FINANCIAL STATEMENTS AT 31 DECEMBER 2023

Cremonini S.p.A.
Via Modena, 53
41014 Castelvetro di Modena (MO) Italy
Share Cap. Euro 67,073,931.60 fully paid-up
Modena Register of Companies no. 00162810360
Modena Economic Admin. Reg. no. 126967
Tax Code and VAT no.00162810360

TABLE OF CONTENTS

CREMONINI GROUP ORGANIZATION

SCOPE OF CONSOLIDATION AT 31 DECEMBER 2023

CREMONINI S.p.A.

PRODUCTION

Beef | **Food & Beverage** | **Cured meats & Snacks**

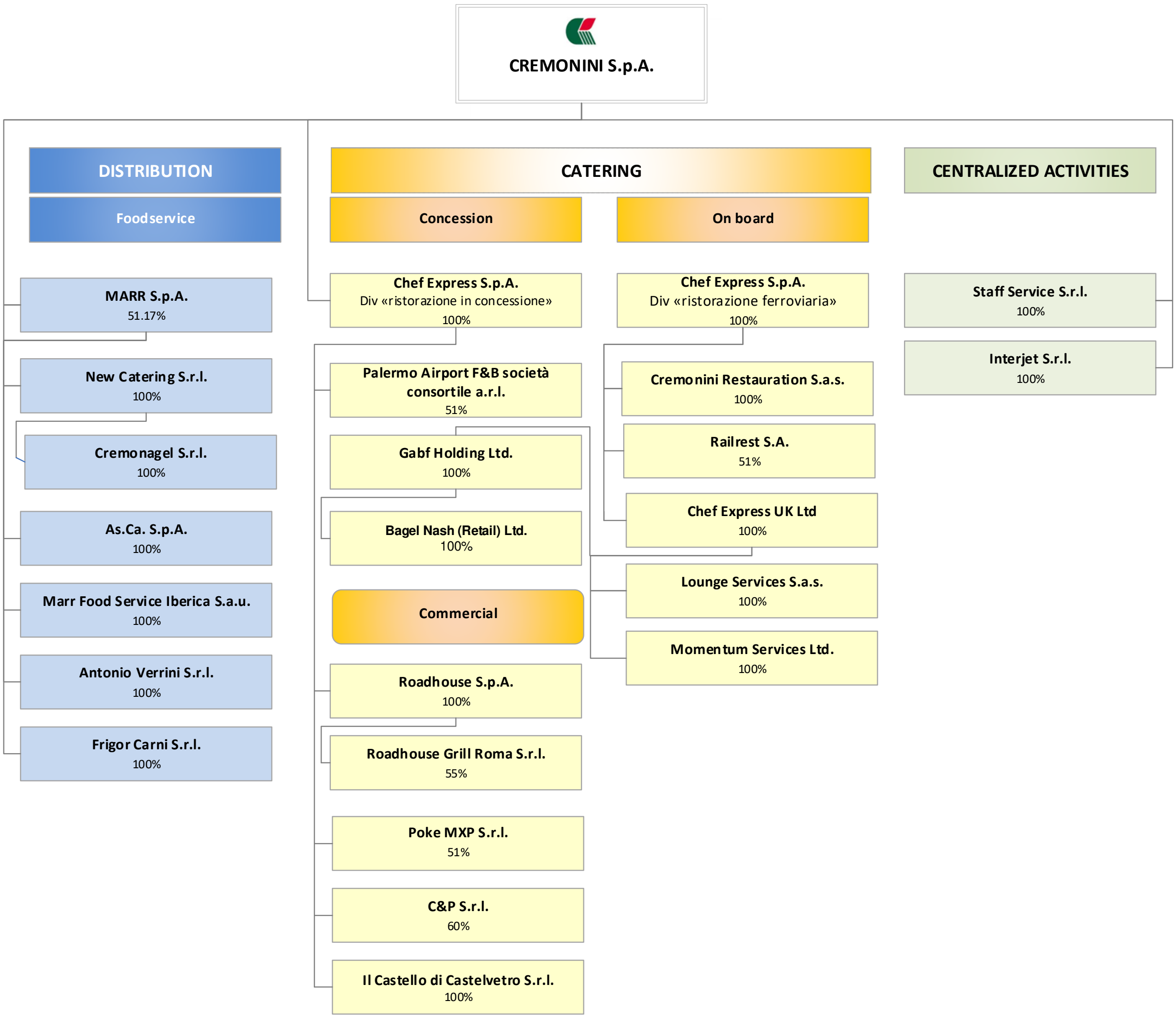
- INALCA S.p.A. 100%
  - Società Agricola Corticella S.r.l. 100%
    - La Torre Soc.Agr.Cons. a r.l. 56.87%
  - Cremovit S.r.l. 51%
  - Ges.Car. S.r.l. 100%
  - Guardamiglio S.r.l. 90%
    - Treerre Food S.r.l. 90%
  - Dolfen S.r.l. 51%
    - Macello di Parma S.r.l. 97.29%
  - Realbeef S.r.l. 51%
  - Fiorani & C. S.r.l. 70%
  - Tecno-star Due S.r.l. 100%
  - Ina Ten S.r.l. 51%
  - Tecnovit S.r.l. 60%
  - Parma Serv S.r.l. 51%
  - Parma France S.a.s. 76%
    - Parma Capel S.a.s. 66.67%
  - Zaklady Miesne Sochocin S.p.zo.o. 100%
  - Kaskad Llc. 60%
    - Orenbeef Llc. 100%
    - Agrosakmara Llc. 100%
    - Agrosakmara Bashkiriya Llc. 100%
    - Marr Russia Llc. 75%
  - Inalca Food Service Kaz Llp. 100%
  - Inalca Algeria S.a.r.l. 99.01%
