ROSETTI MARINO

Consolidated Financial Statements at 31/12/2023

I N D E X

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DIRECTORS' REPORT ON OPERATIONS,

ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2023

The consolidated financial statements of the Group for the period ended 31 December 2023 report a net profit of Euro 7,043 thousand after depreciation and amortisation of Euro 7,015 thousand, writedowns of current assets of Euro 2,679 thousand and allocations to provisions for risks of Euro 205 thousand.
We present below an overview of the operating performance in 2023 and analysis of how the business can be expected to develop going forward.

OPERATING PERFORMANCE

In addition to a return to profitability with a 52% increase on prior year and on top of the significant growth in production volumes, the most significant matters that characterised the 2023 reporting period were as follows:

- the significant value of new orders taken and the substantial order book achieved which show how the Group has taken advantage of the strong recovery of the Energy market as a whole;
- 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;
- the sale by the Parent Company 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 Group's finances while also generating significant gains on disposal (totalling Euro 8,110 thousand) which have more than offset the additional losses made in that sector during the reporting period;
- 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 Group dared to launch several years ago and which have proven to be 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 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 60% of the Group’s order backlog – now totalling Euro 818 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 the order book, in addition to the contracts acquired by the Parent Company, important orders include the one taken by Nigerian associated company Rosetti Pivot Ltd to construct a Calm Buoy for the mooring of FPSOs and the order taken by Kazakh subsidiary Kazakhstan Caspian Offshore Industries Llp for preparatory works on the building of a large Slug Catcher.
With regard to the Group’s only project for the Russian Federation, it should be noted that, in June 2023, Russian subsidiary OOO Rosetti Marino Project signed a Supplementary Agreement with the end client, establishing the terms and conditions for the early termination of the contractual relationship; it set out the final prices, the value of contractual variations, the timetable for the last invoices and payment thereof, the reimbursement of advances, payment of amounts withheld and the release of bank guarantees still in place. To date, the bank guarantees have been released and all payments for this contract have been made, except for those relating to the few materials that were delivered to the client by the end of the reporting period in full compliance with the cross-sanctions imposed by the European Union and the Russian Federation.
With regard to energy security, it is worth highlighting the fact that the Group 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 the Group companies are able to make an important contribution to affordable energy by fulfilling orders for countries 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, GIP for the reporting period increased significantly from Euro 316 million in 2022 to Euro 359 million in 2023 (+13%).
Meanwhile, it is important to highlight the fact that consolidated net profit was hit by the negative performance of some of the Group's Italian subsidiaries. Undoubtedly, the worst result was that reported by subsidiary Fores Engineering S.r.l. – it recorded a hefty loss that was significantly worse than the large losses already reported in the previous two years. Subsidiaries Rosetti Superyachts S.p.A. and GM Green Methane S.r.l. also made losses with the latter suffering from market uncertainty over government policy on incentives to encourage production of Biomethane in Italy. The negative results of these Italian companies were offset in part by the positive performance of subsidiary Tecon S.r.l. and, especially, Nigerian associated company Rosetti-Pivot Ltd which reported its best ever result since its foundation.
The consolidated financial statements were also burdened by financial expenses totalling Euro 3,657 thousand, mainly regarding the Parent Company and subsidiary Rosetti Superyachts S.p.A..
A selection of the key performance indicators is provided below:

	31.12.23	31.12.22
G.I.P. (Gross Internal Product) (in thousands of Euro) (A1+A2+A3 of the Income Statement)	359,129	316,487
EBITDA (in thousands of Euro) (A+B-10-12-13 of the Income Statement)	23,580	30,147
EBITDA / GIP	6.57%	9.53%
EBIT (in thousands of Euro) (A+B of the Income Statement)	12,042	18,745
EBIT / GIP	3.35%	5.92%
Profit before tax (in thousands of Euro) (item 22 of the Income Statement)	8,397	12,842
Profit before tax / GIP	2.34%	4.06%
Net Profit (in thousands of Euro) (item 23 of the Income Statement)	7,043	4,644
Net Profit / GIP	1.96%	1.47%
R.O.E	5.68%	4.04%

(Net Profit / Opening equity)
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 Group 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 Group operates is provided below. Please refer to the Notes to the Financial Statements for more detailed analysis of the numbers themselves:

Oil&Gas Business Unit
The construction of plant and installations for the Oil&Gas industry was confirmed as the Group's most important operating segment with value of production of around Euro 315 million (Euro 270 million in 2022.
Production activities were carried out in the Oil & Gas Platform sector (Euro 170 million), in the Brown field sector (Euro 107 million) and in the Technical Services sector (Euro 38 million).
In the first half of the year, the Parent Company continued with work 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.
Subsidiary Tecon S.r.l. worked in Engineering Services in line with its potential capacity and made an important contribution to the design of the mooring structures and has unloading platform for the regasification vessel destined for Ravenna. The volume of work carried out by subsidiary Fores Engineering S.r.l. fell slightly short of its potential in the production of electro-instrumental packages and automation and telecom systems.
All of the Group's Italian companies recorded an increased volume of work on Technical Services with the Parent Company achieving volumes never seen previously.

Among the Group's foreign companies, it is worth highlighting the excellent performance of Nigerian associated company Rosetti Pivot Ltd – it recorded healthy margins and a enjoyed a positive exchange rate effect although it could still further improve its volume of work.
Kazakh subsidiary Kazakhstan Caspian Offshore Industries Llp performed well. In the second half of the year, it won a major order that will guarantee a healthy workload and satisfactory margins throughout the 2024 reporting period.

Renewables and Carbon Neutrality Business Unit
The construction of plant and installations for the Renewables and Carbon Neutrality sector helped generate a volume of production of around Euro 32 million, a significant increase on prior year (+19% on Euro 27 million in 2022)).
Production activities were carried out in the Biomethane Upgrading sector (Euro 9 million), in the Decarbonisation sector (Euro 18 million) and in the Wind sector (Euro 5 million).
The other important projects in this sector that currently form part of the Group's order backlog were only awarded in the third and fourth quarters of the year and did not make a significant contribution towards GIP for the reporting period.

Shipbuilding Business Unit
Shipbuilding recorded a lower volume of work than in prior year with a value of production of Euro 12 million (against Euro 19 million in 2022).
Around Euro 7 million of this value of production was generated in the Superyachts segment, around Euro 4 million in the Tugboat segment and around Euro 1 million in the Repair&Refit segment.
During the reporting period, neither the Parent Company nor the subsidiary Rosetti Superyachts S.p.A. carried out any commercial activities and no further activity is planned in the shipbuilding sector until such time as there is an improvement in its future market prospects.

CAPITAL EXPENDITURE

During the reporting period, the Group incurred capital expenditure totalling Euro 1,495 thousand with Euro 234 thousand invested in

intangible assets and Euro 1,261 thousand in tangible assets.
The level of investment confirms the Group's commitment to ensuring it continues to improve its competitiveness, safety record and respect for the environment.

FINANCIAL SITUATION

For a more detailed analysis of cash flows during the year, please see the statement of cash flows.
At this point, we would highlight the fixed asset coverage ratio (amply financed through equity) and the net financial position which remains comfortably positive despite a decrease compared to prior year.
Financial fixed assets mainly include receivables from associated companies Rosetti Pivot Ltd (Euro 208 thousand) and Rigros S.r.l. (Euro 115 thousand) in relation to two loans made at the launch of their respective businesses in order to provide them with the financial resources needed during the start-up phase.

Some of the most important financial and equity ratios are shown below:

	31.12.23	31.12.22
Short-term NFP (in thousands of Euro) (CIII + CIV of Assets – D4 of Liabilities)	69,897	35,404
Fixed asset cover margin (in thousands of Euro) (M/L term liabilities + total equity – fixed assets)	124,565	100,883
Fixed asset cover ratio (Fixed assets coverage ratio (M/L term liabilities + total equity / fixed assets)	2.64	1.84
Financial independence index (Total equity / Total assets)	35.67%	37.12%
Ratio of financial income (expenses) to GIP (Financial income and expenses / GIP)	(1.02)%	(1.85)%

It should be noted that "Short-term Net Financial Position" is not specifically defined under Italian GAAP. Therefore, the methods applied by the Group 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.

With regard to the financial risks relating to trade receivables, we note that the Group operates primarily with longstanding clients, including leading oil companies or their subsidiaries.
Given the longstanding relationships with clients and their financial soundness, no specific guarantees are required for receivables from clients. However, we note that, as the Group tends to operate on a few, large contracts, its receivables are highly concentrated on a small number of clients. Given this fact, it is standard 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. Outstanding receivables are monitored carefully during performance of the work.
The Group 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, the Group 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.
It should be noted that when business is conducted in countries whose local currencies are not easily traded and are subject to significant fluctuation (e.g. Kazakhstan, Russia and Nigeria), it is not possible to perform effective exchange risk hedging. In such cases, the main strategy adopted by the Group is to conduct commercial negotiations in hard currency (Euro or USD) rather than in local currency.

