UK Ltd: companies that construct offshore and onshore oil facilities;
- Rosetti Kazakhstan Llp: supply of technical services;
- Rigros Srl and Broadshore Energy Ltd: management of land designated for industrial use;
- Rosetti SuperYachts Spa: building of superyachts;
- GM Green Methane Srl: construction of biomethane facilities.

## FINANCIAL SITUATION

For a more detailed analysis of cash flows during the year, please see the statement of cash flows included in an attachment to the financial statements.

At this point, we highlight the fixed asset coverage ratio (financed through equity) and the net financial position (including current financial assets) which is clearly positive; these figures confirm the Company's financial solidity.

Some of the key financial and equity ratios are shown below:

	<u>31.12.23</u>	<u>31.12.22</u>
Short-term net financial position (in thousands of Euro) (C.III + C.IV of Assets – D.4 current of Liabilities)	54,657	18,599
Fixed assets cover margin (in thousands of Euro) (M/L term liabilities + total equity – fixed assets)	100,643	60,445
Fixed assets cover ratio (M/L term liabilities + total equity / fixed assets)	2.38	1.56
Financial independence index (Total equity / Total assets)	41.54%	47.95%
Ratio of financial income(expense) to GIP (Income Statement items 16+17+17bis / GIP)	(0.55%)	(1.08%)

It should be noted that “Net financial position” is not specifically defined under Italian GAAP. Therefore, the methods applied by the Company to determine it might not be consistent with those used by other companies and/or groups in the industry and, consequently, the figure might not be suitable for comparison.

Moving onto the financial risks relating to trade receivables, we note that the Company operates primarily with longstanding clients, including leading oil companies or their subsidiaries and leading Italian shipping companies. Given the longstanding relationships with clients and their financial soundness, no specific guarantees are required for receivables from clients. Nonetheless, it should be noted that, as the Company tends to operate on a few, very large contracts, its receivables are highly concentrated on a small number of clients. Given this fact, it is common practice before acquiring an order, to conduct a thorough assessment of the financial impact of that order and a prior evaluation of the client’s financial situation. The process continues during execution of the work with careful monitoring of outstanding receivables.

The Company’s short-term net financial position is positive so there are no difficulties in raising financial resources or significant risks associated with interest rate fluctuation.

Some of the medium/long-term loans arranged by the Company are also subject to covenants which were respected as at 31 December 2023.

The Company is exposed to the exchange rate risk as a result of its operations on international markets. In order to protect itself against this risk, as in previous years and in compliance with the policy approved by the Executive Committee on 13 June 2018, the Company has arranged exchange rate risk hedging transactions when it has acquired significant orders from clients in foreign currencies and issued significant orders to suppliers in foreign currencies.

## PERSONNEL

The skill and professionalism of our personnel and the way in which our people conduct themselves represent the Company’s main resource.

Therefore, during the reporting period, a sum equal to 1.53% of personnel costs (0.87% in prior year) was invested in training and professional development which involved many employees.

This confirms the special attention that has always been paid to the professional development of all employees as we believe it is essential to the continued success and development of the Company.

At 31 December 2023, the Company headcount stood at 433 employees (excluding 14 employees currently on secondment whose contracts have been suspended) against 412 employees at 31 December 2022, an increase of 21 employees.

The increase wholly related to the number of employees in Italy – there were 395 employees in Italy at 31 December 2023, an increase of 21 employees compared to prior year. The number of white collar employees increased (+25

employees) while the number of managers remained unchanged and the number of blue collar workers decreased (-4 employees).

Meanwhile, the Company's foreign branches had a total of 38 employees, unchanged on prior year.

Due to the type of business conducted, the risk of accidents, including potentially fatal accidents, is high. For this reason, the Company has always devoted particular attention to safety issues by adopting a series of internal procedures and educational measures aimed at preventing such events. All production facilities have been certified compliant with the BS-OHSAS 18001 standard and we continue to promote initiatives aimed at further spreading a culture of safety among all internal and external workers who operate at our Italian and international production facilities.

## **OTHER INFORMATION ON OPERATIONS**

As expressly required by Article 2428 of the Italian Civil Code, we report the following while referring the reader to the Notes for further information on the numbers reported:

### **Information on business risks**

The inherent risks involved in the Company's business activities are those typical of enterprises that operate in the plant engineering and shipbuilding.

The responsibilities resulting from the design and construction of our products and the risks associated with normal operating activity are dealt with in advance by devoting adequate attention to such aspects when developing processes and implementing adequate organisational procedures, as well as by acquiring adequate insurance cover on a precautionary basis.

The potential risks pertaining to financial, environmental and workplace safety issues and an analysis of the uncertainties relating to the particular economic environment have been reviewed in advance and appropriate measures adopted, as described in the "Financial situation", "Information on the environment", "Personnel" and "Business outlook" paragraphs.

### **Activities relating to Legislative Decree 231/01 on administrative responsibility**

For 2023, the Supervisory Board has duly issued Six Monthly Reports on its activities in the first and second halves of the year. The Board of Directors has acknowledged these reports which do not contain any facts or issues worthy of note.

### **Information on the environment and on climate change risks**

The Company carries out EPC projects, building large metal structures whose construction involves limited environmental risks, mainly during the painting and sandblasting phases.

Although these risks are limited, they are thoroughly assessed by the unit responsible for environment and climate change issues. This is done also considering the increasing global attention to the consequences of climate change and to the potential economic, social and environmental issues which now require companies to assess the potential consequences for their business in the medium/long-term.

For these reasons, the Company is committed to the constant search for solutions that guarantee the responsible use of natural resources, efficient energy consumption, optimal use of raw materials (carefully separating non-recyclable or reusable waste) and management of atmospheric emissions.

The attention paid to environmental issues is borne out by the fact that the Company has been certified compliant with international standard ISO14001 for many years.

For some years, the Company has made a major effort to develop and spread a Culture of Sustainability with particular attention paid to the following objectives:

- minimising the environmental impact by reducing energy and water consumption, atmospheric emissions and waste



production;

- constantly improving our systems for the detection and assessment of environmental risks and effects and implementing the necessary measures to prevent and reduce such risks and effects;
- monitoring our sustainability performance based on well-defined ESG (Environment, Social, Governance) indicators linked to Sustainable Development Goals, in order to identify the related areas and actions for improvement;

Environmental protection and sustainability goals and principles are defined in Rosetti Marino's HSE and Sustainability Policies and reported in the company's Sustainability Report which is issued annually and published on the company website.

### Transactions in treasury shares

No transactions in treasury shares were carried out during the reporting period. Therefore, the number of treasury shares owned by the Company remained unchanged at 200,000 shares with a nominal value of Euro 1.00 each i.e. 5.0% of share capital.

### Intra-Group relations

As you are aware, the Company heads an industrial group including many companies, some of which (Fores Engineering S.r.l, Rosetti Marino UK, Rosetti Kazakhstan Llp, KCOI Llp, Rosetti Libya Jsc, Rosetti SuperYachts S.p.A., Tecon S.r.l., Rosetti Marino Project Ooo, GM Green Methane Srl and Rosetti Marino for Trading Wll ) are under the direct control and coordination of the Company.

The Group companies enter into industrial, commercial and financial transactions (exchanges of services, technical, commercial and administrative assistance plus the purchase and sale of materials, the rental of ships, short-term loans, etc.) between themselves. These transactions take place on an arm's length basis at normal market conditions.

The following table contains details of the income statement transactions (expressed in thousands of Euro) that took place in 2023 with subsidiaries, associated companies, parent companies and companies controlled by parent companies:

Description	Value of production	Cost of production	Dividends	Financial income
<u>Parent company:</u>				
Rosfin Spa	10	0	0	0
<u>Subsidiaries:</u>				
Fores Engineering Srl	393	2,651	0	211
Rosetti Superyachts Spa	2,567	0	0	0
Rosetti Marino UK Ltd	0	0	0	0
Rosetti Marino Project Ooo	7,247	0	0	0
Rosetti Marino for Trading Wll	420	0	0	0
Rosetti Kazakhstan Llp	0	(2)	0	0
Rosetti Libya Jsc	0	0	0	0
Tecon Srl	125	2,238	0	0
GM Green Methane Srl	402	0	0	188
KCOI Llp	2,045	(57)	0	278
Fores Algeria Eurl	0	0	0	0
<u>Associated companies:</u>				
Rigros Srl	0	0	0	5
Rosetti Pivot Ltd	322	(50)	0	171
Rosetti Ali & Sons Ltd	234	0	0	0
Basis Pivot Ltd	0	0	0	0
Broadshore Energy Ltd	0	0	0	0

The following table contains details of the financial relations (expressed in thousands of Euro) that took place in 2023 with subsidiaries, associated companies, parent companies and companies controlled by parent companies:

Description	Financial receivables	Trade receivables	Financial payables	Trade payables
<b>Parent company:</b>				
Rosfin Spa	12	0	0	0
<b>Subsidiaries:</b>				
Fores Engineering Srl	14,500	384	0	720
Rosetti Superyachts Spa	0	10	0	791
Rosetti Marino UK Ltd	0	0	0	0
Rosetti Marino Project Ooo	0	5,818	0	0
Rosetti Marino for Trading Wll	0	63	0	0
Rosetti Kazakhstan Llp	0	0	0	0
Rosetti Libya Jsc	0	0	281	0
Tecon Srl	0	125	0	1,202
GM Green Methane Srl	5,000	447	0	0
KCOI Llp_	5,000	1,939	0	13
Fores Algeria Eurl_	0	0	0	0
<b>Associated companies:</b>				
Rigros Spa	230	5	0	0
Rosetti Pivot Ltd	407	1,129	0	0
Rosetti Ali & Sons Ltd	0	847	0	0
Basis Pivot Ltd	0	0	21	0
Broadshore Energy Ltd	0	0	0	0

## Research and development

In 2023, the Company carried out research and development activities and focused its efforts on projects considered particularly innovative and which demanded a major commitment of resources, primarily from our Business Development department.

R&D costs totalling Euro 412 thousand were incurred during 2023.

These activities have regarded the following projects, in particular:

- acquisition of new knowledge and technical skills for the experimental development process solutions for the reutilisation and/or transformation of CO<sub>2</sub> in synthetic fuel;
- acquisition of new skills and knowledge through technical feasibility studies and definition of fundamental design principles aimed at the development of an electrified reactor for a reverse-water gas-shift reaction;
- acquisition of new knowledge and new technical skills through feasibility studies and technical comparison of various, innovative biological methanation processes aimed at overcoming resonance problems on the crankshaft;
- acquisition of new knowledge and new skills through feasibility studies and pre-project analysis in preparation for the experimental development of new storage and regasification solutions for offshore hydrogen and/or ammonia;
- acquisition of new knowledge and new technical skills through feasibility analyses and pre-project studies in preparation for the experimental and pre-competitive development of industrial solutions for the storage and production of green hydrogen from offshore windfarms;
- acquisition of new knowledge and new technical skills through feasibility studies in preparation for the experimental and pre-competitive development of carbon capture and storage techniques downstream of industrial chemical and waste management processes;
- acquisition of new knowledge and new technical skills through feasibility studies and pre-project analysis for the experimental development of technological and engineering solutions for the unloading of ships and storage of liquid CO<sub>2</sub> from industrial processes and its subsequent pumping into depleted deposits in the vicinity.

We are confident that the success of these innovations will have a positive impact on the Company's future

performance.

For the research and development activities described above, the Company intends to make use of the tax credit introduced by Law 160/2019, as amended.

### **Other business locations**

In addition to the headquarters in Via Trieste, Ravenna (site of the Company offices and pre-fabrication workshops), the Company's activities have taken place at the following locations:

- Piomboni Yard (Marina di Ravenna): assembly of structures for the Energy sector;
- Milan Offices: engineering design of Energy sector projects;
- Libya Branch: construction of a module for the decarbonisation of a Libyan PTF;
- Abu Dhabi Branch: currently dormant;
- Algeria Branch: currently dormant;
- Qatar Branch: revamping of an existing platform.
- Kazakhstan Branch: currently dormant.

### **Significant events after the reporting date**

No events that could significantly impact operational performance have occurred between the reporting date and now.

## **BUSINESS OUTLOOK**

At 31.12.2023, the order backlog for contracts acquired but not yet completed amounted to around Euro 590 million., a figure unprecedented in the history of the Company. Almost 80% of the backlog regards projects for the Renewables and Carbon Neutrality sector with 20% regarding Oil&Gas projects.

It is important to highlight the fact that the current order backlog already covers more than 90% of target volumes and profit per the Annual Budget and the Strategic Plan for 2024. The 10% not currently covered by confirmed orders can easily be achieved through contractual variations and additional work currently under discussion with clients and with a minimal amount of progress on work on new orders that will be taken in 2024.

### **Oil&Gas Sector**

The order backlog in this sector stands at around Euro 119 million (Euro 106 million at 31/12/2022) but is already expected to grow in the short-term thanks to new orders and to ongoing negotiations over significant variations and additional work on projects currently in progress. The Company recently won a Competitive FEED contract for a gas platform for Denmark that will engage it in design activities throughout 2024. If Rosetti Marino proves more competitive than its Norwegian rival, it could also lead to the award of the EPC contract at the beginning of next year. The main activity in this sector in 2024 will regard completion of the project for the new LNG regasification terminal in Ravenna. This project is the subject of ongoing negotiations with the Client for some urgent, significant increases in the scope of the work that must be completed by the end of the year and which will lead to a considerable increase in the value of the order. The other segment of the Oil&Gas sector that will keep the Company busy in 2024 is Technical Services with a significant increase in volume of work expected in relation to refurbishment and to the construction of new vessels like FPSOs, FSRUs and FLNGs. Activities in this segment are wholly focused on projects destined for Western Africa or Norway and will be carried out in the United Arab Emirates, in Norway, offshore the African Atlantic Coast and, also, in China. A further – albeit smaller – increase in the volume of work is expected to come from engineering activities for third parties.

### **Renewables and Carbon Neutrality Sector**

The order backlog in this sector stands at around Euro 470 million, representing almost 80% of the total order backlog (There were no orders at 31/12/2022).

The massive volume of work acquired in 2023 in this sector is the result of a commercial strategy and decision to diversify that was courageously taken by the Company several years ago. This is also a clear indicator of how many opportunities would have been lost and how much the Company would have had to downsize if the decision had not been taken.

In 2024, production in the Renewables and Carbon Neutrality sector will have to achieve more than 50% progress with work on the project for the Versalis Tyres plant in Ravenna, the project for the Green Hydrogen Generation Platform for the Netherlands and the project for Jackets for Wind Sub-stations for Germany. Meanwhile, progress of less than 30% will be required on the Decarbonisation Module for Libya. In this sector, too, the order backlog is expected to grow further during the year with new orders expected in the Offshore Wind and CO2 Capture and Storage segments.

### **Shipbuilding Sector**

The order backlog in the Shipbuilding sector currently stands at Euro 1 million (Euro 23 million at 31 December 2022) and entirely relates to the Superyachts segment. This small amount of production activity will be carried out in order to complete construction of the C.129 but there will be no further work until there is a significant improvement in the market outlook for this sector.

Dear Shareholders,

The activities carried out by the Company in 2023 have produced a net profit of Euro 9,437,796.72.

Our proposal to the Shareholders' General Meeting is to remunerate shareholders by awarding a dividend of Euro 1.00 to each share with dividend rights, while taking the remainder of the net profit to the extraordinary reserve.

We also propose to take the remaining portion of retained earnings (after distribution of the 2023 dividend) of Euro 67,974.67 to the extraordinary reserve.

We also note that the circumstances that led to the allocation to the reserve for exchange gains in prior year (pursuant to Article 2426(8bis) of the Italian Civil Code) have eased partially. Some Euro 13,156.47 of the reserve (total Euro 107,089.89) has now become available.

Finally, we note that the reserve for deferred depreciation created in 2020 using the extraordinary reserve has decreased by a further Euro 153,212.15 due to depreciation recovered during the reporting period and to the sale of the San Vitale Yard. Therefore, the reserve in question now stands at Euro 274,966.27.