  - Inalca Angola Lda. 98%
  - Inter Inalca Angola Lda. 100%
  - Inalca Kinshasa S.a.r.l. 97%
  - Inalca Brazzaville S.a.r.l.u. 100%
  - Inalca Alimentar Carnes de Mocambique Lda. 100%
  - Inalca CI S.a.r.l. 99.9%
  - Inalca Food & Beverage S.r.l. 100%
    - Comit S.L. 75%
      - Hosteria Buttarelli S.L. 100%
      - Tecali S.L. 68.32%
    - Mille Sapori Plus S.p.zo.o. 80%
      - MSP Transport Sp.zo.o. 100%
    - Fresco Gourmet Pty Ltd. 100%
      - Host Inns Pty Ltd. 100%
    - Inalca Food & Beverage Cabo Verde Lda. 100%
    - Bright View Trading HK Ltd. 100%
    - Inalca Food & Beverage China Hld Ltd. 100%
      - Top Best International Hld Ltd 100%
      - Zhongshan Inalca Food & Beverage Co Ltd 100%
      - Inalca Food & Beverage (Shanghai) Co. Ltd. 100%
      - Royi Wine & Spirit (China) LTD 80%
        - Royi Wine (Shanghai) LTD 100%
      - Inalca F&B Beijing Holding Ltd 60%
        - Inalca F&B Beijing Co. 100%
    - Inalca Food & Beverage Sdn Bhd 100%
  - Italia Alimentari S.p.A. 100%
    - Castelfrigo LV S.r.l. 100%
    - Italia Alimentari Canada Ltd. 60%
    - Montana Alimentari GMBH in liq. 100%

Continued

CREMONINI GROUP ORGANIZATION

SCOPE OF CONSOLIDATION AT 31 DECEMBER 2023

Continued



CORPORATE BODIES OF CREMONINI S.p.A.