PERSONNEL

For all of the Group companies – including the Parent Company – the skill and professionalism of personnel are viewed as extremely important intangible assets.
As at 31 December 2023, the headcount came to 1,051 employees, a net increase of 59 compared to 31 December 2022.
In more detail, we note that the number of senior managers has increased by one, the number of white collar workers has increased by 55 and the number of blue collar employees has increased by three.
The headcount changes for each of the Group companies are as follows:

	Employees	Change
Parent Company	433	17
GM Green Methane S.r.l.	14	3
Rosetti Superyachts S.p.A.	1	0
Rosetti Kazakhstan Llp	4	(19)
Kazakhstan Caspian Offshore Industries Llp	343	23
Rosetti Pivot Ltd	84	39
Rosetti Marino Project ooo	2	0
Fores Engineering S.r.l.	137	(6)
Fores Engineering Algèrie Eurl	4	0
Tecon S.r.l.	29	2

The type of business conducted means that the risk of accidents, including potentially fatal accidents, is high. For this reason, the Group has always devoted particular attention to safety issues by adopting a series of internal procedures and educational measures aimed at preventing such events.
All of the production facilities owned by the Group have been certified compliant with the BS-OHSAS18001 standard.
Furthermore, 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 business activities of the Group companies are those typical of enterprises that operate in the plant engineering and shipbuilding segments.
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

During the 2023 reporting period, the Supervisory Board appointed by the Parent Company duly sent us Six Monthly Reports on its activities. 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 and opportunities

The Group constructs large metal structures and the related manufacturing activities involve 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.

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

The Group 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.

For some years now, the Group has been attempting to reposition its

business model in order to become a player in the climate change-driven energy transition, make its own contribution and seize some of the growing number of business opportunities. The positive results achieved by this process to date are confirmed by the important orders that have been taken in the Renewables and Carbon Neutrality sector, as highlighted above.

Research and development

Research and development is mainly carried out by the Parent Company's Business Development unit and by subsidiary Fores Engineering S.r.l.

We are confident that the successful outcome of these innovation activities will produce have a positive impact on the Group's future performance.

Treasury share transactions

There were no transactions in treasury shares during the year. Therefore, the number of treasury shares held by the Parent Company remained unchanged at 200,000 (par value of Euro 1.00 each) or 5.0% of share capital.

BUSINESS OUTLOOK

At 31 December 2023, the consolidated order backlog for contracts acquired but not yet completed amounted to around Euro 818 million (Euro 382 million at 31 December 2022. It is important to highlight the fact that the current order backlog already covers a substantial portion of target volume of production and profit set out in the Annual Budget and in the Strategic Plan for 2024. The Directors believe that the portion 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.

We note the following with regard to market developments and the main commercial and operational trends in the various segments where the Group operates:

Oil&Gas Business Unit

The order backlog stands at around Euro 341 million and is broadly in line with prior year (around Euro 365 million at 31 December 2022). However, it is 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 Parent Company recently won a Competitive FEED contract for a gas platform for Denmark that will engage it in design activities throughout 2024. If it proves more competitive than its Norwegian rival, it could lead to the award of the EPC contract at the beginning of next year.

The Parent Company's main activity in this sector in 2024 will regard completion of the project for the new LNG regasification terminal in Ravenna while the other Italian companies, the Nigerian associated company and the Kazakh subsidiary will work on orders acquired during 2023. Emirati company Rosetti Ali & Sons Llp is also expected to commence its activities during 2024. The other segment of the Oil&Gas sector that will keep the Group 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, 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 Business Unit

The order backlog amounts to around Euro 477 million and has increased markedly compared to prior year (around Euro 8 million at 31 December 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 Group several years ago.

This is also a clear indicator of how many opportunities would have been lost and how much the Group 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 the acquisition by the Parent Company of new orders in the Offshore Wind and CO_2 Capture and Storage segments. It is also hoped that the Kazakh subsidiary will be able to acquire its first important contract in the Onshore Wind segment.

Shipbuilding Business Unit

There is no order backlog in the Shipbuilding sector (around Euro 9 million at 31 December 2022) following the Parent Company's decision to suspend its efforts to seek out new opportunities in Shipbuilding until the market outlook for the sector shows a significant improvement.

Ravenna 28/03/2024

For the Board of Directors
The Chief Executive Officer
Oscar Guerra

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023:

- ***Balance Sheet***
- ***Income Statement***
- ***Statement of Cash Flows***
- ***Notes***

BALANCE SHEET (AMOUNTS IN THOUSANDS OF EURO)

ASSETS		*31/12/2023*	*31/12/2022*
A)	**DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL**	**0**	**0**
B)	**NON-CURRENT ASSETS:**		
	I Intangible assets:		
	2) development costs	960	1,303
	3) industrial patent rights	150	76
	4) concessions, licences, trademarks and similar rights	332	345
	6) other intangible assets in progress and payments on a/c	50	0
	7) other intangible assets	561	817
	8) goodwill	242	1,823
	TOTAL INTANGIBLE ASSETS	2,295	4,364
	II Tangible assets		
	1) land and buildings	65,538	102,008
	2) plant and machinery	1,274	1,772
	3) industrial and commercial equipment	2,719	3,436
	4) other tangible assets	1,147	4,309
	5) assets under construction and payments on account	380	536
	TOTAL TANGIBLE ASSETS	71,058	112,061
	III Financial assets:		
	1) investments:		
	a) in subsidiaries	0	137
	b) in associated companies	1,077	1,077
	d-bis) in other entities	166	163
	2) receivables:		
	b) from associated companies	323	990
	d-bis) from others	1,219	1,159
	TOTAL NON-CURRENT FINANCIAL ASSETS	2,785	3,526
	TOTAL NON-CURRENT ASSETS	**76,138**	**119,951**
C)	**CURRENT ASSETS:**		
	I Inventory:		
	1) raw, ancillary and consumable materials	7,668	3,708
	2) work in progress and semi-finished goods	13,009	0
	3) contract work in progress	72,334	65,110
	5) payments on account	5,946	10,046
	TOTAL INVENTORY	98,957	78,864
	III Receivables:		
	1) due from clients (trade)	88,487	71,863
	3) due from associated companies	963	1,839
	4) due from parent company	12	12
	5-bis) tax receivables	8,546	11,109
	5-ter) deferred tax assets	27,508	28,993
	5-quater) due from others		
	- due within a year	1,027	495
	- due after more than a year	347	327
	TOTAL RECEIVABLES	126,890	114,638
	III Current financial assets:		
	5) derivatives	1,133	5,066
	6) other securities	15,874	16,505
	TOTAL FINANCIAL ASSETS	17,007	21,571
	IV Cash and cash equivalents:		
	1) bank and post office accounts	72,365	43,610
	3) cash and cash equivalents on hand	62	73
	TOTAL CASH AND CASH EQUIVALENTS	72,427	43,683
	TOTAL CURRENT ASSETS	**315,281**	**258,756**
D)	**PREPAID EXPENSES AND ACCRUED INCOME:**	**1,415**	**1,556**
	TOTAL ASSETS	**392,834**	**380,263**

LIABILITIES AND SHAREHOLDERS' EQUITY	*31/12/2023*	*31/12/2022*
A) SHAREHOLDERS' EQUITY:		
I Share capital	4,000	4,000
III Revaluation reserve	0	1,385
IV Legal reserve	1,000	1,000
VI Other reserves	124,196	125,085
VII Cash flow hedge reserve	902	4,682
VIII Retained earnings (Accumulated losses)	(132)	(5,665)
IX Net profit (loss) for the year	7,043	4,644
X Negative reserve for treasury shares held	(5,100)	(5,100)
XI Consolidation reserve	23	23
XII Translation reserve	(7,788)	(5,980)
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP	**124,144**	**124,074**
Capital and reserves attributable to minorities	15,987	17,073
TOTAL EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITIES	**140,131**	**141,147**
B) PROVISIONS FOR RISKS AND CHARGES:		
1) Provisions for retirement benefits and similar obligations	555	180
2) Tax provisions	5,369	10,174
3) Derivatives	230	7
4) Other	6,191	5,097
TOTAL PROVISIONS FOR RISKS AND CHARGES	**12,345**	**15,458**
C) T.F.R./EMPLOYEE SEVERANCE INDEMNITY:	**3,928**	**4,103**
D) PAYABLES:		
3) shareholder loans payable	2,737	1,356
4) bank borrowing		
- due within a year	19,537	29,850
- due after more than a year	44,299	60,126
6) payments on account	71,733	70,337
7) due to suppliers (trade)	83,245	42,091
10) due to associated companies	21	282
12) tax payables	5,990	7,370
13) payables to social security and pensions institutions	2,685	2,314
14) other payables	6,007	5,580
TOTAL PAYABLES	**236,254**	**219,306**
E) ACCRUED EXPENSES AND DEFERRED INCOME:	**176**	**249**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**392,834**	**380,263**