Finally, we invite you to approve the financial statements, the accounting policies applied and the accompanying directors' report.

Ravenna, 28/03/2024

For the Board of Directors  
The Chief Executive Officer  
Oscar Guerra

**2. FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023:**

- *Balance Sheet*
- *Income Statement*
- *Notes to the Financial Statements*

# Balance Sheet

	31-12-2023	31-12-2022
<b>Balance Sheet</b>		
<b>Assets</b>		
<b>B) Non-Current Assets</b>		
<b>I – Intangible assets</b>		
4) concessions, licences, trademarks and similar rights	318,345	330,358
7) other	476,066	706,026
<b>Total intangible assets</b>	<b>794,411</b>	<b>1,036,384</b>
<b>II – Tangible assets</b>		
1) land and buildings	42,434,221	74,507,426
2) plant and machinery	384,500	870,702
3) industrial and commercial equipment	84,751	141,642
4) other tangible assets	249,948	3,190,767
5) assets under construction and payments on account	5,608	351,638
<b>Total tangible assets</b>	<b>43,159,028</b>	<b>79,062,175</b>
<b>III – Financial assets</b>		
<b>1) investments in</b>		
a) subsidiaries	14,014,651	16,137,101
b) associated companies	8,595,591	8,860,607
d-bis) other entities	155,648	152,890
<b>Total investments</b>	<b>22,765,890</b>	<b>25,150,598</b>
<b>2) receivables</b>		
<b>a) from subsidiaries</b>		
due within a year	0	2,500,000
due after more than a year	5,000,000	5,000,000
<b>Total receivables from subsidiaries</b>	<b>5,000,000</b>	<b>7,500,000</b>
<b>b) from associated companies</b>		
due within a year	636,542	421,178
due after more than a year	0	1,550,000
<b>Total receivables from associated companies</b>	<b>636,542</b>	<b>1,971,178</b>
<b>d-bis) from others</b>		
due within a year	47,438	47,438
due after more than a year	642,729	690,164
<b>Total receivables from others</b>	<b>690,167</b>	<b>737,602</b>
<b>Total receivables</b>	<b>6,326,709</b>	<b>10,208,780</b>
<b>Total financial assets</b>	<b>29,092,599</b>	<b>35,359,378</b>
<b>Total non-current assets (B)</b>	<b>73,046,038</b>	<b>115,457,937</b>
<b>C) Current assets</b>		
<b>I - Inventory</b>		
1) raw, ancillary and consumable materials	315,218	281,867
3) contract work-in-progress	23,434,529	9,618,739
5) payments on account	3,108,976	3,676,815
<b>Total inventory</b>	<b>26,858,723</b>	<b>13,577,421</b>
<b>II - Receivables</b>		
<b>1) due from clients (trade)</b>		
due within a year	67,408,537	25,921,456
<b>Total receivables from clients (trade)</b>	<b>67,408,537</b>	<b>25,921,456</b>
<b>2) due from subsidiaries</b>		

due within a year	28,286,297	21,149,003
Total receivables from subsidiaries	28,286,297	21,149,003
3) due from associated companies		
due within a year	1,981,197	3,651,688
Total receivables from associated companies	1,981,197	3,651,688
4) due from parent companies		
due within a year	12,200	12,200
Total receivables from parent companies	12,200	12,200
5-bis) tax receivables		
due within a year	2,083,458	2,153,818
Total tax receivables	2,083,458	2,153,818
5-ter) deferred tax assets	22,866,870	22,869,949
5-quater) due from others		
due within a year	704,793	398,210
due after more than a year	225,006	206,847
Total receivables from others	929,799	605,057
Total receivables	123,568,358	76,363,171
III – Current financial assets		
5) derivatives – assets	1,030,531	4,772,702
6) other securities	15,874,048	16,504,584
Total current financial assets	16,904,579	21,277,286
IV – Cash and cash equivalents		
1) bank and post office accounts	54,326,103	18,124,817
3) cash and cash equivalents on hand	35,271	38,896
Total cash and cash equivalents	54,361,374	18,163,713
Total current assets (C)	221,693,034	129,381,591
D) Prepaid expenses and accrued income	931,767	1,333,599
Total assets	295,670,839	246,173,127
Liabilities and shareholders' equity		
A) Shareholders' equity		
I – Share capital	4,000,000	4,000,000
IV – Legal reserve	800,000	800,000
VI – Other reserves, disclosed separately		
Extraordinary reserve	112,551,588	112,276,622
Reserve for unrealised exchange gains	107,090	0
Sundry other reserves	153,210	428,178
Total other reserves	112,811,888	112,704,800
VII – Cash flow hedge reserve	803,308	4,395,028
VIII – Retained earnings (Accumulated losses)	67,975	0
IX – Profit (Loss) for the reporting period	9,437,797	1,239,065
X – Negative reserve for treasury shares held	(5,100,000)	(5,100,000)
Total shareholders' equity	122,820,968	118,038,893
B) Provisions for risks and charges		
1) post-employment benefits and similar obligations	374,983	0
2) taxation, including deferred tax	2,038,567	6,658,405
3) derivatives – liabilities	227,223	0
4) other	5,197,981	3,622,214
Total provisions for risks and charges	7,838,754	10,280,619
C) Employee severance indemnity / "TFR" provision	2,551,007	2,744,752
D) Payables		
4) bank borrowing		

due within a year	16,609,346	20,841,792
due after more than a year	40,477,850	48,838,694
<b>Total bank borrowing</b>	<b>57,087,196</b>	<b>69,680,486</b>
6) payments on account		
due within a year	42,568,998	13,901,165
<b>Total payments on account</b>	<b>42,568,998</b>	<b>13,901,165</b>
7) due to suppliers (trade)		
due within a year	51,353,469	20,819,358
<b>Total due to suppliers (trade)</b>	<b>51,353,469</b>	<b>20,819,358</b>
9) due to subsidiaries		
due within a year	3,006,822	3,021,314
<b>Total payables to subsidiaries</b>	<b>3,006,822</b>	<b>3,021,314</b>
10) due to associated companies		
due within a year	20,632	109,632
due after more than a year	0	494,100
<b>Total payables to associated companies</b>	<b>20,632</b>	<b>603,732</b>
12) tax payables		
due within a year	2,262,233	1,562,131
<b>Total tax payables</b>	<b>2,262,233</b>	<b>1,562,131</b>
13) due to social security and pensions institutions		
due within a year	1,921,457	1,605,095
<b>Total payables to social security and pensions institutions</b>	<b>1,921,457</b>	<b>1,605,095</b>
14) other payables		
due within a year	4,124,393	3,717,812
<b>Total other payables</b>	<b>4,124,393</b>	<b>3,717,812</b>
<b>Total payables</b>	<b>162,345,200</b>	<b>114,911,093</b>
E) Accrued expenses and deferred income	114,910	197,770
<b>Total liabilities and shareholders' equity</b>	<b>295,670,839</b>	<b>246,173,127</b>



# Income Statement

	31-12-2023	31-12-2022
<b>Income Statement</b>		
<b>A) Value of production</b>		
1) revenue from sales and services	199,902,979	194,949,846
3) change in contract work-in-progress	13,815,790	(13,621,153)
4) increase in non-current assets due to own work capitalised	2,129	19,031
5) other revenue and income		
operating grant income	389,558	467,338
other	10,404,250	2,504,373
Total other revenue and income	10,793,808	2,971,711
Total value of production	224,514,706	184,319,435
<b>B) Cost of production</b>		
6) raw, ancillary and consumable materials and goods	50,491,362	35,884,567
7) services	106,137,842	98,044,488
8) leases and rentals	16,403,661	5,229,465
9) personnel		
a) wages and salaries	25,742,900	24,141,612
b) social contributions	6,460,329	6,196,717
c) employee severance indemnity / "TFR"	1,628,609	1,826,629
d) retirement benefits and similar obligations	626,065	240,899
e) other personnel costs	1,182,994	728,803
Total personnel costs	35,640,897	33,134,660
10) depreciation, amortisation and writedowns		
a) amortisation of intangible assets	120,548	278,698
b) depreciation of tangible assets	1,064,299	2,367,570
d) writedowns of current receivables and cash and cash equivalents	2,578,466	1,056,563
Total depreciation, amortisation and writedowns	3,763,313	3,702,831
11) change in inventory of raw, ancillary and consumable materials and goods for resale	(33,351)	(152,307)
12) provisions for risks	205,118	2,470,503
14) other operating expenses	363,073	311,700
Total cost of production	212,971,915	178,625,907
Difference between value and cost of production (A - B)	11,542,791	5,693,528
<b>C) Financial income and expenses</b>		
15) income from investments		
from subsidiaries	1,386,878	0
other	684	692
Total income from investments	1,387,562	692
16) other financial income		
c) from current securities other than equity investments	208,596	460,916
d) income other than the above		
from subsidiaries	677,564	177,502
from associated companies	176,899	105,589
other	1,954,954	221,068
Total income other than the above	2,809,417	504,159
Total other financial income	3,018,013	965,074
17) interest and other financial expenses		
towards associated companies	0	1,254,828
other	3,752,757	1,693,428

Total interest and other financial expenses	3,752,757	2,948,255
17-bis) exchange gains and losses	(443,613)	22,519
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	209,205	(1,959,970)
D) Adjustments to value of financial assets and liabilities		
18) revaluations		
a) of equity investments	13,662	473,098
c) of current securities other than equity investments	8,776	59,400
d) of derivatives	0	19,439
Total revaluations	22,438	551,937
19) writedowns		
a) of equity investments	3,914,827	1,846,498
c) of current securities other than equity investments	0	118,738
d) of derivatives	0	3,014
Total writedowns	3,914,827	1,968,250
Total adjustments to value of financial assets and liabilities (18 - 19)	(3,892,389)	(1,416,313)
Profit (Loss) before taxation (A - B + - C + - D)	7,859,607	2,317,245
20) Taxes on income – current, deferred and deferred tax income		
current taxes	2,306,366	1,037,864
prior year taxes	654,803	59,716
deferred taxes (income)	(4,539,359)	(19,400)
Total taxes on income – current, deferred and deferred tax income	(1,578,190)	1,078,180
21) Profit (Loss) for the reporting period	9,437,797	1,239,065

## Statement of cash flows, indirect method

	31-12-2023	31-12-2022
Statement of cash flows, indirect method		
A) Cash flows from operating activities (indirect method)		
Profit (Loss) for the year	9,437,797	1,239,065
Taxes on income	(1,578,190)	1,078,180
Interest expenses/(income)	762,250	764,850
(Dividends)	(1,387,562)	(692)
(Gains)/Losses upon disposal of assets	(8,103,378)	1,230,902
1) Profit (loss) for the year before taxes on income, interest and gains/losses on disposals	(869,083)	4,312,305
Adjustments for non-cash items with no impact on net working capital		
Allocations to provisions	7,020,594	6,409,772
Depreciation/Amortisation	1,184,847	2,646,268
Impairment adjustments	2,998,369	1,846,497
Adjustments to value of financial assets and liabilities (derivatives) not		
involving the movement of funds	(3,591,720)	4,591,255
Other increases/(decreases) due to non-cash items	39,142	(1,642,722)
Total adjustments for non-cash items with no impact on net working capital	7,651,232	13,851,070
2) Cash flows before changes in net working capital	6,782,149	18,163,375
Changes in net working capital		
Decrease/(Increase) in inventory	(13,327,302)	12,197,660
Decrease/(Increase) in trade receivables	(32,547,994)	(10,322,612)
Increase/(Decrease) in trade payables	29,146,778	(12,873,518)
Decrease/(Increase) in prep. exp. and acc. inc.	401,832	(566,453)
Increase/(Decrease) in accrued expenses and deferred income	(82,860)	172,506
Other decreases/(Other increases) in working capital	14,692,641	(29,657,764)
Total changes in net working capital	(1,716,905)	(41,050,181)
3) Cash flows after changes in net working capital	5,065,244	(22,886,806)
Other adjustments		
Interest received/(paid)	(762,250)	(764,850)
(Taxes on income paid)	(559,995)	0
Dividends rec.	1,387,562	692
(Use of provisions)	(2,576,246)	(2,392,563)
Other receipts(pymnts)	0	0
Total other adjustments	(2,510,929)	(3,156,721)
Cash flows from operating activities (A)	2,554,315	(26,043,527)
B) Cash flows from investing activities		
Tangible assets		
(Investments)	(1,971,510)	(693,601)
Disposals	44,858,752	9,020
(Investments)	(39,000)	(2,545)
Disposals	188,682	0
Non-current financial assets		
(Investments)	(600,000)	(2,137,363)
Divestments	3,820,000	80,000
Current financial assets		
(Investments)	(9,723,110)	(4,048,621)

Divestments	10,766,822	25,530,466
(Acquisition of businesses net of cash and cash equivalents)	0	0
Sale of businesses net of cash and cash equivalents	0	0
Cash flows from investing activities (B)	47,300,636	18,737,356
C) Cash flows from financing activities		
Debt		
Increase/(Decrease) in short-term bank borrowing	0	(54)
Loans arranged	12,500,000	7,000,000
(Loans repaid)	(25,093,290)	(20,184,832)
Equity		
Paid share capital increases	0	0
(Reimbursement of capital)	0	0
Sale/(Purchase) of treasury shares	0	0
(Dividends and advances on dividends paid)	(1,064,000)	0
Cash flows from financing activities (C)	(13,657,290)	(13,184,886)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	36,197,661	(20,491,057)
Opening cash and cash equivalents		
Bank and post office accounts	18,124,817	38,628,060
Cash and cash equivalents on hand	38,896	26,710
Total opening cash and cash equivalents	18,163,713	38,654,770
Of which not freely available for use	0	0
Closing cash and cash equivalents		
Bank and post office accounts	54,326,103	18,124,817
Cash and cash equivalents on hand	35,271	38,896
Total closing cash and cash equivalents	54,361,374	18,163,713
Of which not freely available for use	0	0

# Notes to the Financial Statements as at 31-12-2023

## Notes to the Financial Statements, opening section

### **Basis of preparation**

The financial statements comprise the balance sheet, the income statement, the statement of cash flows (prepared in the formats required, respectively, by Articles 2424, 2424 bis of the Italian Civil Code, Articles 2425 and 2425 bis of the Italian Civil Code and Article 2425 ter of the Italian Civil Code) and these notes. The purpose of the notes is to illustrate, analyse and, in some cases, supplement the figures reported in the financial statements. They contain the information required by Articles 2427 and 2427 bis of the Italian Civil Code, by other provisions of the Italian Civil Code on financial reporting and by other previous laws. The notes also provide such additional information considered necessary to provide a true and fair representation, even though not specifically required by law. The statement of cash flows has been prepared based on the indirect method in compliance with Italian Accounting Standard OIC 10.

Where necessary, statutory reporting requirements have been supplemented with the accounting standards recommended by the Standard-Setting Committee of Italy's National Council of Accountants and revised by the Italian Accounting Board, as amended and supplemented by the OIC (*Organismo Italiano di Contabilità* or Italian Accounting Board) and by the standards issued by the International Accounting Board (IASB), insofar as the latter are consistent with Italian law.

The financial statements have been prepared on a going concern basis as there are no doubts over the Company's ability to continue to operate as a going concern.

The items reported in the financial statements were measured based on the prudence and accruals principles. Application of the prudence principle meant that items included in each asset or liability caption were valued separately in order to avoid offsetting of losses that should have been recognised and profits that should not as they had not been realised.

In accordance with the accrual principle, the effect of transactions and other events has been accounted for an allocated to the period to which such transactions and events rate and not to the period when the related cash movements (collections and payments) occur. For accounting purposes, priority is given to the economic substance of the underlying transactions rather than to their legal form.

Amounts are stated in Euro, unless otherwise specified.