Board of Directors

Chairman	Luigi	Cremonini
Vice Chairman	Claudia	Cremonini
Chief Executive Officer	Vincenzo	Cremonini
Director	Paolo	Sciumé
	Paolo	Boni

Board of Statutory Auditors

Chairman	Eugenio	Orienti
Statutory Auditors	Giulio	Palazzo
	Paola	Simonelli
Alternate Auditors	Francesca	Orienti
	Daniele	Serra

Independent Auditors PricewaterhouseCoopers S.p.A.

DIRECTORS' REPORT

Introduction

The financial statements at 31 December 2023, pursuant to Legislative Decree no. 38 of 28 February 2005, have been prepared in accordance with the accounting and measurement policies laid down in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

Group performance and results for the 2023 financial year

In 2023 the Cremonini Group recorded revenues of Euro 5,542.1 million compared to Euro 5,132.4 million in 2022, showing an increase of Euro 409.7 million (+8.0%).

The gross operating margin stood at Euro 479.3 million compared to Euro 391.7 million in 2022, showing an increase of Euro 87.6 million (+22.4%) while operating income amounted to Euro 264.3 million compared to Euro 187.4 million in 2022, up by Euro 76.9 million (+41.0%).

The result from ordinary activities, amounting to Euro 148.5 million compared to Euro 137.4 million in 2022, showing an increase of Euro 11.1 million compared to 2022, was adversely affected by the recognition of higher net financial charges of Euro 48.2 million (Euro 73.1 million in 2023 compared to Euro 24.9 million in 2022) due to the increase in interest rates, which occurred since the second half of 2022, as well as by the unfavourable development of the currency market, which entailed the recognition of foreign exchange losses of Euro 14.7 million compared to profits of Euro 2.3 million in 2022.

Income from equity investments, which amounted to Euro 5.3 million in 2023, included a capital gain of Euro 6.3 million arising from the sale of the equity investment in Time Vending S.r.l. (previously 50%-owned by subsidiary Chef Express S.p.A.) to IVS Group S.A., partly offset by write-downs made on equity investments in associated companies.

With regard to non-recurring items, a charge of Euro 15.4 million was recognised in the income statement during the year against the litigation with the Revenue Agency in which the subsidiaries INALCA S.p.A. and Ges. Car. S.r.l. had long been involved (the litigation is extensively described in the financial statements file at 31 December 2022). Despite the firm conviction of the companies involved about the correctness of their actions, given the disputed amounts, and in view of the inherent aleatory nature of the continuation of legal action to protect their rights, it was deemed appropriate to resort to the tax concession settlement scheme for pending litigation, formalising any necessary applications for the settlement of the dispute.

Net profit came to Euro 58.1 million, down by Euro 17.3 million compared to Euro 75.4 million in 2022.

The schedules of the income statement, balance sheet and cash flows for 2023 are summarized below, compared with the consolidated financial statements for the period ended 31 December 2022.

For a more complete analysis of the Group's results, the related details are reported below, broken down by business sector.

Consolidated Income Statement

(Euro/000)	Year 2023	Year 2022	Change %
Total revenues	**5,542,058**	**5,132,396**	**7.98**
Changes in inventories of work in progress, semi-finished and finished goods	22,622	33,759	
Value of production	**5,564,680**	**5,166,155**	**7.71**
Cost of production	(4,519,703)	(4,275,266)	
Value added	**1,044,977**	**890,889**	**17.30**
Personnel costs	(565,687)	(499,160)	
Gross operating margin [a]	**479,290**	**391,729**	**22.35**
Amortization, depreciation and write-downs	(215,034)	(204,376)	
Operating income [b]	**264,256**	**187,353**	**41.05**
Net financial income (charges)	(115,803)	(49,996)	
Profit from ordinary activities	**148,453**	**137,357**	**8.08**
Net income (charges) from investments	5,292	(385)	
Net extraordinary financial income (charges)	(15,374)	(399)	
Result before taxes	**138,371**	**136,573**	**1.32**
Income taxes for the financial year	(52,001)	(41,438)	
Result before minority interests	**86,370**	**95,135**	**n/a**
(Profit) Loss attributable to minority interests	28,223	19,715	
Net profit attributable to the Group	**58,147**	**75,420**	**n/a**