INCOME STATEMENT		*31/12/2023*	*31/12/2022*
A)	**VALUE OF PRODUCTION**		
	1) Revenues from sales and services	335,850	298,177
	2) Change in inventory of work-in-progress, semi-finished and finished products	3,453	(16)
	3) Change in contract work-in-progress	19,826	18,326
	4) Increase in fixed assets due to capitalisation of internal works	104	53
	5) Other revenues and income:		
	a) operating grant income	455	484
	b) other	10,351	8,576
	TOTAL VALUE OF PRODUCTION	**370,039**	**325,600**
B)	**COST OF PRODUCTION**		
	6) Raw, ancillary and consumable materials and goods	(94,027)	(79,902)
	7) Services	(175,575)	(151,768)
	8) Leases and rentals	(22,245)	(9,890)
	9) Personnel		
	a) wages and salaries	(45,290)	(40,862)
	b) social contributions	(10,204)	(10,300)
	c) T.F.R. / Employee severance indemnity	(2,252)	(2,510)
	d) retirement benefits and similar obligations	(700)	(297)
	e) other personnel costs	(1,222)	(783)
	Total personnel costs	(59,668)	(54,752)
	10) Amortisation, depreciation and writedowns		
	a) amortisation of intangible assets	(2,130)	(2,312)
	b) depreciation of tangible assets	(3,246)	(4,737)
	d) writedown of current receivables and cash and cash equivalents	(1,639)	0
	Total amortisation, depreciation and writedowns	(2,679)	(1,490)
	10) Amortisation, depreciation and writedowns	(9,694)	(8,539)
	11) Change in inventory of raw, ancillary and consumable materials and goods	4,676	2,266
	12) Provisions for risks	(205)	(2,863)
	14) Sundry operating expenses	(1,259)	(1,407)
	TOTAL COST OF PRODUCTION	**(357,997)**	**(306,855)**
	DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A+B)	**12,042**	**18,745**
C)	**FINANCIAL INCOME AND EXPENSES:**		
	15) Income from equity investments		
	d) dividends and other income from other entities	1	1
	16) Other financial income:		
	c) from current securities other than equity investments	209	461
	d) income other than the above		
	- interest and fees from subsidiaries	89	55
	- interest and fees from others and sundry income	2,066	261
	17) Interest and other financial expenses:		
	a) towards subsidiaries	0	(1,255)
	d) other	(5,826)	(2,474)
	17-bis) Exchange gains and losses	(196)	(2,912)
	TOTAL FINANCIAL INCOME AND EXPENSES	**(3,657)**	**(5,863)**
D)	**ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS:**		
	18) Revaluations		
	a) of equity investments	3	3
	c) of current securities	9	59
	d) of derivatives	0	19
	19) Writedowns:		
	c) of current securities	0	(118)
	d) of derivatives	0	(3)
	TOTAL ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES	**12**	**(40)**
	PROFIT (LOSS) BEFORE TAXATION (A+B+C+D)	**8,397**	**12,842**
	20) Taxes on income for the year	(1,448)	(3,003)
	NET PROFIT (LOSS) FOR THE YEAR INCLUDING AMOUNT PERTAINING TO NON-CONTROLLING INTERESTS	**6,949**	**9,839**
	Profit (Loss) for the year pertaining to non-controlling interests	94	(5,195)
	NET PROFIT (LOSS) - GROUP	**7,043**	**4,644**

STATEMENT OF CASH FLOWS (THOUSANDS OF EURO)	**31/12/2023**	**31/12/2022**
OPENING CASH AND CASH EQUIVALENTS	**43.683**	**69.107**
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) for the period	7,043	4,644
Taxes on income	277	3,003
1. Profit (Loss) for the period before taxes on income	7,320	7,647
Adjustments for non-cash items with no impact on net working capital		
Allocations to provisions	5,389	5,631
Depreciation/Amortisation of non-current assets	5,376	7,049
Adjustments to value of financial assets and liabilities (derivatives) not involving any cash flows	(3,780)	
Other adjustments for non-cash items	(1,385)	4,895
2. Cash flows before changes in NWC	12,920	25,222
Changes in net working capital		
(increase) decrease in inventory	(20,579)	(27,078)
(increase) decrease in current receivables	(14,840)	(28,116)
Increase (decrease) in trade payables and other payables	43,087	3,768
(increase) decrease in prepaid expenses and accrued income	141	(328)
Increase (decrease) in accrued expenses and deferred income	(73)	111
(increase) decrease in other working capital items	(1,106)	5,074
3. Cash flows after changes in NWC	19,550	(21,347)
Other adjustments		
(Taxes on income paid)	(1,657)	(877)
(Use of provisions)	(5,583)	(3,267)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**12,310**	**(25,491)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in:		
Intangible assets	(61)	(81)
Tangible assets	37,757	(1,749)
Financial assets	741	(960)
Current financial assets	4,564	16,800
Changes in scope of consolidation	0	1,462
CASH FLOWS FROM INVESTING ACTIVITIES (B)	**43,001**	**15,472**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Debt		
Loans arranged	13,882	10,692
Loans repaid	(38,641)	(25,555)
Equity		
Translation reserve	(1,808)	(542)
CASH FLOWS FROM FINANCING ACTIVITIES (C)	**(26,567)**	**(15,405)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	28,744	(25,424)
CLOSING CASH AND CASH EQUIVALENTS	**72,427**	**43,683**

Note: *the interest accounted for is substantially equal to that received/paid; divestments are not significant so are not shown; investments had largely been paid for at the date of preparation of the financial statements.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the requirements of the Italian Civil Code and consist of the balance sheet, the income statement, the statement of cash flows (prepared in the formats required, respectively, by Articles 2424 and 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.

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), including the amendments issued in December 2017 and those issued in January 2019, 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 was no significant uncertainty over the Group'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, on a going concern basis and taking account of the principle of materiality.

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.
The consolidated financial statements have been prepared using the financial statements of the individual companies included within the scope of consolidation, as obtained from the annual financial statements and consolidation packages prepared by the respective Boards of Directors. These financial statements have been appropriately adjusted, as necessary, to bring them into line with the accounting policies described below.

CONSOLIDATED REPORTING DATE

The annual reporting date of all of the entities included in the consolidated financial statements on a line-by-line basis is the same as the consolidated reporting date.

CONSOLIDATION PRINCIPLES

The consolidated financial statements have been prepared based on the financial statements approved by the General Meetings or Boards of Directors of the consolidated companies, as adjusted – as appropriate – to bring them into line with the Group's accounting principles or based on financial information submitted by the consolidated companies and prepared in accordance with the Parent Company's instructions.
The accounting principles adopted when preparing the consolidated financial statements are those adopted by the Parent Company to prepare its separate financial statements i.e. those adopted by most of the consolidated companies. This is except for the fact that investments in associated companies are valued using the equity method or the proportionate method rather than the cost method and for the accounting treatment of assets held under finance leases, as illustrated later in these Notes.

A) Consolidation method

Subsidiaries are consolidated on a line-by-line basis. The primary

criteria adopted for that method are as follows:

- the carrying amount of equity investments is eliminated against the related shareholders' equity; the difference between the acquisition cost and shareholders' equity of investees is allocated, where possible, to the asset and liability items of the companies within the scope of consolidation. Any residual amount, where negative, is recognised under a shareholders' equity item entitled "Consolidation reserve"; where positive, it is recognised under an asset item entitled "Goodwill" and amortised over five years where that amount represents future income-generating capacity;
- significant transactions between consolidated companies and payables, receivables and unrealised profits deriving from transactions between Group companies, net of any tax effect, are eliminated;
- non-controlling interests in shareholders' equity and net profit are disclosed under specific items in the consolidated Balance Sheet and Income Statement;
- companies acquired during the reporting period are consolidated with effect from the date on which a majority interest was obtained. If acquisition occurs during the final days of the period, the acquired company is consolidated with effect from the following reporting period.

B) Translation into Euro of the financial statements of foreign companies

The separate financial statements of each Group company are prepared in the currency of the main economic environment in which each company operates (the functional currency). For consolidated financial reporting purposes, the financial statements of each foreign entity are prepared in Euro which is the Group's functional currency and the currency used to prepare its consolidated financial statements.

When preparing the consolidated financial statements, the assets and liabilities of foreign subsidiaries with functional currencies other than the Euro are translated at the exchange rates in force at the reporting date. Income and expenses are translated at the average exchange rates for the period. Foreign exchange differences deriving from the translation of opening shareholders' equity at year-end exchange rates and the translation of the income statement at the average rates for the year are recognised in the shareholders' equity item "Translation

reserve". This reserve is released to the income statement as income or expense in the period when the related subsidiary is sold.

SCOPE OF CONSOLIDATION

These consolidated financial statements include the financial statements of all companies directly and indirectly controlled by Rosetti Marino S.p.A. (the Parent Company) pursuant to Article 2359 of the Italian Civil Code.
Investments in associated companies have been included using the equity method except for Basis Pivot Ltd and Broadshore Energy Ltd which have been excluded because they are non-operational. The investments in RigRos S.r.l., Rosetti Ali & Sons Llc and Rosetti Pivot Ltd have been consolidated on a proportionate basis.
A list of equity investments in subsidiaries and associated companies is provided below (in thousands of Euro):

Company name	Location	Share capital	% interest held
Subsidiaries			
FORES ENGINEERING S.r.l.	Forlì	1,000	100.0%
ROSETTI KAZAKHSTAN Llp (1)	Kazakhstan	198	100.0%
FORES ENG. ALGERIE Eurl (2)	Algeria	1,616	100.0%
ROSETTI MARINO UK Limited	U.K.	0	100.0%
ROSETTI MARINO SUPERYACHTS S.p.A.	Ravenna	1,500	100.0%
ROSETTI MARINO PROJECT OOO	Russia	250	100.0%
ROSETTI MARINO FOR TRADING Wll	Qatar	137	100.0%
ROSETTI LYBIA Jsc	Libya	622	65.0%
GM GREEN METHANE S.r.l.	Ravenna	100	60.0%
TECON S.r.l.	Milan	47	60.0%
K.C.O.I. Llp (3)	Kazakhstan	1,160	50.0%
Associated Companies			
RIGROS S.r.l.	Ravenna	100	50.0%
ROSETTI PIVOT Ltd	Nigeria	2,818	49.0%
ROSETTI ALI E SONS Llc	Abu Dhabi	36	49.0%
BASIS PIVOT Ltd (*)	Nigeria	46	45.0%

BROADSHORE ENERGY Ltd (*)	Nigeria	85	26.32%

(1) Including 10% held indirectly through Fores Engineering S.r.l.
(2) Held indirectly through Fores Engineering S.r.l.
(3) Including 5% held indirectly through Rosetti Kazakhstan Llp
(*) Not included in the scope of consolidation

During the reporting period, Qatari subsidiary Rosetti Marino for Trading Wll was included for the first time in the scope of consolidation.