### **Accounting policies and measurement criteria**

The most significant accounting policies applied when preparing the financial statements at 31 December 2023 in compliance with the requirements of Article 2426 of the Italian Civil Code and the aforementioned accounting standards are as follows:

#### **Intangible assets**

Intangible assets are recognised at purchase or production cost, including related expenses. They are systematically amortised over their expected useful lives. When, irrespective of the amortisation already recorded, the value of an intangible asset is impaired, it is adjusted accordingly. If, in subsequent years, the grounds for an impairment loss cease to apply, the original amount is restored, except with regard to goodwill, consolidation difference and "Deferred expenses" in terms of Article 2426(5) of the Italian Civil Code.

Advertising and research costs are expensed in their entirety during the year in which they are incurred.

#### **Tangible assets**

Tangible assets are recognised at purchase or production cost, net of any grants towards capital expenditure and adjusted for certain assets in application of specific revaluation laws.

Cost includes related expenses and direct and indirect costs to the extent reasonably attributable to the asset. Tangible assets are systematically depreciated each year on a straight-line basis using rates of depreciation determined in relation to the residual useful lives of the assets.

In 2020, in a departure from the accounting policy described above, for some assets, the Company suspended the allocation to the income statement of some 25% of the full depreciation charge, representing the period of around three months during which production activities were suspended because of the Covid-19 pandemic; this was done pursuant to Article 60(7-ii) to (7-v) of the Decree Law. The suspension also involved the creation of an equity reserve of the same amount that will remain non-distributable until the various assets affected have been depreciated in full.

Tangible assets are written down when impaired, irrespective of previously recognised depreciation charges. If the grounds for an impairment loss cease to apply in later years, the original amount is restored, as adjusted for depreciation only.

Ordinary maintenance costs are expensed in their entirety to the income statement, whereas those that involve improvements are allocated to the relevant assets and depreciated on the basis of the residual useful life of the asset in question.

#### **Assets held under finance leases**

Assets held under finance leases are accounted for in accordance with Italian GAAP which requires lease instalments to be recognised as period costs with advance payments treated as prepaid expenses and the asset recorded in the balance sheet in the year when the final purchase option is exercised.

#### **Equity investments and securities (classed as non-current assets)**

Assets held under finance leases are accounted for in accordance with Italian GAAP which requires lease instalments to be recognised as period costs with advance payments treated as prepaid expenses and the asset recorded in the balance sheet in the year when the final purchase option is exercised.

The carrying amount is determined on the basis of the purchase or subscription price. Cost is then written down for impairment when the investee companies incur losses and it is not expected that the income earned in the immediate future will be sufficient to offset these losses. The original amount is restored in later years if the grounds for the impairment adjustment cease to apply.

#### **Inventory**

##### Raw Materials

Raw materials are measured at the lower of purchase or production cost, determined using the weighted average cost method, and estimated realisable value.

##### Contract work-in-progress and revenue recognition

Contract work in progress with a duration of less than one year is measured at specific construction cost.

Contract work in progress spanning more than one year is measured at the reporting date on the basis of the consideration accruing with reasonable certainty (the percentage completion method). Consideration accruing is calculated by applying the completion percentage determined using the cost-to-cost method to estimated total revenues. It is reported under contract work in progress net of consideration recorded under revenues as it has been definitively earned following recognition by the client as consideration for the value of the work performed. This percentage is calculated as the ratio of costs incurred as at 31 December 2023 to estimated total costs. Additional consideration is included in contract revenues only when it is formally accepted by the client before the reporting date or, if there has been no formal acceptance, at the reporting date, it is highly probable that the request for additional consideration will be accepted based on the most recent information and historical experience.

Payments on account made by clients while a project is ongoing, in respect of work done and usually agreed on a “state of completion” basis, is recorded under revenue while advances received from clients at the outset of contract work are recognised under the item “Payments on account” on the liabilities side of the balance sheet. Contracts are considered completed when all costs have been incurred and the work has been accepted by the clients. Any losses on contracts that can be estimated with reasonable accuracy are deducted from the value of contract work in progress, on the assets side of the balance sheet, in the period they come to light. If such losses exceed the value of the contract work in progress, the Company records a specific provision for risks, on the liabilities side of the balance sheet, for the excess amount.

#### **Receivables**

Receivables are reported using the amortised cost method, taking account of the time factor and estimated realisable amount. The amortised cost method is not applied when its effects would be irrelevant i.e. when transaction costs, commission paid between the parties and all other differences between initial amount and amount on maturity are immaterial or the receivables are short-term (i.e. due within a year).

Trade receivables due after more than a year from the time of initial recognition – without payment of interest or with interest significantly different than market rates – are initially recognised at the amount determined by discounting future cash flows at the market rate of interest. The difference between the initial recognised value of the receivable as so determined and terminal value is recorded in the income statement as financial income over the period of the receivable, using the effective interest method.

The value of receivables, determined as above, is adjusted, as necessary, by a specific provision for bad debts, as deducted directly from the receivables in order to bring them into line with their estimated realisable amount. The estimate of the provision for bad debts includes forecast losses due to credit risks that have already materialised or are considered probable as well as losses for other collection issues that have already emerged or which have not yet emerged but are considered probable.

### **Current financial assets**

Current financial assets are recognised at the lower of purchase or subscription cost and realisable amount based on market performance.

The original cost of such securities is restored when the grounds for previously recognised impairment adjustments cease to apply.

### **Cash and cash equivalents**

Cash and cash equivalents are recognised at their nominal amount. Amounts denominated in foreign currency are stated at reporting date exchange rates.

### **Prepaid expenses and accrued income, accrued expenses and deferred income**

These items include portions of costs and revenues common to two or more reporting periods, in accordance with the accrual basis of accounting.

### **Provisions for risks and charges**

Provisions for risks and charges are created to cover losses or liabilities that are certain or probable but whose amount and due date could not be determined at year end. The amounts provided represent the best possible estimate based on the information available.

Risks for which the emergence of a liability is merely possible are disclosed in the Note on provisions without making any accrual to a provision for risks and charges.

### **Derivative instruments**

Derivative instruments are financial assets and liabilities measured at fair value.

Derivatives are classified as hedging instruments only when, at the start of the hedge, there is a close, documented relationship between the item hedged and the financial instrument and the effectiveness of the hedge – as regularly tested - is high. When the derivatives hedge the risk of changes in cash flow from the hedged instruments (“cash flow hedges”), the effective portion of the gains or losses on the derivative financial instrument is suspended under equity. Gains or losses relating to an ineffective portion of a hedge are recorded in the income statement. When the related operation is realised, gains and losses accumulated in equity to date are recorded in the income statement when the operation in question is realised (as adjustments to the income statement captions affected by the hedged cash flows).

Changes in the fair value of derivatives classified as held for trading – because they do not meet hedge accounting requirements – are recorded in the balance sheet and allocated to the income statement.

### **Employee severance indemnity / “TFR” provision**

The employee severance indemnity provision covers the full liability accruing up to 31 December 2006 towards employees under applicable legislation, collective labour agreements and supplementary company agreements. The liability is adjusted each year in accordance with Article 2120 of the Italian Civil Code.

The TFR liability reported in the financial statements is stated net of amounts paid to the INPS Treasury Fund and to supplementary pension funds as provided for by Law no 296 of 27 December 2006 (“Finance Act 2007”) and by subsequent Decrees and implementation Regulations.

### **Payables**

Payables are reported using the amortised cost method, taking account of the time factor. The amortised cost method is not applied to payables when its effect is insignificant. The effect is considered insignificant for short-term payables (i.e. payables due within a year). For details of the amortised cost method, see the note on Receivables.

### **Revenues and costs**

Revenues and costs are recognised in accordance with the prudence and accruals concepts required by Article 2423-bis of the Italian Civil Code while recorded related prepayments and accruals in terms of Article 2425-bis. Revenues include consideration invoiced for production carried out during the year where the revenues have been definitively earned.

**Grants towards capital expenditure and operating costs**

Grants towards capital expenditure and operating expenses are recognised in the period when the right to receive them becomes certain.

**Dividends**

Dividends are recognised during the year in which distribution is approved by the company paying them.

**Taxes on income for the year**

Income taxes are recorded on the basis of estimated taxable income in accordance with current tax rules, taking account of applicable exemptions and tax credits due.

Deferred tax assets and liabilities are calculated on temporary differences between the value of assets and liabilities for statutory reporting purposes and the corresponding amounts for tax purposes. They are measured taking account of the tax rate the Company is expected to incur in the year in which such differences will form a part of taxable income, considering rates in force or already announced at the reporting date. They are recorded, respectively, under “deferred tax provision” on the Liabilities side under provisions for risks and charges and under caption 5 ter) “Deferred tax assets”. Deferred tax assets are recognised for all deductible temporary differences in compliance with the prudence principle if it is reasonably certain that, in the years they will reverse, there will be taxable income of not less than the differences arising. Meanwhile, deferred tax liabilities are recognised in relation to all taxable temporary differences.

With effect from 2017, the Company opted to participate in the Rosetti Group consolidated taxation arrangement in terms of Articles 117-129 of the Consolidated Income Taxes Act (T.U.I.R.). Rosetti Marino S.p.A. acts as consolidating entity and determines a single taxable base for all group companies taking part in the tax consolidation. In this way, taxable income can be offset against tax losses in a single tax return. The agreement enables consolidating company Rosetti Marino S.p.A. to utilise the tax losses generated by the consolidated companies and obliges it to recognise a credit in their favour when and to the extent that the tax losses are utilised.

**Translation into Euro of foreign currency items**

Receivables and payables in foreign currency are originally accounted for at the exchange rates in effect when the transactions are recorded.

Exchange differences realised upon the collection of receivables and settlement of payables in foreign currency are recognised in the income statement.

At the reporting date, receivables and payables in foreign currency for which hedging transactions have not been arranged are translated on the basis of the exchange rate in force at the reporting date. Gains and losses arising from this translation are credited and debited to the income statement as financial income or expenses.

Any net gain resulting from unrealised exchange gains and losses is recorded in a specific reserve that cannot be distributed until the gain is realised.

**Other information****Exceptions pursuant to Article 2423 (4) of the Italian Civil Code**

No exceptions pursuant to Article 2423(4) of the Italian Civil Code were made when preparing the attached financial statements.

**Preparation of consolidated financial statements**

As it holds significant controlling investments, as defined by Article 2359 of the Italian Civil Code, the Company is obliged to prepare consolidated financial statements at 31 December 2023, in accordance with Legislative Decree 127/91. The Company has prepared such financial statements by the deadline required by Article 46(4) of the said Decree. They supplement these financial statements and are contained in a separate document.



## Notes to the financial statements, assets

### Non-current assets

#### Intangible assets

Intangible assets amount to Euro 794 thousand (Euro 1,036 thousand at 31.12.2022) and are analysed as follows:

- Concessions, licences, trademarks and similar rights”, amounting to Euro 318 thousand, includes the net carrying amount of the consideration paid to acquire rights, expiring in 2050, on land adjacent to the Piomboni Yard;
- “Other intangible assets” includes leasehold improvements of Euro 462 thousand (Euro 701 thousand at 31.12.2022) and software of Euro 14 thousand (Euro 5 thousand at 31.12.2022).

#### Movements on intangible assets

Details of intangible assets and movements thereon are provided in the table below:

	Concessions, licences, trademarks and similar	Other intangible assets	Total intangible assets
<b>Opening amount</b>			
<b>Cost</b>	600,832	1,997,299	2,598,131
<b>Amortisation (Accum. amortisation)</b>	(270,474)	(1,291,273)	(1,561,747)
<b>Net carrying amount</b>	330,358	706,026	1,036,384
<b>Changes during period</b>			
<b>Increases due to additions</b>	-	39,000	39,000
<b>Decreases due to disposals (of net carrying amount)</b>	-	718,907	718,907
<b>Amortisation for the period</b>	12,013	108,535	120,548
<b>Other changes</b>	-	558,482	558,482
<b>Total changes</b>	(12,013)	(229,960)	(241,973)
<b>Closing amount</b>			
<b>Cost</b>	600,832	1,317,392	1,918,224
<b>Amortisation (Accum. amortisation)</b>	(282,487)	(841,326)	(1,123,813)
<b>Net carrying amount</b>	318,345	476,066	794,411

“Other changes” includes the amount of Accumulated amortisation relating to assets disposed of during the reporting period.

#### Concessions, licences, trademarks and similar rights

This caption has decreased by Euro 12 thousand due to amortisation charged over the period of the land rights concession.

#### Other intangible assets

The Euro 39 thousand increase in this caption is due to the purchase of management software used in the various business processes (Euro 20 thousand) and to improvements made to the Company’s leased offices in Milan (Euro 19 thousand).

Decreases totalling Euro 269 thousand regard include the reversal of the net carrying amount of leasehold improvements at the time of the sale of the San Vitale Yard (Euro 160 thousand) and amortisation for the year (Euro 109 thousand). Amortisation is charged at different rates for the various types of capitalised cost, as follows:

- on a straight-line basis over three years for software;
- over the period of the land rights for capex in that area;
- over the residual period of the lease agreement for leasehold improvements to the Milan offices.

## Tangible assets

Tangible assets amount to Euro 43,159 thousand (Euro 79,062 thousand at 31.12.2022). The caption includes fixed assets forming part of the Company's permanent organisation.

The long-term nature of the assets refers to their use rather than their inherent characteristics. Such assets are normally deployed for income generating purposes as part of ordinary activities and are not destined for sale or for transformation into products sold by the Company.

In 2023, ordinary depreciation, as shown in the relevant table, has been calculated at rates felt to represent the remaining useful lives of the tangible assets.

The depreciation rates applied were as follows:

Buildings:

- Buildings 3.00%
- Lightweight constructions 10.00%

Plant and machinery:

- General and specific plant 10.00%
- Water treatment plant 15.00%
- Machinery 15.50%
- Industrial and commercial equipment 25.00%

Other tangible assets:

- Office furniture and fittings 12.00%
- Electronic office equipment 20.00%
- Commercial vehicles 20%
- Automobiles 25.00%

Some categories of tangible assets include revaluations performed in prior years and in the current year under Laws 576/1975, 72/1983, 413/1991, 266/2005, 2/2009 and 126/2020.

## Movements on tangible assets

Details of tangible assets and movements thereon during the reporting period are shown in the following table:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets under construction and payments on a/c	Total tangible assets
<b>Opening amount</b>						
<b>Cost</b>	41,747,939	20,875,774	3,230,673	6,690,387	351,638	72,896,411
<b>Revaluations</b>	63,745,498	1,306,520	-	-	-	65,052,018
<b>Depreciation (Accum. depreciation)</b>	(30,986,011)	(21,311,592)	(3,089,031)	(3,499,620)	-	(58,886,254)
<b>Net carrying amount</b>	74,507,426	870,702	141,642	3,190,767	351,638	79,062,175
<b>Changes during period</b>						
<b>Increases due to additions</b>	2,021,957	200,434	46,459	48,690	(346,030)	1,971,510
<b>Decreases due to disposals (of net carrying amount)</b>	42,442,902	3,629,398	531,654	3,429,754	-	50,033,708
<b>Depreciation for year</b>	566,658	316,935	50,828	129,878	-	1,064,299
<b>Other changes</b>	8,914,398	3,259,697	479,132	570,123	-	13,223,350
<b>Total changes</b>	(32,073,205)	(486,202)	(56,891)	(2,940,819)	(346,030)	(35,903,147)
<b>Closing amount</b>						
<b>Cost</b>	27,122,817	17,446,809	2,745,478	3,309,323	5,608	50,630,035
<b>Revaluations</b>	37,949,674	1,306,521	-	-	-	39,256,195
<b>Depreciation (Accum. depreciation)</b>	(22,638,270)	(18,368,830)	(2,660,727)	(3,059,375)	-	(46,727,202)
<b>Net carrying amount</b>	42,434,221	384,500	84,751	249,948	5,608	43,159,028

“Other changes” includes Accumulated depreciation relating to assets disposed of during the reporting period.