Consolidated Balance Sheet

(Euro/000)	31.12.2023	31.12.2022	Change %
Intangible assets	252,973	246,195	
Tangible assets	1,782,868	1,659,491	
Equity investments and other financial assets	71,263	46,937	
Total fixed assets	**2,107,104**	**1,952,623**	**7.91**
Trade net working capital			
- Trade receivables	611,338	611,126	
- Inventories	658,964	647,312	
- Trade payables	(800,488)	(720,282)	
Total trade net working capital	469,814	538,156	
Other current assets	145,998	156,009	
Other current liabilities	(191,201)	(152,464)	
Net working capital	**424,611**	**541,701**	**(21.62)**
Staff Severance Indemnity Provision and other m/l term provisions	**(75,877)**	**(82,663)**	
Net invested capital	**2,455,838**	**2,411,661**	**1.83**
Shareholders' Equity attributable to the Group	673,565	681,910	
Shareholders' Equity attributable to minority interests	227,412	242,623	
Total Shareholders' Equity	**900,977**	**924,533**	**(2.55)**
Net medium/long-term debt	915,543	921,386	
Net short-term debt	218,001	141,836	
Total net debt before operating leases	**1,133,544**	**1,063,222**	**6.61**
Net debt - medium/long-term operating leases	377,550	326,640	
Net debt - short-term operating leases	43,767	97,266	
Operating lease effects on net debt	**421,317**	**423,906**	**n.a.**
Net debt	**1,554,861**	**1,487,128**	**4.55**
Net equity and net debt	**2,455,838**	**2,411,661**	**1.83**

a – EBITDA (Gross operating margin) is an economic indicator not defined in the International Accounting Standards and the IFRS. EBITDA is the measurement used by the Company's management to monitor and assess its operations. The managements believes that EBITDA is a key indicator for measuring the Group's performance as it is not affected by the volatility due to the effects of the various criteria of calculating taxable income and by the amount and characteristics of the invested capital, as well as by the related amortisation and depreciation criteria. At present, subject to a subsequent in-depth study regarding the developments in the definitions of corporate performance indicators, EBITDA is defined by the Cremonini Group as the Profit/Loss before depreciation and amortization of tangible and intangible assets, allocations and write-downs, financial and non-recurring charges and income, as well as income taxes.

b – The operating profit (EBIT) is defined by the Cremonini Group as the Profit/Loss for the year before financial charges and income, non-recurring items and income taxes.

Consolidated Net Debt [c]

(Euro/000)	**31.12.2023**	30.09.2023	30.06.2023	31.12.2022
Payables to banks, bonds and other financial institutions				
- due within 12 months	(588,856)	(583,312)	(550,423)	(450,245)
- due between 1 and 5 years	(809,137)	(745,396)	(724,319)	(746,350)
- due beyond 5 years	(106,406)	(124,518)	(153,115)	(175,036)
Total payables to banks, bonds and other financial institutions	**(1,504,399)**	**(1,453,226)**	**(1,427,857)**	**(1,371,631)**
Liquidity				
- cash and cash equivalents	350,802	315,158	293,131	287,265
- other financial assets	20,053	25,652	20,373	21,144
Total liquidity	**370,855**	**340,810**	**313,504**	**308,409**
Total net debt before operating leases	**(1,133,544)**	**(1,112,416)**	**(1,114,353)**	**(1,063,222)**
Financial liabilities for operating leases				
- within 12 months	(43,767)	(83,346)	(84,310)	(97,267)
- between 1 and 5 years	(295,947)	(252,120)	(258,031)	(242,777)
- beyond 5 years	(81,603)	(74,698)	(78,075)	(83,862)
Operating lease effects on net debt	**(421,317)**	**(410,164)**	**(420,416)**	**(423,906)**
Total net debt	**(1,554,861)**	**(1,522,580)**	**(1,534,769)**	**(1,487,128)**

The Group's net financial debt at 31 December 2023 amounted to Euro 1,554.9 million, up by Euro 67.7 million compared to Euro 1,487.1 million at 31 December 2022. Net of the effects of accounting for operating leases (application of IFRS 16), the Group's net financial debt at 31 December 2023 amounted instead to Euro 1,133.5 million, up by Euro 70.3 million compared to Euro 1,063.2 million at 31 December 2022.