The subsidiaries and associated companies included in the scope of consolidation operate in the following sectors:
- Tecon S.r.l.: multi-disciplinary design of oil and petrochemical facilities;
- Fores Engineering S.r.l. and Fores Engineering Algèrie Eurl: design, construction and maintenance of automation and control systems;
- Kazakhstan Caspian Offshore Industries Llp, Rosetti Lybia Jsc, Rosetti Marino UK Limited, Rosetti Marino Project ooo, Rosetti Pivot Ltd, Rosetti Ali & Sons Llc and Rosetti Marino for Trading Wll: construction of offshore and onshore oil facilities;
- Rosetti Kazakhstan Llp: provision of technical services;
- Rosetti Superyachts S.p.A.: construction of superyachts;
- GM Green Methane S.r.l.: construction of biomethane plants;
- Rigros S.r.l.: regeneration of a shipyard area next to the Parent Company headquarters.

RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND PROFIT FOR THE YEAR OF PARENT COMPANY ROSETTI MARINO S.P.A. AND CONSOLIDATED SHAREHOLDERS' EQUITY AND PROFIT FOR THE YEAR

The following is the statement of reconciliation between the shareholders' equity and profit for the year reported in the financial statements of the Parent Company and the corresponding consolidated figures as at 31 December 2023:

	Shareholders' equity	Profit for the year
AMOUNTS REPORTED IN FINANCIAL STATEMENTS OF ROSETTI MARINO S.p.A. AT 31/12/23	122,821	9,438

Consolidation adjustments:		
a. Difference between the carrying amount of consolidated equity investments and the valuation of those equity investments according to the equity method	1,324	(1,021)
b. Effect of accounting for finance lease agreements for tangible assets in accordance with the finance lease method	0	(1,639)
c. Reversal of unrealised profits resulting from transactions between Group companies	(1)	332
d. Reversal of unrealised profits resulting from distribution of dividends between Group companies	0	(524)
e. Allocation of deferred tax assets and liabilities pertaining to the tax effect (where applicable) of consolidation adjustments	0	457
AMOUNTS REPORTED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/23	124,144	7,043

ACCOUNTING POLICIES

The most significant accounting policies applied when preparing these financial statements 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 and "Deferred expenses".
Advertising and research and development costs are expensed in their entirety during the year in which they are incurred.
The difference between the acquisition cost and the equity of subsidiaries is allocated, where possible, to the assets and liabilities of the entities included in the consolidation. Any residual, positive amount is allocated to the asset caption "Goodwill" and amortised over five years when this amount expresses future income generating capacity.

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 and set out in the note on Tangible Assets. Tangible assets are written down when impaired, irrespective of previously recognised depreciation charges. If the grounds for an impairment adjustment cease to apply in later years, the original amount is restored.
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.

Equity investments
Equity investments in associates are measured using the equity method or the proportionate method if they are jointly owned. Equity investments in other entities are measured at cost, as are investments in dormant/non-operational subsidiaries and associated companies. 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, Work in Progress and Semi-Finished Goods:
These 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 spanning more than reporting period is measured at year-end 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 estimate total revenues.
This percentage is calculated as the ratio of costs incurred as at the reporting date 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.
Contract work in progress with a duration of less than one year is measured at specific production cost (completed contract method).
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, including directly attributable auxiliary expenses, 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, as determined in accordance with the accrual

basis of accounting.

Provisions for risks and charges

Provisions for risks and contingencies 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. When measuring risks and contingencies, risks and losses that came to light between the reporting date and the date the consolidated financial statements were prepared were also taken into account.

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

Derivative instruments

Derivative instruments are financial assets and liabilities measured at fair value and are mainly used as hedging instruments to manage the risk of exchange rate and interest rate fluctuation.

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 the 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.

TFR/Employee severance indemnity 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 for inflation based on indices.
The TFR liability reported in the financial statements is stated net of amounts paid to the INPS Treasury Fund; this is except for subsidiaries GM Green Methane S.r.l., Tecon S.r.l. and Rosetti Superyachts S.p.A. which continue to make allocations to the TFR provision 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

Costs and revenues 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. Related party transactions take place on an arm's length basis.

Grants towards capital expenditure and operating expenses

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 reporting period in which distribution is approved by the companies paying them.

Taxes on income for the period

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 and in accordance with Italian GAAP requirements for the treatment of income taxes.

Deferred tax assets and liabilities are also recognised on temporary differences between the reported result for the year and taxable income. They are calculated based on the rate of taxation expected to be applicable in the fiscal year that the differences will reverse, in application of the "liability method".
Deferred tax assets are recognised when it is reasonably certain that there will be sufficient future taxable income to ensure their recovery.

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 arising on the collection of receivables and settlement of payables in foreign currency are recognised in the income statement.
Receivables and payables in foreign currency for which exchange risk hedging transactions have been arranged are adjusted to the base exchange rate of the said hedging transactions.
At year-end, 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 arising after considering unrealised exchange gains and losses is allocated to a specific non-distributable reserve until it is realised.

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.

Comparison and presentation of amounts
In the interest of greater clarity and comprehensibility, all figures in the balance sheet, income statement, notes and accompanying attachments are stated in thousands of Euro.
In the Notes to the Consolidated Financial Statements, the comparative amounts are those reported in the financial statements as at 31.12.2022.

COMMENTS ON THE MAIN ASSET ITEMS

NON-CURRENT ASSETS

INTANGIBLE ASSETS

Development costs

This item underwent the following changes during the reporting period (in thousands of Euro):

	31/12/22	Incr.	Decr.	31/12/23
Development costs	1,303	0	(343)	960

This amount consists entirely of investment made in business development by subsidiary GM Green Methane S.r.l.

Industrial patent rights

This item underwent the following changes during the reporting period (in thousands of Euro):

	31/12/22	Incr.	Decr.	31/12/23
Patents	76	129	(55)	150

This item mainly includes the net carrying amount of the patents acquired by subsidiary Tecon S.r.l..

Concessions, licences, trademarks and similar rights

This item underwent the following changes during the reporting period (in thousands of Euro):

	31/12/22	Incr.	Decr.	Forex Diff.	31/12/23
Licences	10	0	0	0	10
Concession of land rights	330	0	(12)	0	318
Trademarks	5	0	(1)	0	4
Total concessions, licences etc.	**345**	**0**	**(13)**	**0**	**332**

The above items are amortised over the period of the user license agreements, the term of concessions of land rights and 18 years for trademarks.

Intangible assets in progress

This item underwent the following changes during the reporting period (in thousands of Euro):

	31/12/22	Incr.	Decr.	31/12/23
Intangible assets in progress	0	50	0	50

This item represents the value of the activities undertaken by subsidiary Fores Engineering S.r.l. up to the reporting date, mainly in relation to obtaining cybersecurity certification for that company.

Other intangible assets

This item is analysed as follows (in thousands of Euro):

	31/12/22	Incr.	Decr.	Forex Diff.	31/12/23
Software	116	36	(40)	(13)	99
Leasehold improvements	701	19	(258)	0	462
Total	**817**	**55**	**(298)**	**(13)**	**561**

The decreases are entirely due to amortisation of Euro 138 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 duration of the land rights and of property lease agreements for investments in those asset categories.

The remainder of the decrease in Leasehold improvements includes the write-off of the net carrying amount of leasehold improvements at the time of the sale of the San Vitale yard by the Parent Company.

Goodwill

This item regards the positive difference between the amount paid by the Parent Company to acquire investments in Group companies and the corresponding portion of equity of said companies at the acquisition date.

In more detail, the balance consists of the residual consolidation difference of Euro 242 thousand arising on the acquisition of 60% of GM Green Machine S.r.l. which was amortised in the amount of Euro 120 thousand during the reporting period. It should also be noted that

the goodwill paid upon the acquisition of 49% of UAE company Rosetti Ali & Sons Llc was written off in full during the reporting period; the income statement effect was Euro 1,461 thousand.

TANGIBLE ASSETS

A detailed breakdown of this item, movements during the year and the depreciation rates applied are provided in an attachment to these Notes.
It should be noted that the reporting period was marked by the sale of two important assets (the San Vitale shipyard 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.
During the reporting period, ordinary depreciation was calculated at rates representing the useful lives of the tangible assets.