The main increases for the reporting period regard:

- Land and buildings: purchase from associated company Rigros Srl of land adjacent to the headquarters on which land rights were already held (Euro 1,642 thousand) and refurbishment of premises for use as offices (Euro 102 thousand);
- Plant and machinery: purchase of a sandblasting machine (Euro 6 thousand) and two sandblasting booths (Euro 60 thousand) at the Piomboni Yard, purchase of a new fire suppression pump unit (Euro 123 thousand) and a welding preparation machine (Euro 11 thousand) at the headquarters;
- Industrial equipment: purchase of a new hydraulic power unit for the workshop (Euro 8 thousand) and a wire welding machine (Euro 6 thousand) at the headquarters, purchase of lifting equipment (Euro 12 thousand), a hydrometric-marine monitoring station (Euro 4 thousand), a lifting trolley for electrical panels (Euro 3 thousand) and a coating analyser (Euro 3 thousand) at the Piomboni Yard;
- Other tangible assets: purchase of a new digital data storage and protection system (Euro 49 thousand);
- Tangible assets under construction: installation of a new pantograph (Euro 6 thousand).

Decreases mainly relate to the depreciation charge for the period, the sale of the AMT Carrier barge (Euro 4,000 thousand) and the sale of the S. Vitale Yard and various related assets (Euro 41,000 thousand).

## Financial assets

As at 31 December 2023, the Company has financial assets (non-current) totalling Euro 29,093 thousand (Euro 35,359 thousand at 31.12.2022).

This item includes investments in subsidiaries of Euro 14,015 thousand (Euro 16,137 thousand at 31.12.2022), investments in associated companies of Euro 8,596 thousand (Euro 8,861 thousand at 31.12.2022), investments in other entities of Euro 156 thousand (Euro 153 thousand at 31.12.2022) and non-current financial receivables of Euro 6,327 thousand (Euro 10,209 thousand at 31.12.2022).

Non-current receivables mainly include three medium-term loans granted to subsidiary Kazakhstan Caspian Offshore Industries Llp (Euro 5,000 thousand) and to associated companies Rigros S.r.l (Euro 230 thousand) and Rosetti Pivot Ltd (Euro 407 thousand).

The loan to subsidiary Kazakhstan Caspian Offshore Industries Llp represents the outstanding amount of a loan disbursed in several stages from 2009 in order to enable that company to build and then expand its yard in Kazakhstan.

The loan to associated company Rigros S.r.l. represents the outstanding amount of a loan disbursed in 2017 to finance the purchase of a plot of land next to the headquarters of Rosetti Marino S.p.A. The loan to associated company Rosetti Pivot Ltd represents the outstanding amount of a loan disbursed during in 2018 to cover its start-up operating expenses. All of the loans are interest bearing on arm's length terms and, after adjustment for impairment, are expected to be recoverable in full given the expected growth of the associated companies as per the Group's business plan for the years 2024-2028.

Non-current financial assets also includes the outstanding receivable of Euro 522 thousand from the Ministry of Transport and Infrastructure in relation to grants that will be collected in annual instalments of Euro 47 thousand in future years in relation to project "ROSMANDITEN" (process innovation project in the shipbuilding segment commenced in prior years).

## Movements on equity investments, other securities and derivatives

The most significant changes during the year in relation to investments in subsidiaries, associated companies, other entities and securities are shown in the following table:

	Investments in subsidiaries	Investments in associated companies	Investments in other entities	Total investments
<b>Opening amount</b>				
<b>Cost</b>	24,693,248	9,916,611	228,295	34,838,154
<b>Revaluations</b>	309,837	1,220,360	15,258	1,545,455
<b>Writedowns</b>	(8,865,984)	(2,276,364)	(90,663)	(11,233,011)
<b>Net carrying amount</b>	16,137,101	8,860,607	152,890	25,150,598
<b>Changes during period</b>				
<b>Revaluations performed during period</b>	-	10,903	2,758	13,661
<b>Writedowns made during period</b>	2,722,450	275,919	-	2,998,369
<b>Other changes</b>	600,000	-	-	600,000
<b>Total changes</b>	(2,122,450)	(265,016)	2,758	(2,384,708)
<b>Closing amount</b>				

<b>Cost</b>	25,293,248	9,916,611	228,295	35,438,154
<b>Revaluations</b>	309,837	1,231,263	18,016	1,559,116
<b>Writedowns</b>	(11,588,434)	(2,552,283)	(90,663)	(14,231,380)
<b>Net carrying amount</b>	14,014,651	8,595,591	155,648	22,765,890

The following changes compared to prior year took place in 2023:

- The carrying amount of the investment in subsidiary Fores Engineering Srl was written down by Euro 603 thousand;
- Alignment of the carrying amount of investment in subsidiary Rosetti Superyachts SpA with the relevant portion of equity by means of an impairment adjustment of Euro 490 thousand;
- Alignment of the carrying amount of investment in associated company Rosetti Libya Jsc with the relevant portion of equity by means of an impairment adjustment of Euro 1 thousand;
- Alignment of the carrying amount of investment in subsidiary Rosetti Marino for Trading Wll with the relevant portion of equity by means of a revaluation of Euro 108 thousand;
- Payment of additional capital into subsidiary Green Methane Srl through the waiver of a financial receivable of Euro 600 thousand and alignment of the carrying amount of the investment with the relevant portion of equity by means of an impairment adjustment of Euro 1,521 thousand;
- Alignment of the carrying amount of investment in associated company Rigros Srl with the relevant portion of equity by means of an impairment adjustment of Euro 11 thousand;
- Impairment adjustment of Euro 276 thousand to carrying amount of investment in associated company Rosetti Ali and Sons Llc;
- Restatement of carrying amount of shares in La Cassa di Ravenna SpA at fair value at 31.12.2023 by means of a revaluation of Euro 3 thousand.

Investments in other entities, amounting to Euro 156 thousand (Euro 153 thousand at 31 December 2022), are analysed as follows:

- Cassa di Risparmio di Ravenna Spa - Euro 129 thousand;
- Consorzio CURA - Euro 1 thousand;
- Porto Intermodale di Ravenna – SAPIR - Euro 3 thousand;
- CAAF Industrie - Euro 2 thousand;
- Consorzio Destra Candiano - Euro 1 thousand;
- O.M.C. - Euro 20 thousand.

### Changes in and maturity of non-current receivables

The most significant changes during the reporting period are shown in the following table:

	Opening amount	Changes during period	Closing amount	Amount due within a year	Amount due after > 1 year	Of which due after more than five years
<b>Non-current receivables from subsidiaries</b>	7,500,000	(2,500,000)	5,000,000	0	5,000,000	-
<b>Non-current receivables from assoc. companies</b>	1,971,178	(1,334,636)	636,542	636,542	0	-
<b>Non-current receivables from others</b>	737,602	(47,435)	690,167	47,438	642,729	284,625
<b>Total non-current receivables</b>	10,208,780	(3,882,071)	6,326,709	683,980	5,642,729	284,625

As previously stated, non-current receivables mainly include medium/long-term loans granted to subsidiary Kazakhstan Caspian Offshore Industries Llp and to associated companies Rigros S.r.l. and Rosetti Pivot Ltd.

The decrease in receivables from subsidiaries is entirely due to partial repayment of the loan to subsidiary Kazakhstan Caspian Offshore Industries Llp.

The change in receivables from associated companies includes Euro 1,320 thousand due to partial repayment of the loan to associated company Rigros S.r.l. while the rest of the change is due to the restatement in Euro at the 31.12.2023 exchange rate of the loan granted to Rosetti Pivot Ltd.

The decrease in receivables from others is entirely due to collection of the annual instalment of the grant from the Ministry of Infrastructure and Transport for project "ROSMANDITEN" (process innovation project in the shipbuilding segment commenced in prior years).

### Information on non-current investments in subsidiaries

As at 31 December 2023, the Company had investments in subsidiaries totalling Euro 14,015 thousand (Euro 16,137 thousand as at 31.12.2022).

A detailed breakdown of investments in subsidiaries is provided in the following table together with highlights from their 2023 financial statements.

Name	City, if in Italy, or Country	Tax number (for Italian entities)	Capital in Euro	Profit (Loss) for last year in Euro	Equity in Euro	Interest held in Euro	% interest held	Carrying amount or corresponding receivable
Fores Engineering Srl	Forli	02178650400	1,000,000	(5,047,687)	(916,458)	(916,458)	100.00%	0
Rosetti Superyachts Spa	Ravenna	02586850394	1,500,000	(490,146)	1,559,956	1,559,956	100.00%	1,559,956
Rosetti Marino UK Ltd	Scotland		115	(74,174)	128,366	128,366	100.00%	119
Rosetti Marino Project Ooo	Russia		250,000	649,432	764,464	764,464	100.00%	250,140
Rosetti Marino for Trading Wll	Qatar		137,363	(96,560)	29,823	29,823	100.00%	29,823
Rosetti Kazakhstan Llp	Kazakhstan		198,161	5,035	543,446	489,101	90.00%	178,901
Rosetti Libya Jsc	Libya		622,084	(107)	453,520	294,788	65.00%	294,788
Tecon Srl	Milan	06503230150	46,500	961,510	4,107,587	2,464,552	60.00%	1,896,786
Green Methane Srl	Ravenna	04207740277	100,000	(1,440,458)	198,274	118,964	60.00%	118,964
Kazakhstan Caspian Offshore Industries Llp	Kazakhstan		1,159,735	196,494	28,515,174	12,831,828	45.00%	9,685,172

The balance sheet and income statement information refers to the most recent approved financial statements.

The subsidiaries operate in the following sectors:

- Fores Engineering Srl (which owns 100% of Fores Engineering Algèrie Eurl which operates in the same segment, plus 10% of Rosetti Kazakhstan Llp): design, construction and maintenance of automation and control systems;
- Tecon Srl: multi-disciplinary design of oil and petrochemical facilities;
- Kazakhstan Caspian Offshore Industries Llp, Rosetti Marino UK Ltd, Rosetti Marino Project Ooo, Rosetti Libya Jsc and Rosetti Marino for Trading Wll: construction of offshore and onshore oil facilities;
- Rosetti Superyachts Spa: building of superyachts;
- Rosetti Kazakhstan Llp (which owns 5% of Kazakhstan Caspian Offshore Industries Llp): delivery of technical services;
- Green Methane Srl: construction of biomethane facilities;

Rosetti Marino UK Ltd, Rosetti Libya Jsc and Rosetti Marino for Trading Wll are currently dormant.

Appropriate provision for the equity deficit reported by subsidiary Fores Engineering Srl at 31 December 2023 has been made under Other provisions for risks and charges.

### Information on non-current investments in associated companies

As at 31 December 2023, the Company held investments in associated companies totalling Euro 8,596 thousand (Euro 8,861 thousand as at 31.12.2022).

The following table contains details of investments in associated companies with highlights from their 2023 financial statements.

Name	City, if in Italy, or Country	Tax number (for Italian entities)	Capital in Euro	Profit (Loss) for last year in Euro	Equity in Euro	Interest held in Euro	% interest held	Carrying amount or corresponding receivable
Rigros Srl	Italy	02568990390	100,000	21,807	126,353	63,177	50.00%	63,177
Rosetti Pivot Ltd	Nigeria		2,817,869	5,645,633	6,336,918	3,105,090	49.00%	1,204,978
Rosetti Ali e Sons Llc	United Arab Emirates		36,357	563,061	(1,415,037)	(693,368)	49.00%	6,251,031
Basis Pivot Ltd	Nigeria		46,667	0	46,667	21,000	45.00%	20,632
Broadshore Energy Ltd	Nigeria		158	(2,561)	2,843,760	748,193	26.30%	1,055,773

The balance sheet and income statement information refers to the most recent approved financial statements.

The balance sheet and income statement information of Rosetti Pivot Ltd refers to the period 01.04.2023 - 31.12.2023. The net profit for the whole of the 2023 reporting period amounts to Euro 6,634 thousand.

The associated companies operate in the following sectors:

- Basis Pivot Ltd: multi-discipline design of oil and petrochemical plants;
- Rosetti Pivot Ltd and Rosetti Ali & Sons Llc: construction of offshore and onshore oil facilities;
- Rigros Srl and Broadshore Energy Ltd: management of land for industrial use.

A General Meeting held on 14.02.2024 approved the early winding up and liquidation of Rigros Srl.

Basis Pivot Ltd, Broadshore Energy Ltd and Rigros Srl are currently non-operating/dormant.

The excess of the value of the investment in Rosetti Ali & Sons Llc over the corresponding portion of equity represents implicit goodwill. This amount is considered recoverable as the future profit outlook of the investee company taken into account at the time of its acquisition remains unchanged, as a direct result of the major investment plans announced by the United Arab Emirates.

## Current assets

Detailed tables have been prepared for current assets showing the nature of the individual line items and movements thereon during the reporting period.

### Inventory

Raw, ancillary and consumable materials

As at 31 December 2023, raw materials inventory amounted to Euro 315 thousand (Euro 282 thousand at 31.12.2022), after an obsolescence provision of Euro 610 thousand (Euro 564 thousand at 31.12.2022). This provision is currently considered appropriate to bring inventory into line with estimated realisable value.

Inventory includes stock held at the Company's production facilities and warehouses (excluding items received from third parties for various reasons, title to which remains with said third parties), stock owned by the Company but held by third parties and goods in transit property of which has already been transferred to the Company.

Use of the weighted average cost method to value raw materials inventory does not lead to any appreciable differences compared to a current cost valuation.

Contract work-in-progress

This caption, amounting to Euro 23,435 thousand (Euro 9,619 thousand as at 31.12.2022), consists almost entirely of long-term contracts valued using the percentage of completion method. Contract work-in-progress includes Euro 10,021 thousand relating to the Oil and Gas sector, Euro 12,142 thousand to the "Renewables and Carbon Capture" sector and Euro 1,272 thousand relating to the Shipbuilding sector.

Advances to suppliers

Advances to suppliers primarily consist of sums paid to various suppliers and sub-contractors upon placement of the related orders for purchases of materials and for sub-contract agreements.

The following table provides details of changes in inventory over the reporting period:

	Opening amount	Change during period	Closing amount
<b>Raw, ancillary and consumable materials</b>	281,867	33,351	315,218
<b>Contract work in progress</b>	9,618,739	13,815,790	23,434,529
<b>Advances to suppliers</b>	3,676,815	(567,839)	3,108,976
<b>Total inventory</b>	13,577,421	13,281,302	26,858,723

The decrease of Euro 13,281 thousand compared to prior year mainly relates to "Contract work in progress" and regards the percentage of completion of contract work in progress; it reflects the importance of the orders recently acquired by the Company, as described in the Directors' Report.

## Receivables - current

As at 31 December 2023, receivables amount to Euro 123,568 thousand (Euro 76,363 thousand as at 31.12.2022). All trade receivables are due within a year so the company has not used the amortised cost valuation method.

### Receivables from clients (trade)

Receivables from clients relate to normal commercial transactions. Given the nature of the Company's business, trade receivables are highly concentrated with around 79% (74% in prior year) of the total due from the five leading clients by outstanding balance. The significant increase in Receivables from clients reflects the general increase in working capital driven by the important new orders recently acquired by the Company, as described in the Directors' Report.

At 31 December 2023, the "Provision for Bad Debts" amounted to Euro 5,167 thousand (Euro 2,672 thousand at 31 December 2022). The provision for bad debts adjusts gross receivables to bring them into line with estimated realisable amount based on an overall assessment taking account of collection risks mainly relating to certain specific factors. The amount provided reflects the prudent approach adopted by the Directors in relation to the receivables collection risk, also taking account of the amount of overdue receivables and any repayment agreements reached, as well as of the current economic climate.

### Receivables from subsidiaries

Receivables from subsidiaries include financial receivables of Euro 19,500 thousand and trade receivables of Euro 8,786 thousand.

Financial receivables entirely consist of loans granted to Green Methane Srl (Euro 5,000 thousand) and Fores Engineering Srl (Euro 14,500 thousand).