During the year, cash outflows for ordinary investments amounted to Euro 217.9 million, those for dividends to Euro 31.5 million while those for acquisitions amounted to Euro 23.6 million.

Among the latter items are:

- INALCA S.p.A.'s payment of an additional amount of Euro 2,772 thousand in the company that is now 55% owned, Agro-Inwest Sp. z o.o.;
- the subscription to the capital increase in B.F. Holding S.p.A. for Euro 7,398 thousand;
- INALCA S.p.A.'s payment of Euro 810 thousand in Montagna S.p.A., which is now 51.22% owned;
- the acquisition by Bright View Trading Hong Kong Ltd. (a subsidiary of Inalca Food & Beverage S.r.l) of 100% of The House of Fine Foods Ltd. (Hong Kong), and 100% of The House of Fine Foods (Macau) 1994 Ltd. for a total of Euro 536 thousand;
- the acquisition by Società Agricola Corticella S.r.l. (a subsidiary of INALCA S.p.A.) of additional quotas in La Torre Soc. Agr. Cons. a r.l., which is now 56.87% owned, for Euro 1,098 thousand;
- the acquisition of an additional 25% in the investee Parma France S.a.s., which is now 76% owned, for Euro 5.5 million;
- the acquisition of an additional 19% in the investee Fiorani & C. S.r.l., which is now 70% owned, for Euro 5.5 million.

At the end of the year, there also was the sale of the quota in Time Vending S.r.l., previously held by Chef Express S.p.A., to IVS Group S.A.. As part of this transaction, Chef Express S.p.A. reinvested the proceeds from sale by purchasing 1,309,397 shares of IVS Group S.A., which represent approximately 1.4% of the listed company's capital.

c – The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a sum of the following positive and negative components of the Balance Sheet. Positive components: cash and cash equivalents; current securities held for sale; short-term financial receivables; derivative instruments. Negative components: payables to banks; payables to other lenders, leasing and factoring companies; derivative instruments and bonds. The Consolidated Net Financial Position according to the criteria prescribed by ESMA is shown in the explanatory notes in paragraph 24.

Financial results by business sector

The Group, which operates in the food sector, conducts its business with the position of market leader in three macro business areas:

- Production;
- Distribution;
- Catering.

The Parent Company, both directly and indirectly through its subsidiaries, provides support to the operating sectors, mainly services in the financial, corporate and tax, human resources and insurance, IT system sectors.