FINANCIAL ASSETS

Equity investments
A detailed breakdown is provided below (in thousands of Euro):

	Interest held	**31/12/22**	**Incr.**	**Decr.**	**31/12/23**
Subsidiaries:					
Rosetti Marino for Trading Wll	100%	137	0	(137)	0
Total subsidiaries		**137**	**0**	**(137)**	**0**
Associated companies:					
Broadshore Energy Ltd (*)	26.32%	1,056	0	0	1,056
Basis Pivot Ltd (*)	45%	21	0	0	21
Total		**1,077**	**0**	**0**	**1,077**
Other entities:					
Cassa Risparmio Ravenna		126	3	0	129
O.M.C.		20	0	0	20
SAPIR		3	0	0	3
CAAF Industrie		2	0	0	2
Consorzio Cura		1	0	0	1
Consorzio Destra Candiano		1	0	0	1
Other entities		10	0	0	10
Total		**163**	**3**	**0**	**166**

(*) Non-operational/dormant company

With regard to investments in subsidiaries, it should be noted that the decrease in subsidiary Rosetti Marino for Trading Wll is due to its inclusion in the scope of consolidation.

The investment in Cassa di Risparmio di Ravenna S.p.A. has been increased by Euro 3 thousand to bring its carrying amount into line with fair value at the reporting date.

Receivables from associated companies

This item may be broken down as follows (in thousands of Euro)

		Incr.	Decr.	
	31/12/22			**31/12/23**
Rosetti Pivot Ltd	215	0	(7)	208
Rigros S.r.l.	775	0	(660)	115
Total	**990**	**0**	**(667)**	**323**

The receivable from associated company Rosetti Pivot Ltd consists of 51% of a loan totalling Euro 407 thousand granted to said company to enable it to meet its funding requirements during the start-up period before its operating activities got underway. The loan bears interest at a rate in line with market rates.

The receivable from associated company Rigros S.r.l. consists of 50% of the outstanding portion of a loan totalling Euro 230 thousand that was granted to said company to enable it to purchase a plot of land next to the Parent Company headquarters. The decrease compared to prior year is due to partial repayment of the loan. The loan bears interest at a rate in line with market rates.

Receivables from others

This item, amounting to Euro 1,219 thousand (Euro 1,159 thousand at 31 December 2022), mainly consists of two receivables: the first receivable of Euro 522 thousand is for grants that will be collected in future years by the Parent Company from the Ministry of Infrastructure and Transport for project "ROSMANDITEN" (process innovation project in the shipbuilding segment commenced in prior years) while the second receivable, totalling Euro 482 thousand, regards a long-term investment made by subsidiary Tecon S.r.l.

CURRENT ASSETS

INVENTORY

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Raw materials	10,376	5,930
Obsolescence provision	(2,708)	(2,222)
	7,668	3,708
WIP and semi-finished products	13,009	0
Contract work-in-progress	72,334	65,110
Advances to suppliers	5,946	10,046
Total	**98,957**	**78,864**

Measurement of reporting date inventory at weighted average purchase cost does not lead to any appreciable difference compared to a current cost measurement. An obsolescence provision has been recorded in order to bring inventory into line with its estimated realisable value.

On 13 February 2024, subsidiary Rosetti Superyachts S.p.A. received a notice of termination of the contract for Yacht No.2 as signed with client Eiram Limited.

This matter has been accounted for by reversing the amount of contract work in progress (see note below) while recording the value of the contract under Work in progress (at the lower of cost and fair value).

Long-term contract work in progress is measured based on consideration accruing with reasonable certainty (percentage of completion method). It is stated net of payments on account received based on the state of completion of the works: see the note on "Value of Production" for more details about the calculation method and on the comparison with prior year figures. The change compared to prior year is due to the different percentage of completion of contracts in progress, reflecting the importance of the orders recently taken by the Parent Company, as described in the Directors' Report.

It should be noted that the work in progress for an end customer in Russia has now been completed and accepted by the customer which has released all of the bank guarantees issued as security for the advance payments received. Some materials have yet to be delivered.

RECEIVABLES

Due from clients (trade)

This item includes receivables from clients arising as a result of normal commercial transactions.

It may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Due from clients – Italy	49,756	15,046
Due from clients – Other EU	5,747	3,929
Due from clients – Non-EU	39,224	56,520
Provision for bad debts	(6,240)	(3,632)
Total	**88,487**	**71,863**

The increase in total trade receivables compared to prior year is due to different timing of collections in relation to progress with contracts as described above and to the general increase in working capital due to the important orders recently taken by the Parent Company, as described in the Directors' Report.

The nature of the Group's business means that trade receivables are not very diversified. In fact, 60.50% of the total (47.75% at 31 December 2022) is due from the five leading clients by outstanding balance.

The provision for bad debts, which has increased compared to the previous reporting period, is considered reasonable in light of the collection risks relating to trade receivables. It has been determined on an overall basis taking account of collection risks relating to certain specific factors. The provision reflects a prudent assessment by the Directors of the collection risk regarding these receivables, also considering the amount of overdue balances and agreements reached.

Receivables from associated companies

This item may be analysed as follows (in thousands of Euro):

			31/12/2023	
	Trade	**Financial**	**Total**	**31/12/22**
Rosetti Pivot Ltd	485	91	576	1.553
Rigros S.r.l.	0	2	2	3
Rosetti Ali & Sons Llc	484	1	485	333
Provision for bad debts	(100)	0	(100)	(50)
Total	**869**	**94**	**963**	**1.839**

All trade and financial transactions with associated companies take

place on an arm's length basis. No further losses on receivables from associated companies are expected in addition to those already reflected in the financial statements.

Receivables from parent company

The receivables from parent company Rosfin S.p.A., amounting to Euro 12 thousand (Euro 12 thousand at 31 December 2022), are trade receivables. The related transactions were entered into on an arm's length basis and no provision has been made as the Directors believe the receivables will be collected in full.

Tax receivables

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
VAT receivable	5,567	7,773
Credit for substitute tax on reval'n of TFR	28	17
Other tax receivables	21	228
Foreign tax receivables	2,608	2,130
IRAP receivable	101	101
IRES receivable	221	860
Total	**8,546**	**11,109**

The VAT receivable includes the annual VAT credit of Euro 5,186 thousand arising on ordinary commercial transactions and a VAT credit of Euro 380 thousand for which a refund has been requested but not yet obtained.

The IRAP credit is due to both to the fact that payments made on account in prior years exceeded the tax actually due and to credits arising in 2017 pursuant to Article 19(1) B of Decree Law no 91/2014 (the "competitiveness" decree). Said decree made it possible to convert any A.C.E. (Economic Growth Subsidy) surplus into an IRAP credit, to be split into five equal annual amounts. The amount represents the remaining credit that may be used in future periods.

Deferred tax assets

Deferred tax assets, amounting to Euro 27,508 thousand and including Euro 22,867 thousand reported in the Parent Company financial statements, have been recognised on all positive temporary differences. The theoretical tax effects on temporary differences have been calculated based on current rates. Deferred tax assets due to tax losses

have been recognised as the Company believes it is reasonably certain that there will be sufficient future taxable income against which to offset the tax loss carryforwards within the period during which they are deductible under tax law. The existence of deferred tax liabilities of Euro 1,843 thousand, again reported in the Parent Company financial statements and as described in the later note "Tax provisions", was also taken into account.
Detailed movements on this item are provided in an annex to these Notes.

Receivables from others

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Due within a year:		
Due from employees	100	130
Insurance refunds receivable	3	3
Sundry	924	362
Total	**1,027**	**495**
Due after more than a year:		
Guarantee deposits	264	245
Sundry	83	82
Total	**347**	**327**

All of the above amounts are considered recoverable so no provision for bad debts has been recorded.

CURRENT FINANCIAL ASSETS

The decrease in current financial assets mainly regards temporary investments of cash in insurance policies, bank certificates, mutual fund units and other equities and bonds.
The following table shows changes in current financial assets:

	31/12/22	Diff.	31/12/23
Derivatives	5,066	(3,933)	1,133
Other current securities	16,505	(631)	15,874
Total	**21,571**	**(4,564)**	**17,007**

Derivatives entirely consist of the Mark to Market value of the following

hedging instruments:

Type	Underlying contract	Bank	Notional amount	Expiry	MTM
Rosetti Marino S.p.A.					
IRS	Loan	Intesa San Paolo	1,000	17/06/24	21
IRS	Loan	BPER Banca	632	29/01/24	6
IRS	Loan	Credit Agricole	611	29/06/25	18
IRS	Loan	Unicredit	1,172	31/07/25	40
IRS	Loan	Banco BPM	3,333	31/12/26	139
IRS	Loan	Unicredit	9,159	31/03/27	434
IRS	Loan	Banco BPM	4,688	30/09/27	233
Forward	Sale	BPER Banca	1,805	26/02/24	140
Fores Engineering S.r.l.					
IRS	Loan	BPER Banca	1,307	19/01/27	66
IRS	Loan	Banco BPM	1,099	11/09/25	36

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 – made by the Parent Company 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

Bank and post office accounts

The reporting date balance of Euro 72,365 thousand (Euro 43,610 thousand at 31 December 2022) consisted entirely of funds held in bank accounts. Some 89.26% of these deposits are held by Group companies based in Italy.

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 shipyard – as highlighted in the Statement of Cash Flows.

Cash and cash equivalents on hand

The reporting date balance mainly consisted of cash on hand and amounted to Euro 62 thousand (Euro 73 thousand at 31 December

2022).
The change in cash and cash equivalents compared to prior year is explained in the statement of cash flows.