Trade receivables include amounts due from Fores Engineering S.r.l. (Euro 384 thousand), Green Methane S.r.l. (Euro 447 thousand), Kazakhstan Caspian Offshore Industries Llp (Euro 1,939 thousand), Rosetti Marino for Trading Wll (Euro 63 thousand), Rosetti Marino Project Ooo (Euro 5,818 thousand), Rosetti Superyachts SpA (Euro 10 thousand) and Tecon (Euro 125 thousand).

All trade and financial transactions with subsidiaries take place on an arm's length basis. Except as stated, the Directors consider all of these receivables to be recoverable in full and no provision for bad debts has been recorded.

### Receivables from associated companies

Receivables from associated companies of Euro 1,981 thousand consist entirely of trade receivables. During the reporting period, a loan was granted to associated company Rosetti Ali & Sons Llc (Euro 50 thousand); like the other loan granted in prior year for the same amount, it has been wholly adjusted for impairment.

Trade receivables from associated companies include amounts due from Rigros S.r.l. (Euro 4 thousand), Rosetti Ali and Sons Llc (Euro 847 thousand) and Rosetti Pivot Ltd (Euro 1,130 thousand).

All trade and financial transactions with subsidiaries take place on an arm's length basis. Except as stated, the Directors consider all of these receivables to be recoverable in full and no provision for bad debts has been recorded.

### Receivables from parent companies

Receivables from the parent company amount to Euro 12 thousand and consist entirely of trade receivables. The related transactions take place on an arm's length basis. As the Directors believe these receivables are recoverable in full, no provision for bad debts has been recorded.

### Tax receivables

Tax receivables amount to Euro 2,083 thousand as at 31 December 2023 (Euro 2,154 thousand as at 31.12.2022) and mainly refer to the following categories:

- foreign tax credit of Euro 1,060 thousand for withholding taxes applied by customers and in respect of which a refund has been requested from the foreign tax authorities;
- foreign tax credits of Euro 17 thousand arising during the reporting period on order commercial transactions carried out by foreign branches;
- VAT receivable of Euro 872 thousand arising during the reporting on ordinary commercial transactions by the Company and the branches;
- tax credit of Euro 113 thousand relating to R&D costs incurred in 2021 and 2022. The amount represents the portion of the credit that may be offset in 2024 and 2025;
- tax credit of Euro 21 thousand maturing during the year and in prior years under Law no 106 of 29 July 2014 (the "Art Bonus" law). That law makes it possible to benefit from a tax credit - split into three annual instalments - of 65% of donations made in support of cultural initiatives.

### Deferred tax assets

Deferred tax assets amount to Euro 22,867 thousand at 31 December 2023 (Euro 22,870 thousand at 31 December 2022) and have been recognised on all positive temporary differences and calculated at the applicable tax rates. See the relevant tables in the Note on Taxation for details of movements on deferred tax assets. The recoverability of deferred

tax assets is reviewed at each reporting date. The Directors believe the amount recognised at 31 December 2023 is recoverable, considering the future taxable income forecast in the Group Business Plan for 2024-2028, as well as the recognition of deferred taxes of Euro 2,039 thousand, as highlighted in the Note on “Tax Provisions” below.

#### Other receivables

Other receivables mainly include receivables from Broadview Engineering Limited (shareholder of associated company Broadshore Energy Limited) in relation to a loan granted during the previous reporting period (Euro 285 thousand, the equivalent of USD 315 thousand), guarantee deposits (Euro 225 thousand), receivables from insurance companies (Euro 2 thousand), receivables from employees (Euro 101 thousand) and receivables from the Libyan Ministry of Finance following payment of an advance required for local registration of the contract for the Bouri Gas Utilization project (Euro 313 thousand).

There are no receivables due after more than five years.

#### Changes in and maturity of receivables classed as current assets

The most significant changes during the reporting period in receivables classed as current assets are shown in the following table:

	Opening amount	Change during period	Closing amount	Due within a year	Due after more than a year
Trade receivables	25,921,456	41,487,081	67,408,537	67,408,537	-
Receivables from subsidiaries	21,149,003	7,137,294	28,286,297	28,286,297	-
Receivables from associated companies	3,651,688	(1,670,491)	1,981,197	1,981,197	-
Receivables from parent companies	12,200	0	12,200	12,200	-
Tax receivables	2,153,818	(70,360)	2,083,458	2,083,458	-
Deferred tax assets	22,869,949	(3,079)	22,866,870		
Other receivables	605,057	324,742	929,799	704,793	225,006
<b>Total receivables</b>	<b>76,363,171</b>	<b>47,205,187</b>	<b>123,568,358</b>	<b>100,476,482</b>	<b>225,006</b>

The increase in receivables from subsidiaries is mainly due to the net difference between the increase in financial receivables due from Fores Engineering Srl and the decrease in trade receivables due from Rosetti Marino Project Ooo. The decrease in receivables from subsidiaries mainly relates to trade receivables due from Rosetti Pivot Ltd.

#### Breakdown by geographical area of receivables classed as current assets

The following table contains a breakdown of receivables classed as current assets by geographical area.

Geographical area	Italy	Other UE	Non-EU	Total
Trade receivables	36,649,802	3,381,609	27,377,126	67,408,537
Receivables from subsidiaries	20,466,092	-	7,820,205	28,286,297
Receivables from associated companies	4,468	-	1,976,729	1,981,197
Receivables from parent companies	12,200	-	-	12,200
Tax receivables	509,830	-	1,573,628	2,083,458
Deferred tax assets	22,866,870	-	-	22,866,870
Other receivables	120,978	-	808,821	929,799
<b>Total receivables</b>	<b>80,630,240</b>	<b>3,381,609</b>	<b>39,556,509</b>	<b>123,568,358</b>

### Current financial assets

#### Changes in current financial assets

The following table shows changes in current financial assets:



	Opening amount	Change during period	Closing amount
<b>Derivatives – assets</b>	4,772,702	(3,742,171)	1,030,531
<b>Other current securities</b>	16,504,584	(630,536)	15,874,048
<b>Total current financial assets</b>	21,277,286	(4,372,707)	16,904,579

Derivatives – assets consists entirely of the Mark to Market value of the following hedging instruments:

Type: IRS agreement

Type of underlying contract: Intesa San Paolo Spa loan

Notional amount: Euro 1,000,000

Duration: 59 months

Period: 31/07/2019 - 17/06/2024

Interest rate: Euribor 6 months

Frequency: Six-monthly instalments

MTM: Euro 20,536

Type: IRS agreement

Underlying contract type: BPER Banca Spa loan

Notional amount: Euro 632,051

Duration: 48 months

Period: 29/01/2020 - 29/01/2024

Interest rate: Euribor 3 months

Frequency: Quarterly instalments

MTM: Euro 5,656

Type: IRS agreement

Underlying contract type: Credit Agricole Italia Spa loan

Notional amount: Euro 611,436

Duration: 60 months

Period: 29/06/2020 - 29/06/2025

Interest rate: Euribor 3 months

Frequency: Quarterly instalments

MTM: Euro 18,460

Type: IRS agreement

Underlying contract type: Unicredit Spa loan

Notional amount: Euro 1,172,394

Duration: 60 months

Period: 21/07/2020 - 31/07/2025

Interest rate: Euribor 3 months

Frequency: Quarterly instalments

MTM: Euro 39,427

Type: IRS agreement

Underlying contract type: Banco BPM loan

Notional amount: Euro 3,333,333

Duration: 72 months

Period: 11/01/2021 - 31/12/2026

Interest rate: Euribor 3 months

Frequency: Quarterly instalments

MTM: Euro 138,972

Type: IRS agreement

Underlying contract type: Unicredit Spa loan

Notional amount: Euro 9,159,090

Duration: 69 months

Period: 21/06/2021 - 31/03/2027

Interest rate: Euribor 3 months

Frequency: Quarterly instalments

MTM: Euro 433,956

Type: IRS agreement  
 Underlying contract type: Banco BPM loan  
 Notional amount: Euro 4,687,500  
 Duration: 71 months  
 Period: 21/10/2021 - 30/09/2027  
 Interest rate: Euribor 3 months  
 Frequency: Quarterly instalments  
 MTM: Euro 233,208

Type: Forward sales contract  
 Underlying contract type: BPER Banca Spa forward sale  
 Notional amount USD: 1,777,784  
 Notional amount Euro: 1,805,224  
 Maturity: 26/02/2024  
 MTM: Euro 140,316

Other current securities have decreased by Euro 631 thousand compared to prior year because of disposals during the reporting period. They entirely consist of temporary investments of cash – immediately accessible - mainly in insurance policies (Euro 4 thousand), mutual fund units (Euro 5,696 thousand) and bonds (Euro 10,174 thousand). Changes in fair value are recognised in the Balance Sheet and recorded in the Income Statement in items D18c or D19c.

## Cash and cash equivalents

Cash and cash equivalents amount to Euro 54,361 thousand (Euro 18,164 thousand at 31.12.2022) and include bank current accounts of Euro 54,326 thousand and cash on hand of Euro 35 thousand.

Changes in cash and cash equivalents are shown in the following table:

	Opening amount	Change during period	Closing amount
<b>Bank and post office accounts</b>	18,124,817	36,201,286	54,326,103
<b>Cash and cash equivalents on hand</b>	38,896	(3,625)	35,271
<b>Total cash and cash equivalents</b>	18,163,713	36,197,661	54,361,374

The significant increase in cash and cash equivalents is largely due to the disposal of tangible assets – especially the AMT Carrier barge and the San Vitale Yard area – as highlighted in the Statement of Cash Flows.

## **Prepaid expenses and accrued income**

Details of prepaid expenses and accrued income are provided in the following table:

	Opening amount	Change during period	Closing amount
<b>Accrued income</b>	16,279	(2,648)	13,631
<b>Prepaid expenses</b>	1,317,320	(399,184)	918,136
<b>Total prepaid expenses and accrued income</b>	1,333,599	(401,832)	931,767

Prepaid expenses include Euro 111 thousand of prepaid hire/rental costs for moveable asset and Euro 807 thousand of sundry prepaid expenses.

Accrued income refers entirely to interest income relating to the reporting period but that will be received in future periods in relation to IRS hedging agreements.

## Notes to the Financial Statements, liabilities and shareholders' equity

Comments on the main Liabilities and Shareholders' Equity items are presented below.

### Shareholders' equity

Shareholders' equity includes the following items:

#### Share capital

At 31 December 2023, share capital was wholly subscribed and paid and consisted of 4,000,000 ordinary shares with a par value of Euro 1.00 each.

#### Reserves

The legal reserve consists of portions of annual profits allocated to the reserve in previous reporting periods.

The extraordinary reserve entirely consists of portions of annual profits allocated to the reserve in previous reporting periods. The reserve has increased by Euro 275 thousand following the release of said amount from the reserve for deferred depreciation.

The reserve for exchange gains has been created by allocating prior year profit to cover unrealised exchange gains.

The reserve for deferred depreciation was created using the extraordinary reserve in 2020 pursuant to Article 60(7-ter) of Decree Law 104/2020, converted as amended by Law 126/2020. The decrease in the reserve is directly linked to the completion of the depreciation periods or to the sale of the assets affected by said legislative provision.

Movements on the cash flow hedge reserve reflect the recognition of future cash flows under derivatives designated as "cash flow hedges. Movements during the reporting period show an overall decrease of Euro 3,592 thousand in relation to a reduction in the underlying item following repayment of the loans in respect of which the derivatives were entered into in order to hedge the interest rate risk; they also reflect the restatement at 31.12.2023 fair value of the derivatives in place to hedge variable rate loans as well as to restate exchange risk hedging agreements.

Retained earnings represent a portion of prior year neither distributed to the shareholders' nor allocated to an optional reserve.

The negative reserve for treasury shares represents 200,000 treasury shares with a nominal amount of Euro 25.50 each, as acquired in prior years.

#### Net profit for the reporting period

A net profit of Euro 9,438 thousand is reported for 2023.

### Changes in shareholders' equity items

Movements on shareholders' equity in the last two reporting periods and details of possible utilisation and availability for distribution are provided below.

	Share capital	Revaluation reserve	Legal reserve	Extraordinary reserve	Reserve under Leg. Decr 124/93 / Grants Reserve	Reserve for deferred depreciation	Reserve for exchange gains	Negative reserve for treasury shares held	Accumulated loss	Net profit (loss) for the year	Cash flow hedge reserve	Total
<b>BALANCE AT 31 DECEMBER 2021</b>	<b>4,000</b>	<b>59,324</b>	<b>800</b>	<b>122,726</b>	<b>1,941</b>	<b>521</b>	<b>0</b>	<b>(5,100)</b>	<b>(24,526)</b>	<b>(47,281)</b>	<b>(196)</b>	<b>112,209</b>
Coverage of losses for 2020	0	(22,585)	0	0	(1,941)	0	0	0	24,526	0	0	0
Coverage of losses for 2021	0	(36,739)	0	(10,542)	0	0	0	0	0	47,281	0	0
Change in fair value of cash flow hedges	0	0	0	0	0	0	0	0	0	0	4,591	4,591
Reserve for lower/deferred depreciation	0	0	0	93	0	(93)	0	0	0	0	0	0
Net profit for 2022	0	0	0	0	0	0	0	0	0	1,239	0	1,239
<b>BALANCE AT 31 DECEMBER 2022</b>	<b>4,000</b>	<b>0</b>	<b>800</b>	<b>112,277</b>	<b>0</b>	<b>428</b>	<b>0</b>	<b>(5,100)</b>	<b>0</b>	<b>1,239</b>	<b>4,395</b>	<b>118,039</b>
Allocation of 2022 net profit:												
- to retained earnings	0	0	0	0	0	0	0	0	68	(68)	0	0
- to reserve for unrealised exchange gains	0	0	0	0	0	0	107	0	0	(107)	0	0

- dividends	0	0	0	0	0	0	0	0	0	(1,064)	0	(1,064)
Change in fair value of cash flow hedges	0	0	0	0	0	0	0	0	0	0	(3,592)	(3,592)
Reserve for lower/deferred depreciation	0	0	0	275	0	(275)	0	0	0	0	0	0
Net loss for 2023	0	0	0	0	0	0	0	0	0	9,438	0	9,438
<b>BALANCE AT 31 DECEMBER 2023</b>	<b>4,000</b>	<b>0</b>	<b>800</b>	<b>112,552</b>	<b>0</b>	<b>153</b>	<b>107</b>	<b>(5,100)</b>	<b>68</b>	<b>9,438</b>	<b>803</b>	<b>122,821</b>
Possible utilisation	B; C or D	A;B;D	A;B	A;B;C	A;B;D	E	E	E	E		E	

Some Euro 832 thousand of share capital would be taxable if distributed to the shareholders.

Legend:

- A) reserve available for share capital increases
- B) reserve available to cover losses
- C) reserve available for distribution to shareholders
- D) reserve available for distribution to shareholders but taxable on distribution
- E) reserve not available

## Provisions for risks and charges

As at 31.12.2023, provisions for risks and charges amount to Euro 7,839 thousand (Euro 10,281 thousand as at 31.12.2022) and are analysed as follows:

	Provision for post-employment benefits and similar obligations	Provision for tax, incl. def tax	Derivatives – liabilities	Other prov.	Total prov for risks and charges
<b>Opening amount</b>	0	6,658,405	0	3,622,214	10,280,619
<b>Changes during period</b>					
<b>Allocated during period</b>	374,983	161,151	227,223	2,231,385	2,994,742
<b>Utilised during period</b>	-	4,780,989	-	655,618	5,436,607
<b>Total changes</b>	374,983	(4,619,838)	227,223	1,575,767	(2,441,865)
<b>Closing amount</b>	374,983	2,038,567	227,223	5,197,981	7,838,754

### Provision for post-employment benefits

This is the provision for individual severance and loyalty bonuses for top managers.

### Provision for tax, including deferred tax

This item includes the deferred tax provision of Euro 196 thousand created to cover the risk of non-utilisation, as a tax credit, of foreign taxes relating to the period that will be paid in future years, a provision of Euro 25 thousand created in relation to unrealised exchange gains which will be subject to taxation in future periods and a deferred tax provision of Euro 1,818 thousand created in 2020 upon the revaluation of land for statutory reporting purposes only (the decrease in this last provision is wholly due to the sale of the San Vitale Yard).