Breakdown of revenues by sector

(Euro/000)	**Year 2023**	Year 2022	Change total value	Change %
Production				
Net revenues	2,783,728	2,650,372	133,356	5.03
Intercompany revenues	*206,390*	199,472		
Total revenues	2,990,118	2,849,844	140,274	4.92
Gross operating margin	235,569	223,614	11,955	5.35
Amortization, depreciation and write-downs	(83,090)	(81,978)	(1,112)	1.36
Operating profit (loss)	152,479	141,636	10,843	7.66
Distribution				
Net revenues	1,976,750	1,843,668	133,082	7.22
Intercompany revenues	*108,751*	86,842		
Total revenues	2,085,501	1,930,510	154,991	8.03
Gross operating margin	122,912	81,760	41,152	50.33
Amortization, depreciation and write-downs	(38,020)	(35,693)	(2,327)	6.52
Operating profit (loss)	84,892	46,067	38,825	84.28
Catering				
Net revenues	779,334	636,135	143,199	22.51
Intercompany revenues	*459*	(313)		
Total revenues	779,793	635,822	143,971	22.64
Gross operating margin	123,005	88,364	34,641	39.20
Amortization, depreciation and write-downs	(91,014)	(82,700)	(8,314)	10.05
Operating profit (loss)	31,991	5,664	26,327	n/a
Centralized activities				
Net revenues	2,246	2,221	25	1.13
Intercompany revenues	*13,986*	11,739		
Total revenues	16,232	13,960	2,272	16.28
Gross operating margin	(2,196)	(2,009)	(187)	n/a
Amortization, depreciation and write-downs	(2,910)	(4,005)	1,095	n/a
Operating profit (loss)	(5,106)	(6,014)	908	n/a
Consolidation adjustment				
Total revenues	*(329,586)*	*(297,740)*		
Gross operating margin	*0*	*0*		
Amortization, depreciation and write-downs	*0*	*0*		
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	5,542,058	5,132,396	409,662	7.98
Gross operating margin	479,290	391,729	87,561	22.35
Amortization, depreciation and write-downs	(215,034)	(204,376)	(10,658)	5.21
Operating profit (loss)	264,256	187,353	76,903	41.05

The Group's total revenues, if compared with those recorded in the previous year, showed an increase of Euro 409.7 million. In detail, revenues from Distribution showed growth of Euro 155.0 million while Catering recorded an increase of Euro 144.0 million, and revenues from Production rose by Euro 140.3 million.

The consolidated gross operating margin was up by Euro 87.6 million, with the Distribution, Catering and Production up by Euro 41.2 million, Euro 34.6 million, and Euro 12.0 million, respectively, compared to the previous year.

Finally, the consolidated operating income was up by Euro 76.9 million with the Distribution, Catering and Production up by Euro 38.8 million, Euro 26.3 million, and Euro 10.8 million, respectively.

Breakdown of revenues from sales and services by geographical area

Comparison between values at 31 December 2023 and at 31 December 2022 (12 months)

Year 2023 - (Euro/000)										
	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1,653,699	60.1	1,830,995	95.2	654,637	85.0	1,771	100.0	4,141,102	76.0
European Union	444,152	16.1	69,829	3.7	28,214	3.7	0	0.0	542,195	10.0
Extra-EU countries	653,897	23.8	21,961	1.1	86,893	11.3	0	0.0	762,751	14.0
Total	2,751,748	100.0	1,922,785	100.0	769,744	100.0	1,771	100.0	5,446,048	100.0

Year 2022 - (Euro/000)										
	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1,566,624	59.9	1,705,647	95.1	537,959	85.9	1,924	100.0	3,812,154	75.6
European Union	396,597	15.1	56,865	3.2	81,276	13.0	0	0.0	534,738	10.6
Extra-EU countries	655,879	25.0	30,701	1.7	7,031	1.1	0	0.0	693,611	13.8
Total	2,619,100	100.0	1,793,213	100.0	626,266	100.0	1,924	100.0	5,040,503	100.0

Consolidated Balance Sheet by business sector

As at 31 December 2023 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	35,276	162,377	55,313	7	0	252,973
Tangible assets	883,826	173,257	646,816	78,969	0	1,782,868
Equity investments and other financial assets	47,866	19,478	2,790	1,129	0	71,263
Total fixed assets	**966,968**	**355,112**	**704,919**	**80,105**	**0**	**2,107,104**
Trade net working capital						
- Trade receivables	262,966	346,628	29,248	14,961	(42,465)	611,338
- Inventories	437,468	202,833	18,196	17	450	658,964
- Trade payables	(343,984)	(319,594)	(172,339)	(11,784)	47,213	(800,488)
Total trade net working capital	**356,450**	**229,867**	**(124,895)**	**3,194**	**5,198**	**469,814**
Other current assets	65,267	27,398	58,139	21,134	(25,940)	145,998
Other current liabilities	(87,970)	(32,934)	(68,413)	(22,626)	20,742	(191,201)
Net working capital	**333,747**	**224,331**	**(135,169)**	**1,702**	**0**	**424,611**
Staff Severance Indemnity Provision and other m/l-term provisions	**(52,866)**	**(12,563)**	**(6,161)**	**(4,287)**	**0**	**(75,877)**
Net invested capital	**1,247,849**	**566,880**	**563,589**	**77,520**	**0**	**2,455,838**