PREPAID EXPENSES AND ACCRUED INCOME

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Accrued interest income	14	16
Prepaid rental costs	46	446
Prepaid moveable asset rental costs	120	148
Other prepaid expenses	1.235	946
Total prepaid expenses and accrued income	**1.415**	**1.556**

These items represent portions of income and expenses that relate to different reporting periods than the one in which they were (or will be) collected or paid. They have been determined in accordance with the accrual principle.

COMMENTS ON THE MAIN LIABILITY AND EQUITY ITEMS

SHAREHOLDERS' EQUITY

Movements on the items included in Shareholders' equity are shown in an attachment.
The main shareholders' equity items are commented on below:

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.

Legal reserve

This reserve includes portions of annual earnings allocated in prior years.

Other reserves

This reserve consists of portions of annual earnings allocated in prior years.

Cash flow hedge reserve
Movements on this reserve reflect future cash flows from derivatives which are considered “cash flow hedging instruments".

Retained earnings (Accumulated losses)
This includes the prior year retained earnings of several subsidiaries consolidated on a line-by-line basis.

Net profit (loss) for the period
This includes the net profit or loss for the reporting period.

Negative reserve for treasury shares held
This reserve reflects the value of treasury shares held by the Company.

Translation reserve
This reserve regards differences arising on the translation of the foreign currency financial statements of companies not resident in Italy but included in the scope of consolidation and due to differences between the reporting date exchange rate (used to translate Balance Sheet items) and the average exchange rate for the reporting period (used to translate Income Statement items).

PROVISIONS FOR RISKS AND CHARGES

Provisions for retirement benefits and similar obligations
This item amounts to Euro 555 thousand (Euro 180 thousand at 31 December 2022) and entirely consists of amounts allocated for Directors’ leaving indemnities of the Parent Company and subsidiary Tecon S.r.l.

Tax provisions
This item – totalling Euro 5,369 thousand, of which Euro 2,039 thousand reported in the Parent Company’s separate financial statements - includes a deferred tax provision of Euro 5,173 thousand calculated on all taxable temporary differences (Euro 9,900 thousand at 31 December 2022) and a current tax provision of Euro 196 thousand (Euro 274 thousand at 31 December 2022).
Note that the theoretical tax effect of the temporary differences has been calculated based on current tax rates. The change in this item

compared to prior year is shown in an attachment to these Notes. The decrease reported in the financial statements at 31 December 2023 includes a Euro 4,540 thousand reduction in deferred taxes recognised in 2020 upon a land revaluation performed for statutory reporting purposes only, now that the San Vitale yard has been sold.

Provision for derivatives

This caption, amounting to Euro 230 thousand (Euro 7 thousand at 31 December 2022), represents the contra-entry to the amount recorded under the "Cash flow hedge reserve" in shareholders' equity. The key features of the derivatives are set out below:

Type	Underlying contract	Bank	Notional amount	Expiry	MTM
Rosetti Marino S.p.A.					
IRC	Loan	Unicredit	5,000	31/10/26	99
IRC	Loan	BPER Banca	7,500	31/12/28	128
Fores Engineering S.r.l.					
IRS	Loan	BPER Banca	2,776	26/03/24	3

We note that the main Italian Group companies have adopted a system of powers and procedures to regulate the signature of derivative agreements, as approved by their respective Boards of Directors.

In more detail, with regard to derivatives used to hedge the exchange rate risk, the Board of Directors approves the limits for use in relation to the arrangement of derivatives and, within said limits, the Finance and Accounting Department determines which derivatives are most appropriate to hedge the risk.

Meanwhile, derivatives used to hedge the interest rate risk in relation to loans are specifically approved by the Board of Directors together with the financing that is to be hedged.

Other provisions

Movements on this item during 2023 were as follows (in thousands of Euro):

	31/12/22	Incr.	Decr.	Forex Diff.	31/12/23
Provision for future risks	4,042	896	(545)	0	4,393
Provision for employee	655	1,198	(655)	0	1,198

bonuses					
Provision for contractual risks	400	205	(5)	0	600
Total	**5,097**	**2,299**	**(1,205)**	**0**	**6,191**

The provision for future risks represents the best possible estimate of probable liabilities arising from ongoing civil litigation with third parties.
The provision for employee bonuses represents the variable remuneration that the Parent Company will pay to its employees based on the results achieved in the reporting period.
The provision for contractual risks has been created mainly to cover the risk of possible warranty costs.

T.F.R./EMPLOYEE SEVERANCE INDEMNITY PROVISION

Movements on the provision during the reporting period were as follows (in thousands of Euro):

Balance at 31-12-2022	4,103
Amount accruing and recorded in income statement	2,248
Utilisation	(2,423)
Balance at 31-12-2023	**3,928**

The TFR/employee severance indemnity provision at 31 December 2023 represents the indemnity accruing in favour of employees that will be settled through payments made when employees leave the Italian companies or through advance payments made in accordance with the law. Utilisation mainly consists of transfers to supplementary pension funds in relation to amounts accruing during the reporting period.

PAYABLES

No payables are secured on Group assets.
No payables are due after more than five years.
A breakdown of payables is provided below together with movements on the various component items during the reporting period:

Shareholder loans payable

This caption includes the outstanding amount of the loan granted by the shareholders to Group companies. It includes Euro 115 thousand

representing the residual amount of a loan to associated company Rigros S.r.l., Euro 2,500 thousand representing the outstanding amount of two loans to subsidiary GM Green Methane S.r.l., Euro 76 thousand representing the outstanding amount of a loan to Rosetti Pivot Ltd and Euro 46 thousand representing the residual amount of a loan to Rosetti Ali & Sons Llc.

Bank borrowing

This item includes the following loans:

	Amount	Expiry date	Guarantees
Rosetti Marino S.p.A.			
Intesa Sanpaolo S.p.A. (*)	1.000	17/06/2024	
BPER Banca S.p.A. (*)	632	29/01/2024	
Credit Agricole Italia S.p.A. (*)	611	29/06/2025	Govt.
Unicredit S.p.A. (*)	1,172	31/07/2025	Govt.
Banco BPM S.p.A. (*)	3,333	31/12/2026	Govt.
Monte dei Paschi di Siena S.p.A. (*)	10,000	31/12/2026	Govt.
Simest	480	31/12/2027	
Unicredit S.p.A. (*)	9,159	31/03/2027	Govt.
MedioCredito Centrale S.p.A.	4,136	31/03/2027	Govt.
Banco BPM S.p.A. (*)	4,688	30/09/2027	Govt.
Cassa Depositi e Prestiti	9,375	30/09/2027	Govt.
Unicredit S.p.A.	5,000	31/10/2026	
BPER Banca S.p.A.	7,500	31/12/2028	Govt.
Fores Engineering S.r.l.			
BPER Banca S.p.A. (*)	1,307	19/01/2027	Govt.
Banco BPM S.p.A. (*)	1,118	11/09/2025	Govt.
MedioCredito Centrale S.p.A.	533	30/09/2025	Govt.
MedioCredito Centrale S.p.A.	533	30/09/2025	Govt.
Rosetti Superyachts S.p.A.			
La Cassa Di Ravenna S.p.A.	3,007	30/11/2026	Govt.

(*)loan covered by Interest Rate Swap derivative agreement that fulfils accounting requirements to be treated as a hedging instrument.

In addition to the above loans, subsidiary associated company Rosetti Pivot Ltd has arranged a facility for advances on invoices with Zenith Bank PLC of Euro 428 thousand while subsidiary Tecon S.r.l. has an outstanding loan of Euro 4 thousand for the purchase of a company car.

Some of the loans arranged by the Group are also subject to covenants

that were respected at 31 December 2023.

Payments on account

This item includes advances upon orders and milestone payments received from clients towards contracts in progress.

	31/12/23	31/12/22
Contract work in progress	35,721	1,574
Advances from third party clients	36,012	68,763
Total	**71,733**	**70,337**

The change compared to prior year reflects the contract work in progress trend at the reporting date. For further information, see the specific note on "Contract work in progress".

Due to suppliers (trade)

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Due to suppliers – Italy	46,914	25,427
Due to suppliers – Other EU	7,075	1,923
Due to suppliers – Non-EU	29,256	14,741
Total	**83,245**	**42,091**

The increase in total payables compared to prior year is due to different timing of payments in relation to progress with contracts as described above and to the general increase in working capital due to the important orders recently taken by the Parent Company, as described in the Directors' Report.

Payables to associated companies

This item includes the following short-term payables (in thousands of Euro):

	31/12/23	31/12/22
Rigros S.r.l.	0	261
Basis Pivot Ltd	21	21
Total	**21**	**282**

This balance includes the payable to Basis Pivot Ltd for the portion of share capital subscribed but not yet paid (Euro 21 thousand).

Tax payables

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Personal income tax (IRPEF) deducted at source	1,904	1,906
Income taxes payable	1,416	880
Substitute tax on revaluation of fixed assets	0	75
Foreign income taxes payable	1,309	25
Substitute tax on revaluation of TFR	0	35
VAT payable	1,227	4,207
Other taxes not on income	134	242
Total	**5,990**	**7,370**

This item mainly consists of personal income tax (IRPEF) deducted at source from the remuneration of employees and freelance workers, VAT payable and income tax payables of the Group's foreign subsidiaries.