### Provision for derivatives

This item, amounting to Euro 227 thousand, represents the Mark to Market value of the following hedging instruments:

Type: IRC

Underlying contract: Unicredit S.p.A. loan

Notional amount Euro: 5,000,000

Duration: 36 months

Period: 30/10/2023 - 31/10/2026

Rate: Euribor 3 months

Repayments: Quarterly

MTM: Euro 98,721

Type: IRC

Underlying contract: BPER Banca S.p.A. loan

Notional amount Euro: 7,500,000

Duration: 61 months

Period: 21/11/2023 - 31/12/2028

Rate: Euribor 3 months

Repayments: Quarterly

MTM: Euro 128,502

#### Other provisions

This item includes a provision for performance-related bonuses of Euro 1,110 thousand (Euro 656 thousand at 31.12.2022), a provision for contractual risks of Euro 601 thousand (Euro 395 thousand at 31.12.2022), a provision for future risks and charges of Euro 2,571 thousand (Euro 2,571 thousand at 31.12.2022) and a provision for coverage of losses of Euro 916 thousand.

The provision for contractual risks has been created to cover the probable risk of warranty costs.

The provision for future risks and charges has been created mainly to cover risks relating to ongoing litigation with a client.

The provision for coverage of losses includes the amount allocated during the reporting period to cover the losses made by subsidiary Fores Engineering Srl.

## **TFR / Employee severance indemnity provision**

The employee severance indemnity provision of Euro 2,551 thousand (Euro 2,745 thousand at 31.12.2022) has been determined in accordance with Article 2120 of the Italian Civil Code. Movements during the reporting period were as follows:

	TFR/Employee severance indemnity provision
<b>Opening amount</b>	2,744,752
<b>Changes during period</b>	
<b>Allocated during period</b>	1,662,501
<b>Utilised during period</b>	1,856,246
<b>Total changes</b>	(193,745)
<b>Closing amount</b>	2,551,007

The TFR/employee severance indemnity provision at 31 December 2023 represents the indemnity accruing in favour of employees up to 31 December 2006 which will be settled through payments made when employees leave the Italian companies or through advance payments made in accordance with the law. Utilisation during the reporting period consists of transfers of Euro 782 thousand to supplementary pension funds, the transfer of Euro 715 thousand to the INPS treasury fund, payment of indemnities and advances totalling Euro 238 thousand and payment of personal income tax and social security contributions of Euro 121 thousand on behalf of employees. The balance at 31 December 2023 is stated net of advances paid.

## **Payables**

### Changes in and maturity of payables

Details of payables and movements thereon are provided in the following table:

	Opening amount	Change during period	Closing amount	Amount due within a year	Amount due after more than a year
<b>Bank borrowing</b>	69,680,486	(12,593,290)	57,087,196	16,609,346	40,477,850
<b>Payments on account</b>	13,901,165	28,667,833	42,568,998	42,568,998	-
<b>Due to suppliers (trade)</b>	20,819,358	30,534,111	51,353,469	51,353,469	-
<b>Payables to subsidiaries</b>	3,021,314	(14,492)	3,006,822	3,006,822	-
<b>Payables to associated companies</b>	603,732	(583,100)	20,632	20,632	0
<b>Tax payables</b>	1,562,131	700,102	2,262,233	2,262,233	-
<b>Payables to pensions and social security institutions</b>	1,605,095	316,362	1,921,457	1,921,457	-
<b>Other payables</b>	3,717,812	406,581	4,124,393	4,124,393	-
<b>Total payables</b>	114,911,093	47,434,107	162,345,200	121,867,350	40,477,850

Bank borrowing

This item includes the following financing granted by the banks:

- Banco BPM Spa: Euro 8,021 thousand
- Intesa San Paolo Spa: Euro 1,000 thousand
- Unicredit Spa: Euro 15,332 thousand
- Credit Agricole Italia Spa: Euro 611 thousand
- Monte dei Paschi di Siena Spa: Euro 10,000 thousand
- BPER Banca Spa: Euro 8,132 thousand
- Simest Spa: Euro 480 thousand
- Banca del Mezzogiorno - MedioCredito centrale Spa: Euro 4,136 thousand
- Cassa depositi e prestiti Spa: Euro 9,375 thousand

The financing granted by Banco BPM S.p.A. consists of two loans. The first loan, signed in 2021 and secured by a government guarantee, provides for a floating rate of interest, repayment of principal and interest in quarterly instalments until the scheduled maturity date of the loan in 2026 (outstanding amount at 31 December 2023 – Euro 3,333 thousand). The second loan, signed in 2021 and secured by a government guarantee, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity date of the loan in 2027 (outstanding amount at 31 December 2023 – Euro 4,688 thousand). In order to hedge the interest rate risk relating to these loans, the Company has arranged derivative contracts (Interest Rate Swaps) which meet the accounting requirements to be treated as a hedging derivative, as previously described.

The financing granted by Intesa San Paolo S.p.A. in 2019 provides for a floating rate of interest and repayment of principal and interest in six-monthly instalments until the scheduled maturity date of the loan in 2024 (outstanding amount at 31 December 2023 – Euro 1,000 thousand). In order to hedge the interest rate risk relating to this loan, the Company has arranged a derivative contract (Interest Rate Swap) that fulfils the accounting requirements to be treated as a hedging derivative, as previously described.

The financing granted by Unicredit S.p.A. consists of three loans. The first contract, entered into in 2020 and secured by a government guarantee, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity date of the loan in 2025 (outstanding amount at 31.12.2023 - Euro 1,172 thousand). The second loan, signed in 2021 and secured by a government guarantee, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity date of the loan in 2027 (outstanding amount at 31 December 2023 – Euro 9,160 thousand). The loan is subject to covenants that have been respected to date. The third loan, signed during the 2023 reporting period, provides for a floating rate of interest and repayment of principal and capital in quarterly instalments until the scheduled maturity date of the loan in 2026 (outstanding amount at 31.12.2023 – Euro 5,000 thousand). In order to hedge the interest rate risk relating to these loans, the Company has arranged derivative contracts (Interest Rate Swaps/Interest Rate Collars) which meet the accounting requirements to be treated as hedging derivatives, as previously described.

The financing granted by Credit Agricole Italia S.p.A. consists of a loan signed in 2020 and secured by a government guarantee which provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity date of the loan in 2025 (outstanding amount at 31 December 2023 – Euro 611 thousand). In order to hedge the interest rate risk relating to these loans, the Company has arranged a derivative contract (Interest Rate Swap) which meet the accounting requirements to be treated as a hedging derivative, as previously described.

The financing granted by Monte dei Paschi di Siena S.p.A. regards a loan contract signed in 2021 and secured by a government guarantee. It provides for a floating rate of interest and for repayment of principal and interest in quarterly instalments until the scheduled maturity date in 2026 (outstanding amount at 31 December 2023 – Euro 10,000 thousand). In order to hedge the interest rate risk relating to the loan, the Company has arranged a derivative contract (Interest Rate Swap) which meets the accounting requirements to be treated as a hedging derivative, as previously described. It should be noted that this loan was repaid in advance on 11 January 2024.

The financing granted by BPER Banca S.p.A. comprises two loans. The first loan agreement, signed in 2020, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity of the loan in 2024 (outstanding amount at 31 December 2023 – Euro 632 thousand). The loan is subject to covenants that have been respected to date. It should be noted that this loan was repaid on 29 January 2024. The second loan, signed during the 2023 reporting period, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity of the loan in 2028 (outstanding amount at 31 December 2023 – Euro 7,500 thousand). In order to hedge the interest rate risk relating to these loan, the Company has arranged derivative contracts (Interest Rate Swap/Interest Rate Collar) that meet the accounting requirements to be treated as hedging derivatives, as previously described.

The loan granted by Simest Spa, as arranged in 2021, provides for a fixed rate of interest and repayment of principal and interest in six-monthly instalments until the scheduled maturity of the loan in 2027 (outstanding amount at 31 December 2023 – Euro 480 thousand).

The loan granted by Banca del Mezzogiorno - MedioCredito Centrale Spa, as arranged in 2021 and secured by a government guarantee, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity of the loan in 2027 (outstanding amount at 31 December 2023 – Euro 4,136 thousand). It should be noted that this loan was repaid in advance on 28 February 2024.

The loan granted by Cassa depositi e prestiti Spa, as arranged in 2021 and secured by a government guarantee, provides for a floating rate of interest and repayment of principal and interest in quarterly instalments until the scheduled maturity of the loan in 2027 (outstanding amount at 31 December 2023 – Euro 9,375 thousand). The loan is subject to covenants that have been respected to date.

The Company has elected not to measure these liabilities at amortised cost as application of said method would have no material effect.

During the reporting period, the Company made full repayment of two loans granted in 2021 by Credito Emiliano Spa and BPER Banca Spa.

#### Payments on account

This item includes advances already received from clients for contracts in progress. The balance includes advances paid at the time of orders and payments on account made by customers during contract work. The increase compared to prior year reflects the contract work in progress trend at the reporting date and the significant amount of orders acquired recently by the Company, as described in the Directors' Report. For further information, see the specific note on "Value of production".

#### Due to suppliers (trade)

These payables relate to commercial transactions entered into on an arm's length basis with payment due within a year. The company has not discounted these payables. The increase mainly regards the different timing of contracts and to the general increase in working capital as a result of the important orders recently acquired by the Company, as described in the Directors' Report.

#### Payables to subsidiaries

These payables include Euro 1,935 thousand relating to commercial transactions entered into on an arm's length basis and comprise amounts payable to Kazakhstan Caspian Offshore Industries Llp (Euro 13 thousand), Fores Engineering S.r.l. (Euro 720 thousand) and Tecon S.r.l. (Euro 1,202 thousand).

As these payables are due within a year, the company has not discounted them. The remaining amount of Euro 1,072 thousand regards capital subscribed but not yet paid in relation to Rosetti Libya Jsc (Euro 281 thousand) and the payable to Rosetti Superyachts Spa for IRES credits transferred to the tax consolidation but not yet utilised (Euro 791 thousand).

#### Payables to associated companies

These payables, amounting to Euro 21 thousand, entirely consist of the portion of share capital of Basis Pivot Ltd subscribed but not yet paid (Euro 21 thousand).

#### Tax payables

This item mainly consists of personal income tax deducted at source from the remuneration of employees and freelance workers (Euro 1,354 thousand) and IRAP and IRES payable for the year (Euro 908 thousand).

#### Payables to pensions and social security institutions

This item includes employee and employer social security and pension contributions payable to social security and pensions institutions.

#### Other payables

This item mainly includes payables to employees of Euro 3,681 thousand and payables to pension funds of Euro 370 thousand.

## Breakdown of payables by geographical area

The following table provides a breakdown of payables by geographical area at 31.12.2023:

Geographical area	Italy	Other EU	Non-EU	Total
Bank borrowing	57,087,196	-	-	57,087,196
Payments on account	26,133,713	16,425,618	9,667	42,568,998
Due to suppliers (trade)	34,794,172	6,565,469	9,993,828	51,353,469
Payables to subsidiaries	2,712,797	-	294,025	3,006,822
Payables to associated companies	-	-	20,632	20,632
Tax payable	2,262,233	-	-	2,262,233
Payables to pensions and social security institutions	1,921,457	-	-	1,921,457
Other payables	4,108,554	-	15,839	4,124,393
<b>Payables</b>	<b>129,020,122</b>	<b>22,991,087</b>	<b>10,333,991</b>	<b>162,345,200</b>

## **Accrued expenses and deferred income**

Accrued expenses and deferred income wholly consist of portions of costs relating to the reporting period that will materialise in future periods. They mainly regard accrued loan interest expenses (Euro 62 thousand) and financial expenses regarding forward currency transactions maturing after 31.12.2023 (Euro 53 thousand).

## **Notes to the Financial Statements, income statement**

### **Value of production**

Value of production amounts to Euro 224,515 thousand (Euro 184,319 thousand in 2022).

#### Revenues from sales and services

Given the nature of the Company's business, Revenues from sales and services, amounting to Euro 199,903 thousand (Euro 194,950 thousand in 2022), are highly concentrated with around 78% of the total (74% in prior year) generated by the five leading clients..

#### Change in contract work-in-progress

This item shows a positive balance of Euro 13,816 thousand (negative balance of Euro 13,621 thousand at 31.12.2022). It includes a positive amount of Euro 3,662 thousand relating to "Oil & Gas" sector contracts, a positive amount of Euro 12,142 thousand relating to "Renewables and Carbon Capture" sector contracts and a negative amount of Euro 1,988 thousand relating to Shipbuilding sector contracts.

For details of the valuation method adopted, see the accounting policies described at the start of these Notes.

#### Increases in internal works capitalised

Increases in own work capitalised, amounting to Euro 2 thousand (Euro 19 thousand in 2022), includes capitalised costs that led to increases in the Balance Sheet caption "Tangible assets".

#### Other revenues and income

This item, amounting to Euro 10,794 thousand (Euro 2,972 thousand in 2022), includes Euro 390 thousand of grants towards operating expenses and Euro 10,404 thousand of other revenues.

"Grants towards operating expenses" includes: Euro 29 thousand of grants towards the photovoltaic solar power systems installed at the S. Vitale yard and at the Via Trieste site, Euro 52 thousand of grants received from Fondimpresa in reimbursement of costs incurred to run training programmes, Euro 107 thousand of subsidies resulting from the tax credit for research and development activities carried out in 2022, Euro 19 thousand of subsidies resulting from the tax credit for donations for cultural initiatives during the year, Euro 181 thousand of grants received towards the additional costs for gas and electricity incurred in 2023 (Decree Law Assistance 21/2022 et seq.) and Euro 2 thousand of grants received from the Ministry for Infrastructure and Transport towards the GAINN4CORE initiative which aims to establish a range of pilot projects for the distribution of LNG in Italy.



See the specific section with regard to grants falling within the scope of Law no 124 of 4 August 2017.

Other revenues mainly consist of gains on disposal of Euro 8,110 thousand realised during the reporting period, largely on the sale of the San Vitale Yard and the AMT Mariner barge. They also comprise Euro 708 thousand from the secondment of employees to other Group companies, Euro 111 thousand of costs recharged for third party use of utilities and industrial gases and Euro 133 thousand of chargebacks to employees for the use of company cars.

### Breakdown of revenues from sales and services by business segment

The following table contains a breakdown of revenues by business segment:

Business segment	2023
Oil & Gas	175,973,278
Renewables and Carbon Capture	9,888,708
Shipbuilding	13,080,153
Sundry services	960,840
<b>Total</b>	<b>199,902,979</b>

### Breakdown of revenues from sales and services by geographical area

The following table contains a breakdown of revenues by geographical area:

Geographical area	2023
Italy	62,783,884
Other EU	10,104,212
Non-EU	127,014,883
<b>Total</b>	<b>199,902,979</b>

## Costs of production

Cost of production amounts to Euro 212,972 thousand (Euro 178,626 thousand in 2022).

### Purchases of raw, ancillary and consumable materials and goods

This caption, amounting to Euro 50,491 thousand (Euro 35,885 thousand in 2022), includes Euro 48,720 thousand of purchases of raw materials, Euro 1,752 thousand of purchases of ancillary and consumable materials and Euro 19 thousand of purchases of sundry materials.

The increase compared to prior year is due to the higher volume of production activity and to a related increase in purchases of materials.

### Services

This item, amounting to Euro 106,138 thousand (Euro 98,044 thousand in 2022), includes the cost of services purchased during ordinary operating activities and consists of the following:

- sub-contracting of Euro 83,106 thousand (Euro 74,435 thousand in 2022);
- repairs and maintenance of Euro 1,053 thousand (Euro 927 thousand in 2022);
- electricity, water and heating of Euro 1,209 thousand (Euro 2,228 thousand in 2022). The significant decrease in this item reflects the reduction in the cost of energy commodities during 2023;
- other outsourced production costs of Euro 6,659 thousand (Euro 6,872 thousand in 2022);
- sundry personnel costs of Euro 3,274 thousand (Euro 2,604 thousand in 2022);
- selling costs of Euro 443 thousand (Euro 259 thousand in 2022);
- Statutory Auditors' fees of Euro 43 thousand (Euro 44 thousand in 2022);
- Directors' fees of Euro 497 thousand (Euro 322 thousand in 2022);
- audit fees of Euro 82 thousand (Euro 79 thousand in 2022);
- general, administrative and insurance costs of Euro 4,329 thousand (Euro 4,075 thousand in 2022).
- transport and shipping costs of Euro 5,443 thousand (Euro 6,199 thousand in 2022).

Lease and rental costs

Lease and rental costs amount to Euro 16,404 thousand (Euro 5,229 thousand in 2022) and include lease and rental costs regarding tangible and intangible assets, as follows:

- maintenance of Euro 3 thousand (Euro 3 thousand in 2022);
- state land concession fees of Euro 39 thousand (Euro 55 thousand in 2022);
- rental of property of Euro 2,365 thousand (Euro 2,395 thousand in 2022);
- software rental of Euro 269 thousand (Euro 247 thousand in 31.12.2022);
- hire/rental of moveable assets of Euro 13,728 thousand (Euro 2,530 thousand in 2022).

The increase compared to prior year is mainly due to the nature of the contracts in progress which required more hires and rentals of assets from third parties than in prior year.

Personnel

Personnel costs of Euro 35,641 thousand (Euro 33,135 thousand in 2022) includes costs incurred for employees during the reporting period.

Depreciation, amortisation and writedowns

“Depreciation, amortisation and writedowns”, amounting to Euro 3,763 thousand (Euro 3,703 thousand in 2022), includes depreciation and amortisation of tangible and intangible assets and writedowns of trade and financial receivables.

Change in inventory of raw, ancillary and consumable materials and goods for resale

This caption has a negative balance of Euro 33 thousand (negative balance of Euro 152 thousand in 2022). It includes the change in value of raw materials inventory (opening inventory of Euro 846 thousand and closing inventory of Euro 925 thousand) and the amount allocated to the inventory obsolescence provision during the reporting period (Euro 46 thousand).

Provisions for risks

This item amounts to Euro 205 thousand (Euro 2,471 thousand in 2022) and includes amounts allocated during the reporting period to update the provision for contractual risks.

Sundry operating expenses

“Sundry operating expenses”, amounting to Euro 363 thousand (Euro 312 thousand in 2022), mainly includes sundry taxes paid for the year and including IMU/local property tax, chamber of commerce duty, authentication of company books, contribution to Clean-up Consortium, local tax on advertising, excise duty and rights on electricity licence, tax for occupation of public land and refuse tax.

## Financial income and expenses

There was net financial income of Euro 209 thousand in the year ended 31 December 2023 (net financial expenses of Euro 1,960 thousand in 2022). This caption includes all of the Company’s financial income and expenses for the year.

Breakdown of income from equity investments

Income from equity investments amounts to Euro 1,338 thousand (Euro 1 thousand in 2022). It refers to the dividends paid by Sapir Spa (Euro 1 thousand) and by subsidiaries Kazakhstan Caspian Offshore Industries Llp (Euro 898 thousand), Rosetti Kazakhstan Llp (Euro 339 thousand) and Tecon Srl (Euro 150 thousand).

Breakdown of other financial income

“Other financial income” of 3,018 thousand (Euro 965 thousand in 2022) mainly includes the following financial items:

- financial income from cash investments - Euro 209 thousand;
- bank interest income - Euro 588 thousand;
- interest income on loans to subsidiaries Fores Engineering Srl (Euro 211 thousand), Kazakhstan Caspian Offshore Industries Llp (Euro 278 thousand) and GM Green Methane Srl (Euro 189 thousand);
- interest income on loans to associated companies Rigros Srl (Euro 4 thousand), Rosetti Pivot Ltd (Euro 171 thousand) and Rosetti Ali & Sons Llc (Euro 2 thousand);
- interest income from IRS hedging agreements (Euro 1,320 thousand);
- interest income on loan granted during the period to Broadview Engineering Limited (shareholder of associated company Broadshore Energy Limited) - Euro 35 thousand.

Breakdown of interest and other financial expenses by type of debt

Other financial expenses amount to Euro 3,753 thousand (Euro 2,948 thousand in 2022) and mainly include: financial expenses relating to cash investments (Euro 6 thousand), interest expenses on bank loans (Euro 3,232 thousand) and financial expenses on forward currency sale transactions (Euro 515 thousand).

**Breakdown of exchange gains and losses**

“Exchange gains and losses” includes Euro 538 thousand of realised exchange losses i.e. resulting from the translation into Euro of foreign currency assets and liabilities settled (i.e. collected or paid) during the reporting period and Euro 94 thousand of unrealised exchange gains i.e. resulting from the translation into Euro of foreign currency assets and liabilities not yet settled at the reporting date.

**Adjustments to value of financial assets and liabilities**

“Adjustments to value of financial assets” is negative by Euro 3,892 thousand (negative by Euro 1,416 thousand in 2022) and includes the following adjustments, as described in earlier paragraphs:

- revaluation of equity investments - Euro 14 thousand;
- revaluation of securities classed as current assets - Euro 9 thousand;
- writedown of equity investments – Euro 3,915 thousand – mainly relating to investments in subsidiaries Fores Engineering Srl (Euro 603 thousand) and GM Green Methane Srl (Euro 1,521 thousand);

**Taxes on income – current, deferred and deferred tax income**

Income taxes have been calculated in accordance with applicable tax laws and regulations and represent the tax expense for the reporting period.

This item has a negative balance (net expense) of Euro 1,578 thousand (positive balance/net income of Euro 1,068 thousand in 2022 and includes:

- a) current taxes on taxable income for the period;
- b) taxes relating to prior periods;
- c) deferred taxation and deferred tax income.

The main temporary differences that led to the recognition of deferred taxation are shown in the following table, together with the related effects.

In order to provide a better understanding of the tables on deferred tax and deferred tax income set out in the next paragraph, it should be noted that the main changes recorded during the reporting period regarded:

- for deferred tax income, the recognition of an amount of Euro 5,482 thousand relating to tax loss carryforwards, as recognised in the financial statements at 31 December 2023 given the fact that it is reasonably certain that they will be recovered on the basis of the Group Business Plan for 2024-2028;
- for deferred taxes, the use of Euro 4,540 thousand from the provision due to a reduction in the deferred taxes provided for in the financial statements at 31 December 2020 in relation to a revaluation of land performed for statutory reporting purposes only, following the sale of the San Vitale yard during the reporting period.

**Recognition of deferred tax and deferred tax income**

	IRES	IRAP
<b>A) Temporary differences</b>		
<b>Total deductible temporary differences</b>	95,235,551	265,075
<b>Total taxable temporary differences</b>	6,618,732	6,514,746
<b>Temporary differences, net</b>	(88,616,819)	6,249,671
<b>B) Tax effects</b>		
<b>Deferred tax provision (assets) at start of period</b>	(17,358,678)	873,737
<b>Deferred tax (income) for the period</b>	(3,909,358)	(630,000)
<b>Deferred tax provision (assets) at end of period</b>	(21,268,036)	243,737

## Details of deductible temporary differences

Description	Amount at 31/12/2022	Change during the reporting period	Amount at 31/12/2023	IRES Rate	Tax effect IRES	IRAP Rate	Tax effect IRAP
Inventory obsol. provision	564,000	46,000	610,000	24.00%	11,040	-	-
Prov for contractual risks	395,407	205,118	600,525	24.00%	49,228	-	-
Prov for future risks	2,571,189	0	2,571,189	24.00%	0	-	-
Taxed bad debt provision	911,807	2,111,691	3,023,498	24.00%	506,806	-	-
Unrealised exchange losses	7,673	2,380	10,053	24.00%	571	-	-
Contracts in progress	3,285,782	(2,787,903)	497,879	24.00%	(669,097)	-	-
A.C.E. not utilised	1,048,069	(1,048,069)	0	24.00%	(251,537)	-	-
Depreciation of tangible assets	383,103	(118,028)	265,075	24.00%	(28,327)	3.90%	(4,603)
Tax loss	80,380,191	5,792,349	86,172,540	24.00%	1,390,164	-	-
Provisional POC payments on account	5,026,360	(5,026,360)	0	24.00%	(1,206,326)	-	-
Prov. for performance-related bonuses and	655,618	829,174	1,484,792	24.00%	199,002	-	-
<b>Total</b>	<b>95,229,199</b>	<b>6,352</b>	<b>95,235,551</b>	<b>-</b>	<b>1,524</b>	<b>-</b>	<b>(4,603)</b>

## Details of taxable temporary differences

Description	Amount at 31/12/2022	Change during the reporting period	Amount at 31/12/2023	IRES Rate	Tax effect IRES	IRAP Rate	Tax effect IRAP
Unrealised exchange gains	114,763	(10,777)	103,986	24.00%	(2,586)	-	-
Gain on revaluation of land	22,786,610	(16,271,864)	6,514,746	24.00%	(3,905,247)	3.90%	(634,603)
<b>Total</b>	<b>22,901,373</b>	<b>(16,282,641)</b>	<b>6,618,732</b>	<b>-</b>	<b>(3,907,833)</b>	<b>-</b>	<b>-</b>

## **Notes to the Financial Statements, other information**

### **Workforce details**

	Average headcount
Senior managers	38.3
Managers	79.3
White collar	247.6
Blue collar	32.4

In addition to the persons indicated in the table, the Company uses operations personnel at its foreign branches (average of 13.2FTEs).

### **Off-balance sheet commitments, guarantees and contingent liabilities**

#### GUARANTEES GIVEN BY THE COMPANY

##### Sureties

This item consists of sureties given by insurance companies and banks to the Company's clients (Euro 92,658 thousand) and to clients of Group companies (Euro 7,932 thousand) as guarantees of proper performance of works and to release amounts withheld for performance purposes.

The Company has also granted sureties to the banks (Euro 73,462 thousand) as security for the granting of loans and/or the issue of bank guarantees in favour of Group companies.

#### COMMITMENTS MADE BY THE COMPANY

At 31 December 2023, there were no off-balance sheet commitments,

### **Disclosures pursuant to Art. 1(125) of Law no 124 of 4 August 2017**

As required by Article 1(125 et seq) of Law 124/2017 on the issue of transparency over public funding, we provide below details of the grants and economic benefits of all types received from public administrations and from parties/entities controlled by them, even indirectly:

Name of funding body: Gestore dei Servizi Energetici GSE S.p.A.

Amount received: Euro 27,672

Date received: various dates in 2023

Reason: grants to net metering account

Name of funding body: Ministry for the Economy and Finance

Amount offset against other taxes: Euro 128,200

Date received: 16/03/2023

Reason: subsidy towards higher gas and electricity costs incurred in the fourth quarter of 2022

Name of funding body: Ministry for the Economy and Finance

Amount offset against other taxes: Euro 180,775

Date received: 18/09/2023

Reason: subsidy towards higher gas and electricity costs incurred in the first and second quarters of 2023

Name of funding body: Ministry of cultural heritage and tourism

Amount offset against other taxes: Euro 607

Date received: 18/12/2023

Reason: Art Bonus subsidy for payments incurred in 2020

Name of funding body: Ministry of cultural heritage and tourism  
Amount offset against other taxes: Euro 607  
Date received: 18/12/2023  
Reason: Art Bonus subsidy for payments incurred in 2021

Name of funding body: Ministry of cultural heritage and tourism  
Amount offset against other taxes: Euro 867  
Date received: 18/12/2023  
Reason: Art Bonus subsidy for payments incurred in 2022

Name of funding body: Ministry for the Economy and Finance  
Amount offset against other taxes: Euro 17,186  
Date received: 18/12/2023  
Reason: R&D grant for costs incurred in 2020

Name of funding body: Ministry for the Economy and Finance  
Amount offset against other taxes: Euro 41,369  
Date received: 18/12/2023  
Reason: R&D grant for costs incurred in 2021

Name of funding body: Ministry for the Economy and Finance  
Amount offset against other taxes: Euro 35,755  
Date received: 18/12/2023  
Reason: R&D grant for costs incurred in 2022

Name of funding body: Ministry of Infrastructure and Transport  
Amount received: Euro 1,990  
Date received: 30/03/2023  
Reason: Grant towards establishment of a core project for the establishment of an LNG storage and micro-liquefaction plant in the port of Ravenna - project "GAINN4MCORE"

Name of funding body: Ministry of Infrastructure and Transport  
Amount received: Euro 47,436  
Date received: 19/05/2023  
Reason: Grant to finance projects for product or process innovation in the shipping field – project called "ROSMANDITEN "

## **Proposed allocation of profits or coverage of losses**

We propose to remunerate the shareholders by awarding a dividend of Euro 1.00 per share with dividend rights while allocating the remainder of the net profit to the extraordinary reserve.

We also propose to take the remaining portion of retained earnings (after distribution of the 2023 dividend) of Euro 67,974.67 to the extraordinary reserve.

**3. BOARD OF STATUTORY AUDITORS' REPORT**  
**ON THE FINANCIAL STATEMENTS**  
**AS AT 31/12/2023**

To the Shareholders of ROSETTI MARINO S.p.A.

During the year ended 31 December 2023, our work was performed in accordance with statutory requirements and the Code of Conduct for Statutory Auditors recommended by the Italian Accounting Profession (“*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*”).

Based on that work and the results obtained, we draw your attention to the following by means of this report.

The financial statements of ROSETTI MARINO S.p.A. as at 31 December 2023, prepared in accordance with Italian GAAP and reporting a net profit of Euro 9,437,797.00, have been presented for your review. The financial statements were made available to us by the deadline required by law.

The financial statements have been audited by DELOITTE & TOUCHE S.p.A. They gave us their audit report thereon – containing an unqualified opinion – dated 8 April 2024.

According to the External Auditors’ Report, the financial statements for the year ended 31 December 2023 provide a true and fair representation of the balance sheet and financial position, the result and the cash flows for the year. They have been prepared in accordance with Italian statutory reporting requirements.

As the Board of Statutory Auditors has not been engaged to audit the financial statements, it has performed supervisory activities consisting of an overall check to ensure that the financial statements have been prepared properly. The external auditors are responsible for confirming that the financial statements reflect the contents of the accounting records.

### **1) Supervisory activities in terms of Articles 2403 et seq. of the Italian Civil Code**

We have checked observance of the law and the articles of association and compliance with principles of proper business management. In particular, this has regarded organisational structures, the accounting system and how they function in practice.

We have attended Shareholders’ General Meetings and meetings of the Board of Directors and, based on the information available, have no particular findings to report.

We obtained with sufficient advance from the Board of Directors and also during its meetings, information on the general operating performance and on the business outlook, as well as details of the



most significant transactions – in terms of size or characteristics – carried out by the Company and its subsidiaries. We have no comments to make based on the information obtained.

A significant event that occurred during the reporting period was the sale of the property known as “San Vitale Yard”, Porto San Vitale, Marina di Ravenna.

We mutually exchanged information with the external auditors Deloitte & Touche S.p.A.. Specifically, we have not identified any issues in relation to the non-audit services provided to the Parent Company and the subsidiaries and associated companies by professional firms belonging to the same network as Deloitte & Touche S.p.A..

We obtained information from the Supervisory Board and did not identify any issues regarding the proper implementation of the organisational model and requiring disclosure in this report.

We gathered information on and reviewed the appropriateness of the organisational, administrative and accounting structure as well as checking its proper functioning. This involved gathering information from heads of department. We have no significant findings to report.

We gathered information on and checked – insofar as we are responsible – the adequacy and functioning of the accounting system, as well as its reliability in accurately reporting operations. This involved gathering information from heads of department and reviewing company documents. We have no significant findings to report.

No reports by the shareholders in terms of Article 2408 of the Italian Civil Code have been received.

During the period, the Board of Statutory Auditors did not issue any legal opinions or observations.