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. The balance is broadly in line with 31 December 2022.

Other payables

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Due to employees	5,406	4,930
Due to freelance contractors	10	9
Due to pension funds	463	475
Sundry payables	128	166
Total	**6,007**	**5,580**

This item largely consists of amounts due to employees.

ACCRUED EXPENSES AND DEFERRED INCOME

This item may be broken down as follows (in thousands of Euro):

	31/12/23	31/12/22
Accrued expenses:		
Accrued loan interest expenses	65	40
Swaps on forward sales	53	160
Other	55	46

	173	**246**
Deferred income:		
Other	3	3
	3	**3**
Total	**176**	**249**

These items represent portions of income and expenses that relate to different reporting periods than the one in which they were (or will be) collected or paid. They have been determined in accordance with the accrual principle.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

VALUE OF PRODUCTION

REVENUES FROM SALES AND SERVICES

Revenues from the sale of goods and the delivery of services may be broken down as follows (in thousands of Euro):

	2023	**2022**
Oil&Gas Business Unit	300,055	256,107
Renewables and Carbon Neutrality Business Unit	23,994	25,152
Shipbuilding Business Unit	10,840	16,903
Sundry services	961	15
Total revenues from sales and services	**335,850**	**298,177**

Revenues may be broken down by geographical area as follows (in thousands of Euro):

	2023	**2022**
Revenues from Italian clients	68,573	44,913
Revenues from other EU clients	31,711	31,124
Revenues from non-EU clients	235,566	222,140
Total revenues from sales and services	**335,850**	**298,177**

Comments on Income Statement trends for the reporting period are provided in the Directors' Report.

Given the nature of the Group business, revenues are fairly concentrated with 65.36% of total revenues from sales and services generated by the five largest clients (61.33% in prior year).

CHANGE IN WORK-IN-PROGRESS

"Change in work in progress" shows a positive balance of Euro 3,453 thousand and represents the valuation of the work in progress of subsidiary Rosetti Superyachts S.p.A. at 31 December 2023.

CHANGE IN CONTRACT WORK-IN-PROGRESS

This item may be analysed as follows (in thousands of Euro):

	2023	2022
Opening contract WIP at 1/1	(65,110)	(46,192)
Exchange difference	7,547	(592)
Other changes	5,055	0
Closing contract WIP at 31/12	72,334	65,110
Total	**19,826**	**18,326**

"Change in contract WIP" shows a positive balance of Euro 19,826 thousand (positive balance of Euro 18,326 thousand at 31 December 2022) and represents the difference between the valuation of contract WIP at 31 December 2023 and the valuation of contract WIP at 31 December 2022. The caption includes Euro 13,891 thousand relating to the Oil&Gas Business Unit (positive amount of Euro 14,212 thousand at 31.12.2022). Euro 7,923 thousand relating to the Renewables and Carbon Neutrality Business Unit (positive amount of Euro 2,351 thousand at 31 December 2022) and Euro (1,988) thousand relating to the Shipbuilding Business Unit (positive amount of Euro 1,763 thousand at 31 December 2022).

OTHER REVENUES AND INCOME

This item may be broken down as follows (in thousands of Euro):

	2023	2022
Grants towards operating expenses	455	484
	455	**484**
Recharge of expenses to third parties	337	609
Hires and rentals	79	7
Gains on fixed asset disposals	8,110	5
Reversal of excess provisions for risks	284	3,015
Out of period income	383	3,221
Other	1,158	1,719
	10,351	**8,576**
Total	**10,806**	**9,060**

"Grants towards operating expenses" mainly relates to the Parent Company and 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.
The other revenues mainly consist of gains of Euro 8,110 thousand realised by the Parent Company during the reporting period on the previously mentioned fixed asset disposals, primarily the AMT Carrier barge and the San Vitale yard.

COST OF PRODUCTION

PURCHASES

This item may be broken down as follows (in thousands of Euro):

	2023	2022
Raw materials	91,118	76,840
Ancillary materials and consumables	2,727	3,022
Other purchases	182	40
Total purchases	**94,027**	**79,902**

The increase compared to prior year is mainly due to the nature of the contracts in progress which required more purchases of raw materials than in prior year.

COSTS FOR SERVICES

This item may be broken down as follows (in thousands of Euro):

	2023	2022
Sub-contracting and outsourcing	142,359	118,814
Repairs and maintenance	1,373	1,133

Electricity, water and heating	1,520	2,419
Other manufacturing costs	14,083	16,183
Sundry personnel costs	6,155	4,030
Selling costs	1,100	1,854
Directors and statutory auditors' fees	979	684
External auditors' fees	196	173
General and administrative expenses	7,810	6,478
Total	**175,575**	**151,768**

The increase compared to prior year is mainly due to the nature of the contracts in progress which required more sub-contracting and outsourcing than in prior year.

LEASE AND RENTAL COSTS

This item may be broken down as follows (in thousands of Euro):

	2023	**2022**
Property rental	3,206	3,055
Hire /Rental of moveable assets	18,504	6,337
Maintenance of leased/rented assets	6	6
Concession fees	39	55
Software rental	490	437
Total	**22,245**	**9,890**

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 COSTS

The income statement contains a breakdown of personnel costs.

The following table shows changes in the workforce by category during the reporting period:

	31/12/22	**Increases**	**Decreases**	**31/12/23**
Sen. managers	46	7	6	47.0
White collar	757	299	244	812.0
Blue collar	189	32	29	192.0
Total	**992**	**338**	**279**	**1,051**

DEPRECIATION, AMORTISATION AND WRITEDOWNS

The breakdown required has been provided in the Income Statement. Details of depreciation charges on tangible assets are provided in a specific attachment. "Writedowns of current receivables" represents the allocation made for the year to ensure that the bad debt provision covers the credit risk regarding outstanding receivables.

CHANGE IN INVENTORY OF RAW MATERIALS

This item may be broken down as follows (in thousands of Euro):

	2023
Opening inventory at 01/01/23	(5,930)
Exchange difference	715
Utilisation of / (Allocation to) obsolescence provision	(485)
Closing inventory at 31/12/23	10,376
Total	**4,676**

SUNDRY OPERATING EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2023	**2022**
Taxes and duties other than income tax	754	852
Losses on asset disposals	33	47
Out of period expenses	131	138
Other operating expenses	341	370
Total	**1,259**	**1,407**

The make-up of sundry operating expenses remains broadly in line with prior year.

FINANCIAL INCOME AND EXPENSES

OTHER FINANCIAL INCOME

This income may be broken down as follows (in thousands of Euro):

	2023	**2022**
15.d) Income from equity investments:		
- dividends and other income from other entities	1	1
	1	**1**
16.c) Income from current securities other than equity investments:		
- interest income from securities	182	424
- gains on disposals	27	37

	209	**461**
16.d) Income other than the above:		
- interest from associated companies	89	55
	89	**55**
16.d) Income other than the above:		
- interest from others and sundry income:		
- bank interest income	593	14
- interest income from clients	3	10
- sundry interest income	1,463	236
- other income	7	1
	2,066	**261**
Total	**2,365**	**778**

INTEREST AND OTHER FINANCIAL EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2023	**2022**
17.a) Interest and other financial expenses:		
- towards subsidiaries:		
- loss from liquidation	0	1,255
	0	**1,255**
17.d) Interest and other financial expenses:		
- other:		
- bank current a/c interest expense	5	33
- loan interest expense	3,979	1,806
- other interest expenses	126	0
- securities management fees	6	0
- sundry interest expenses	1,710	635
	5,826	**2,474**
Total	**5,826**	**3,729**

EXCHANGE GAINS AND LOSSES

This item may be broken down as follows (in thousands of Euro):

	2023	**2022**
Exchange gains	6,095	647
Unrealised exchange gains	1,688	920
Exchange losses	(5,151)	(4,105)
Unrealised exchange losses	(2,828)	(374)
Total	**(196)**	**(2,912)**

ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS

"Adjustments to value of financial assets" shows a net positive balance of Euro 12 thousand and mainly includes the following adjustments:
- revaluation of equity investments by Euro 3 thousand;
- revaluation of derivative instruments classed as current assets by Euro 9 thousand.

TAXES ON INCOME FOR THE YEAR

This item is analysed as follows (in thousands of Euro):

	2023	2022
Current taxes	4,948	3,410
Prior year taxation	384	142
Deferred taxes	(4,600)	(299)
Deferred tax income	716	(250)
Total	**1,448**	**3,003**

See the specific attachment to these Notes for a breakdown of deferred taxes and deferred tax income.
The main changes during the reporting period regarded the following:
- deferred taxes include income of Euro 4,540 thousand due to a reduction in the deferred tax provision created 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;
- deferred tax income includes the recognition of Euro 5,482 thousand in relation to the tax loss carry-forwards of the Parent Company (partially utilised during the reporting period in the amount of Euro 4,092 thousand); the related deferred tax assets were recognised in the financial statements at 31 December 2023 as it is reasonably certain that they will be recovered on the basis of the Group Business Plan for 2024-2028.

OTHER INFORMATION

Sureties

This item consists of Euro 135,710 thousand of sureties given by insurance companies and banks to the Group's clients as guarantees of

proper performance of works and to release amounts withheld for warranty purposes (Euro 101.155 thousand at 31 December 2022).

DISCLOSURES IN TERMS OF ARTICLE 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 provided below details of the grants and economic benefits of all types received from public administrations and from parties/entities controlled by them, even indirectly:

Funding body	Amount	Reason
Rosetti Marino S.p.A.		
GSE	28	Grants to net metering account
MEF	128	Subsidy towards higher gas and electricity costs incurred in the fourth quarter of 2022
MEF	181	Subsidy towards higher gas and electricity costs incurred in the first and second quarters of 2023
MiBACT	1	Art Bonus subsidy for payments incurred in 2020
MiBACT	1	Art Bonus subsidy for payments incurred in 2021
MiBACT	1	Art Bonus subsidy for payments incurred in 2022
MEF	17	R&D grant for costs incurred in 2020
MEF	41	R&D grant for costs incurred in 2021
MEF	36	R&D grant for costs incurred in 2022
MIMS	2	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”
MIMS	47	Grant to finance projects for product or process innovation in the shipping field – project called "ROSMANDITEN”
Fores Engineering S.r.l.		
Emilia Romagna Region	51	2H2FORLAB – Regional laboratory for a sustainable hydrogen supply chain

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In the period between the reporting date and now, there have been no events that could significantly impact operating performance that have not been taken into account in these financial statements.

ANNEXES

The following annexes contain supplementary information in addition to that provided in the Notes of which they are an integral part.
Said information is contained in the following annexes:

- Statement of movements on consolidated shareholders' equity;
- Detailed analysis of tangible assets;
- Temporary differences resulting in recognition of deferred tax assets and liabilities.

ROSETTI MARINO S.p.A.
STATEMENT OF MOVEMENTS ON CONSOLIDATED SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands of Euro)

	Share capital	Revaluation reserve	Legal reserve	Other reserves	Cash flow hedge reserve	Retained earnings / (acc losses)	Neg reserve for treasury shares held	Translation reserve	Consolid. reserve	Net profit for year	Total	Equity of minority interests
BALANCE AT 31 DECEMBER 2021	**4.000**	**60.709**	**1.000**	**139.515**	**(213)**	**(24.692)**	**(5.100)**	**(5.438)**	**23**	**(54.727)**	**115.077**	**11.955**
Net profit (loss) for 2021:												
- to reserves	0	(59.324)	0	(14.430)	0	19.027	0	0	0	54.727	0	0
- dividends	0	0	0	0	0	0	0	0	0	0	0	0
Translation reserve	0	0	0	0	0	0	0	(542)	0	0	(542)	(77)
Cash flow hedge reserve	0	0	0	0	4.895	0	0	0	0	0	4.895	0
Revaluation of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0
Change in scope of consolidation	0	0	0	0	0	0	0	0	0	0	0	0
Net profit (loss) for 2022	0	0	0	0	0	0	0	0	0	4.644	4.644	5.195
BALANCE AT 31 DECEMBER 2022	**4.000**	**1.385**	**1.000**	**125.085**	**4.682**	**(5.665)**	**(5.100)**	**(5.980)**	**23**	**4.644**	**124.074**	**17.073**
Net profit (loss) for 2022:												
- to reserves	0	0	0	(889)	0	5.533	0	0	0	(4.644)	0	0
- dividends	0	0	0	0	0	0	0	0	0	0	0	0
Translation reserve	0	0	0	0	0	0	0	(1.808)	0	0	(1.808)	(992)
Cash flow hedge reserve	0	0	0	0	(3.780)	0	0	0	0	0	(3.780)	0
Revaluation of tangible assets	0	(1.385)	0	0	0	0	0	0	0	0	(1.385)	
Change in scope of consolidation	0	0	0	0	0	0	0	0	0	0	0	0
Net profit (loss) for 2023	0	0	0	0	0	0	0	0	0	7.043	7.043	(94)
BALANCE AT 31 DECEMBER 2023	**4.000**	**0**	**1.000**	**124.196**	**902**	**(132)**	**(5.100)**	**(7.788)**	**23**	**7.043**	**124.144**	**15.987**

STATEMENT OF MOVEMENTS ON TANGIBLE ASSETS FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Euro)

	Opening situation			Movements during the year								Closing situation		
	Historical Cost	Accum. Deprec'n	Balance 31/12/22	Additions Purchases	Additions Int. Works	Disposals H/Cost	Disposals Revaluation	Disposals Acc Dep'n	Forex diff.	Writ-down	Ordinary deprec'n	Historical Cost	Accum. Deprec'n	Balance 31/12/23
Yards and buildings:														
- land	66.840	(4.862)	61.978	108	0	(2.109)	(25.396)	351	(9)	0	0	39.434	(4.511)	34.923
- yards and buildings	77.869	(37.911)	39.958	93	279	(13.995)	(368)	8.013	(341)	(1.639)	(1.473)	61.898	(31.371)	30.527
- light constructions	6.070	(5.998)	72	35	72	(537)	(32)	543	0	0	(65)	5.608	(5.520)	88
Plant and machinery:														
- plant	19.442	(17.771)	1.671	304	1	(3.535)	0	3.168	0	0	(399)	16.212	(15.002)	1.210
- dry dock	7	(7)	0	0	0	0	0	0	0	0	0	7	(7)	0
- treatment plant	178	(178)	0	0	0	(1)	0	1	0	0	0	177	(177)	0
- machinery	6.285	(6.184)	101	26	0	(92)	0	91	(7)	0	(55)	6.212	(6.148)	64
- electronic systems	26	(26)	0	0	0	0	0	0	0	0	0	26	(26)	0
Industrial and commercial equipment	13.148	(9.712)	3.436	231	0	(604)	0	490	(55)	0	(779)	12.720	(10.001)	2.719
Other tangible assets:														
- office furniture	2.609	(2.108)	501	58	0	(6)	0	4	(8)	0	(190)	2.653	(2.294)	359
- IT equipment	4.010	(3.376)	634	159	0	(74)	0	61	(22)	0	(177)	4.073	(3.492)	581
- commercial vehicles	539	(539)	0	0	0	(89)	0	89	0	0	(10)	450	(460)	(10)
- automobiles	1.098	(713)	385	48	0	(4)	0	2	(56)	0	(98)	1.086	(809)	277
- barge	4.881	(2.092)	2.789	0	0	(3.270)	0	421	0	0	0	1.611	(1.671)	(60)
Assets under construction and payments on a/c	536	0	536	199	(352)	0	0	0	(3)	0	0	380	0	380
Total	**203.538**	**(91.477)**	**112.061**	**1.261**	**0**	**(24.316)**	**(25.796)**	**13.234**	**(501)**	**(1.639)**	**(3.246)**	**152.547**	**(81.489)**	**71.058**

TEMPORARY DIFFERENCES RESULTING IN THE RECOGNITION OF DEFERRED TAX ASSETS AND LIABILITIES

Article 2427(14) of the Italian Civil Code

Deductible differences	*Deferred Tax Assets at 31/12/2022*		*Decreases*		*Increases*		*Forex diff*	*Deferred Tax Assets at 31/12/2023*	
	Taxable amount	**Tax**	**Taxable amount**	**Tax**	**Taxable amount**	**Tax**		**Taxable amount**	**Tax**
Provision for contractual risks	711	102	31	7	205	49	0	885	144
Provision for bad debts	1.852	400	5	1	2.112	507	0	3.959	906
Provision for contingent risks	(879)	961	602	144	896	215	0	(585)	1.032
Unrealised exchange losses	2	2	8	2	10	2	0	4	2
Depreciation of tangible assets	113	110	118	32	0	0	0	(5)	78
Tax losses	88.608	21.489	20.261	4.863	24.367	5.848	(26)	92.714	22.448
Inventory obsolescence provision	1.918	453	79	19	46	115	(3)	1.885	546
Loss-making contracts	12.207	2.654	11.057	2.654	1.906	457	0	3.056	458
Provisions for employee bonuses	656	157	656	157	1.485	356	0	1.485	356
Other provisions	10.380	2.665	4.468	1.127	308	221	(221)	6.220	1.538
Total	**115.576**	**28.993**	**37.285**	**9.007**	**31.335**	**7.771**	**(250)**	**109.626**	**27.508**

Taxable differences	*Deferred Taxes at 31/12/2022*		*Decreases*		*Increases*		*Forex diff*	*Deferred Taxes at 31/12/2023*	
	Taxable amount	**Tax**	**Taxable amount**	**Tax**	**Taxable amount**	**Tax**		**Taxable amount**	**Tax**
Unrealised exchange gains	115	28	115	28	104	25	0	104	25
Depreciation of tangible assets	10.770	3.048	725	154	0	70	(95)	10.045	2.869
Amortisation of intangible assets	15	2	0	0	0	0	0	15	2
Other provisions	36	8	34	8	185	491	(32)	187	459
Revaluation of land for statutory reporti	22.786	6.357	16.272	4.539	0	0	0	6.514	1.818
Consolidation entries	1.228	457	1.228	457	0	0	0	0	0
Total	**34.950**	**9.900**	**18.374**	**5.186**	**289**	**586**	**(127)**	**16.865**	**5.173**

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 CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of Rosetti Marino S.p.A. (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 Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at 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 Group as at December 31, 2023, including its consistency with the related consolidated 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 consolidated financial statements of the Group 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 consolidated financial statements of the Group 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 Group 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.