## **2) Observations regarding the financial statements**

As reported in the External Auditors’ Report, “the financial statements provide a true and fair view of the balance sheet and financial position of ROSETTI MARINO S.p.A. at 31 December 2023 and of its result and cash flows for the year then ended, in accordance with Italian statutory reporting requirements”.

To the best of our knowledge, when preparing the financial statements, the Directors did not depart from statutory reporting requirements under Article 2423(5) of the Italian Civil Code.

The Company also prepares consolidated financial statements and the external auditors’ report on the consolidated financial statements at 31 December 2023 contains no qualifications or emphases of

matter.

### **3) Comments and proposals regarding approval of the financial statements**

Considering the results of our work and the audit opinion expressed by the External Auditors, we have found no reason preventing approval of the financial statements as at 31 December 2023, as prepared by the Directors, which report a net profit of Euro 9,437,797.00.

The Board of Statutory Auditors agrees with the allocation of the net profit for the year proposed by the Directors in the Notes to the Financial Statements.

Ravenna, 9 April 2024

For the Board of Statutory Auditors

Gian Luigi Facchini

**4. EXTERNAL AUDITORS' REPORT**



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**INDEPENDENT AUDITOR'S REPORT  
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010**

**To the Shareholders of  
Rosetti Marino S.p.A.**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of Rosetti Marino S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2023, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

**Basis for Opinion**

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

**Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian law governing financial statements, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Trieste Udine Verona

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10

The Directors of Rosetti Marino S.p.A. are responsible for the preparation of the report on operations of the Company as at December 31, 2023, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Rosetti Marino S.p.A. as at December 31, 2023 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the report on operations is consistent with the financial statements of Rosetti Marino S.p.A. as at December 31, 2023 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Mauro Di Bartolomeo**  
Partner

Bologna, Italy  
April 8, 2024

*This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

**5. MINUTES OF SHAREHOLDERS' MEETING HELD TO APPROVE**  
**THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

The **Ordinary Shareholders' General Meeting** of **Rosetti Marino S.p.A.** – registered office at Via Trieste, 230, Ravenna, Ravenna Register of Companies, Tax Number and VAT Number 00082100397 and wholly paid Share Capital of € 4,000,000 – took place at the Company's registered office at **1030 hours on 29 April 2024**.

The General Meeting was convened for this day, at the designated time and place, through an announcement published in the **Official Gazette** of the Italian Republic – Announcements Page no **40** of 14/04/2024 and through announcements published on 14/04/2024 in the Euronext Growth Milan section of the web site of Borsa Italiana [www.borsaitaliana.it](http://www.borsaitaliana.it) and in the Investor Relations Section of company web site [www.rosetti.it](http://www.rosetti.it) in order to discuss and decide upon the following:

### **Order of Business**

- 1) Review and approval of the Statutory Financial Statements for the year ended 31/12/2023, accompanied by the Directors' Report, the Board of Statutory Auditors' Report and the External Auditors' Report; presentation of the Consolidated Financial Statements at 31/12/2023. Related business and resulting resolutions.
- 2) OMISSIS.
- 3) OMISSIS.
- 4) OMISSIS.

The following Directors were present for the **Board of Directors**:

- Stefano Silvestroni – Chairman;
- Oscar Guerra – Chief Executive Officer;
- Luca Barchiesi – Deputy Chairman and Managing Director;
- Ermanno Bellettini – Deputy Chairman and Managing Director;
- Gabriele Franco – Managing Director;
- Maria Alejandra Berardi – Director.

The following were present for the **Board of Statutory Auditors**:

- Gian Luigi Facchini – President of the Board of Statutory Auditors;
- Renzo Galeotti – Statutory Auditor.



### Preliminary matters

In accordance with the Articles of Association, the General Meeting was chaired by the Chairman, **Stefano Silvestroni**. Mr Silvestroni confirmed that the General Meeting was properly constituted to decide upon the matters included in the Order of Business as the following five Shareholders, owners of a total of 3,997,600 shares equal to 99.94% of the Share Capital, were present:

- **ROSFIN S.p.A.**, owner of **2,247,600** (two million, two hundred and forty-seven thousand, six hundred) shares, equal to **56.19 %** of Share Capital, represented by **Simone Bassi**, on the basis of a proxy filed with the Company and issued on 21 March 2024 by the Board of Directors of said company;
- **SAIPEM S.A.**, owner of **800,000** (eight hundred thousand) shares, equal to **20%** of Share Capital, represented by **Simona Savoca**, on the basis of a proxy filed with the Company and issued by Chief Executive Officer and Legal Representative of said company, Bertrand Marechal, on 26 April 2024;
- **COSMI HOLDING S.p.A.**, owner of **700,000** (seven hundred thousand) shares, equal to **17.5%** of Share Capital, represented by **Francesca Mambelli**, on the basis of a proxy filed with the Company and issued on 17 April 2024 by the Sole Director of said company, Sonia Resca;
- **ROSETTI MARINO S.p.A.**, owner of **200,000** (two hundred thousand) shares, equal to **5%** of Share Capital, in relation to which, given their status as treasury shares held by the Company, the Chairman duly notes that voting rights are suspended in terms of Article 2357-ter (2) of the Italian Civil Code; said company was represented by its Chairman and Legal Representative **Stefano Silvestroni**, holder of the necessary powers under the articles of association;
- **LA CASSA DI RAVENNA S.p.A.**, owner of **50,000** (fifty thousand) shares, equal to **1.25 %** of Share Capital, represented by **Marco Carboni**, on the basis of a proxy filed with the Company and issued on 26 April 2024 by its Vicarious Deputy Chairman Giorgio Sarti.

Chairman Stefano Silvestroni noted that, in order to facilitate the conduct of business at today's meeting, a personal folder was issued to each participant before the start of the meeting; said folders contained the following documents, as filed with the Company, which – unless otherwise stated – were also made available to the Shareholders, in accordance with the Law, at the Registered Office with effect from 15 days prior to today's date:

- **Notice calling** today's General Meeting (extract from G.U. no 40 of 4 April 2024);
- **Financial Statements as at 31/12/2023 with accompanying Directors' Report**, as approved by the Board of Directors on 28 March 2024.;
- **Report of the Board of Statutory Auditors** on the Financial Statements as at 31 December 2023;
- **External Auditors' Report** on the Financial Statements as at 31 December 2023;
- **Consolidated Financial Statements as at 31 December 2023 with related attachments**, as approved by the Board of Directors on 28 March 2024;
- **Proposals of the Appointments & Remuneration Committee, dated 07/03/2024, for 2024**, regarding Fees, Remuneration and Bonuses for Members of Governance Bodies, as signed by the Chairman on 5 April 2024;
- **Draft Rev. 0 of 24/04/2024 of minutes**, as a *trail for the start of works*.

The Chairman declared the meeting open and recalled that:

- the current Share Capital of Rosetti Marino S.p.A. is wholly paid and amounts to € 4,000,000.00, comprising 4,000,000 shares with a nominal value of € 1.00 each;
- since 06/12/2012, the Company has been listed on the AIM Italy – Alternative Capital Market managed by Borsa Italiana – a market which changed its name to **Euronext Growth Milan** on 25/10/2021 - and, therefore, in compliance with the applicable Rules, on 014/04/2024, a notice convening the General Meeting was published on the Borsa Italiana web site in the Euronext Growth Milan section and on the Company's own web site;
- checks on compliance with deadlines laid down by law and by the Articles of Association for legitimization of exercise of rights relating to the shares have been performed;
- voting is public and it is proposed that votes should be expressed by a show of hands.

As proposed by the Chairman, the General Meeting nominated **Alfonso Levote** to act as **Secretary** and he accepted.

The General Meeting then moved on to deal with the first matter on the Order of Business.

**1) Review and approval of the Separate Financial Statements for the year ended 31/12/2023, accompanied by the Directors' Report, the Board of Statutory Auditors' Report and the External Auditors' Report; presentation of the Consolidated Financial Statements at 31/12/2023. Related business and resulting resolutions**

With regard to the first item on the Order of Business, the Chairman recalled that:

- as required by law, copies of the Financial Statements were made available at the Company's Registered Office in the 15 days prior to the General Meeting;
- the Shareholders present today have been issued with a file called "ROSETTI MARINO – Statutory Financial Statements as at 31 December 2023" containing:
  - Directors' Report on Operations;
  - Board of Statutory Auditors' Report;
  - The Financial Statements;
  - Notes to the Financial Statements;
  - Attachments to the Financial Statements;
  - External Auditors' Report;
- since 14/04/2024, the Financial Statements have also been available online, having been published on the web sites of Borsa Italiana and the Company itself;
- the Consolidated Financial Statements for 2023, approved by the Board of Directors on 28/03/2024 and containing the "Directors' Report on Operations, accompanying the Consolidated Financial Statements as at 31 December 2023", the "Consolidated Financial Statements as at 31 December 2023" and the "External Auditors' Report on the Consolidated Financial Statements", have been made available on the websites of Borsa Italiana and the Company; moreover, a printed copy was issued before the start of today's meeting to all those present.

The Chairman then recalled the following highlights from the financial statements as at 31 December 2023 (in Euro):

#### **BALANCE SHEET**

Assets	€ 295,670,839
Liabilities	€ 172,849,871
Shareholders' Equity	€ 122,820,968

#### **INCOME STATEMENT**

Value of Production	€ 224,514,706
Costs and Taxes	€ (215,076,909)
<b>Net Profit for the Year</b>	<b>€ 9,437,797</b>

At the request of a Shareholder and with the unanimous consent of the General Meeting, the Notes to the Financial Statements were not read out.

The Chairman read out the report of external auditors Deloitte & Touche on the financial statements; it contained an unqualified audit opinion.

The Chairman then read the resolution proposed by the Board of Directors that the **net profit of € 9,437,796.72 for 2023** be allocated as follows:

- **€ 3,800,000 in remuneration of share capital**, through the award of a **dividend of € 1.00 per share** to each of the 3,800,000 ordinary shares with dividend rights – **coupon date 13/05/2024, payment date from 15/05/2024 and record date 14/05/2024;**
- **€ 5,637,796.72 to Extraordinary Reserve.**

Before opening the discussion on the first item on the Order of Business, Chairman Stefano Silvestroni also drew the attention of the Shareholders' General Meeting to the closing section of the Directors' Report accompanying the Financial Statements at 31/12/2023, where it is proposed also to allocate to the **Extraordinary Reserve** the amount of **€ 67,974.67** representing the **residual portion of retained earnings** upon approval of the Financial Statements at 31 December **2022**, after distribution of the 2022 dividend.

At the request of the Chairman of the Board of Directors, the **President of the Board of Statutory Auditors** addressed the meeting and read out the **Statutory Auditors' Report** in terms of Article 2429 of the Italian Civil Code.

The Chairman declared open the discussion of the first item on the Order of Business.

**Simone Bassi** addressed the Meeting on behalf of the Parent Company **Rosfin SpA**. He announced said company would vote in favour of approval of the Financial Statements as at 31 December 2023, in support of the proposals for allocation of the net profit for the year of € 9,437,796.72 and in support of the proposal also to allocate to the Extraordinary Reserve the residual portion of retained earnings upon approval of the Financial Statements at 31 December 2022, after distribution of the 2022 dividend.

Simona Savoca addressed the Meeting on behalf of shareholder **Saipem SA**. She announced said company would vote in favour of approval of the Financial Statements as at 31 December 2023, in support of the proposals for allocation of the net profit for the year of € 9,437,796.72 and in support of the proposal also to allocate to the Extraordinary Reserve the residual portion of retained earnings upon approval of the Financial Statements at 31 December 2022, after distribution of the 2022 dividend.

Francesca Mambello addressed the Meeting on behalf of shareholder **Cosmi Holding SpA**. She expressed her satisfaction and complimented the Directors on the positive results achieved by the Company in 2023. She also announced that she would vote in favour of approval of the Financial Statements as at 31 December 2023, in support of the proposals for allocation of the net profit for the year of € 9,437,796.72 and in support of the proposal also to allocate to the Extraordinary Reserve the residual portion of retained earnings upon approval of the Financial Statements at 31 December 2022, after distribution of the 2022 dividend.

Marco Carboni addressed the Meeting on behalf of shareholder **La Cassa di Ravenna SpA**. He fully agreed with the previous interventions of Simone Bassi, Simona Savoca and Francesca Mambelli and expressed his pleasure and gratitude to the Directors for the positive results reported in the 2023 Financial Statements. He announced that he, too, would vote in favour of approval of the Financial Statements as at 31 December 2023, in support of the proposals for allocation of the net profit for the year of € 9,437,796.72 and in support of the proposal also to allocate to the Extraordinary Reserve the residual portion of retained earnings upon

approval of the Financial Statements at 31 December 2022, after distribution of the 2022 dividend.

No other Shareholder asked to address the Meeting and, at the end of the discussion, the Chairman thanked those who had spoken and proceeded with a vote on the Financial Statements of Rosetti Marino S.p.A. as at 31 December 2023 (Financial Statements, Notes and Attachments), as accompanied by the Directors' Report on Operations, the Board of Statutory Auditors' Report and the External Auditors' Report, together with the Directors' proposals for allocation of the net profit for the year of € 9,437,796.72 and for the allocation to the Extraordinary Reserve of the residual position of retained earnings upon approval of the Financial Statements at 31 December 2022, after distribution of the 2022 dividend.

The Chairman invited the General Meeting to vote by a show of hands. Four shareholders with voting rights – owners of a total of 3,797,600 shares, equal to 94.94% of Share Capital – were present.

Having completed the voting process, the Chairman announced the result and declared that the **General Meeting** of the Company, with the unanimous support of all Shareholders present and entitled to vote

#### **HAD RESOLVED**

- 1.a) to **approve the Financial Statements** as at 31 December **2023**;
- 1.b) to **allocate the net profit** for **2023** of € **9,437,796.72** as follows:
  - € **3,800,000** in **remuneration of share capital** through the award of a **dividend of € 1.00 per share** to each of the 3,800,000 ordinary shares with dividend rights – **coupon date 13/05/2024, payment date from 15/05/2024 and record date 14/05/2024**;
  - € **5,637,796.72** to the **Extraordinary Reserve**;
- 1.c) to allocate to the **Extraordinary Reserve also** the amount of € **67,974.67** representing the **residual portion of retained earnings** upon approval of the Financial Statements at 31 December **2022**, after distribution of the 2022 dividend.

Before moving on to the next item on the Order of Business, the Chairman informed the Shareholders that, at a meeting on 28 March 2024, the Company Board of Directors had approved the **Consolidated Financial Statements as at 31/12/2023** with a **consolidated net profit for 2023 of €7,043 thousand**. He also stated that the document had been made available through publication on the websites of Borsa Italiana and the Company with effect from 14/04/2024, as well as being issued to all of those present at today's General Meeting.

Before moving on to the next item on the Order of Business, the Chairman invited the General Meeting to acknowledge the approval of the 2024 Consolidated Financial Statements by the Board of Directors on 28 March 2024 and the presentation of those Financial Statements at today's General Meeting.

Mr Silvestroni then put his proposal to a vote in the presence of four Shareholders representing a total of 3,797,600 Shares, or 94.94% of Share Capital. Once voting had been completed, the Chairman announced the result and declared that the **General Meeting**, with the unanimous support of those Shareholders with voting rights present

#### **HAD ACKNOWLEDGED**

- i) that the Consolidated Financial Statements at 31/12/2023 had been approved by the Board of Directors' meeting held on 28/03/2024;
- ii) that the Consolidated Financial Statements at 31/12/2023 had been published on the websites of the Company and Borsa Italiana;
- iii) that the Consolidated Financial Statements at 31/12/2023 had been presented to today's General Meeting.

The General Meeting then proceeded to deal with the next item on the Order of Business.

- 2) OMISSIS.
- 3) OMISSIS.
- 4) OMISSIS.

As there was no other business, the Chairman declared the General Meeting over at 1125 hours.

Ravenna, 29 April 2024

THE SECRETARY

Alfonso Levote

THE CHAIRMAN

Stefano Silvestroni