As at 31 December 2022 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	34,093	162,362	49,725	15		246,195
Tangible assets	836,893	153,260	589,999	79,339		1,659,491
Equity investments and other financial assets	38,490	2,617	4,672	1,158		46,937
Total fixed assets	**909,476**	**318,239**	**644,396**	**80,512**	**0**	**1,952,623**
Trade net working capital						
- Trade receivables	277,940	351,767	27,762	16,754	(63,097)	611,126
- Inventories	421,271	209,527	16,117	27	370	647,312
- Trade payables	(346,865)	(331,457)	(94,035)	(11,960)	64,035	(720,282)
Total trade and net working capital	**352,346**	**229,837**	**(50,156)**	**4,821**	**1,308**	**538,156**
Other current assets	62,344	31,108	53,920	30,349	(21,712)	156,009
Other current liabilities	(76,023)	(18,791)	(58,162)	(19,892)	20,404	(152,464)
Net working capital	**338,667**	**242,154**	**(54,398)**	**15,278**	**0**	**541,701**
Staff Severance Indemnity Provision and other m/l-term provisions	**(57,390)**	**(13,368)**	**(7,537)**	**(4,368)**		**(82,663)**
Net invested capital	**1,190,753**	**547,025**	**582,461**	**91,422**	**0**	**2,411,661**

Consolidated Net Debt by business sector

As at 31 December 2023 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(328,032)	(117,660)	(106,513)	(36,651)	(588,856)
- due between 1 and 5 years	(453,108)	(197,398)	(138,128)	(20,503)	(809,137)
- due beyond 5 years	(14,702)	(59,979)	(31,725)	0	(106,406)
Total payables to banks, bonds and other financial institutions	**(795,842)**	**(375,037)**	**(276,366)**	**(57,154)**	**(1,504,399)**
Liquidity					
- cash and cash equivalents	77,729	223,405	28,534	21,134	350,802
- other financial assets	19,607	2	444	0	20,053
Total liquidity	**97,336**	**223,407**	**28,978**	**21,134**	**370,855**
Securitization and internal treasury current accounts	**(603)**	**9,818**	**(5,834)**	**(3,381)**	**0**
Total net debt before operating leases	**(699,109)**	**(141,812)**	**(253,222)**	**(39,401)**	**(1,133,544)**
Financial liabilities for operating leases					
- within 12 months	(8,719)	(11,826)	(23,222)	0	(43,767)
- between 1 and 5 years	(27,902)	(43,440)	(224,605)	0	(295,947)
- beyond 5 years	0	(26,376)	(55,227)	0	(81,603)
Operating lease effects on net debt	**(36,621)**	**(81,642)**	**(303,054)**	**0**	**(421,317)**
Total net debt	**(735,730)**	**(223,454)**	**(556,276)**	**(39,401)**	**(1,554,861)**

As at 31 December 2022 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(209,610)	(120,248)	(92,775)	(27,612)	(450,245)
- due between 1 and 5 years	(431,851)	(131,151)	(154,668)	(28,680)	(746,350)
- due beyond 5 years	(50,464)	(87,977)	(36,595)	0	(175,036)
Total payables to banks, bonds and other financial institutions	**(691,925)**	**(339,376)**	**(284,038)**	**(56,292)**	**(1,371,631)**
Liquidity					
- cash and cash equivalents	55,094	191,664	29,811	10,696	287,265
- other financial assets	20,895	7	242	-	21,144
Total liquidity	**75,989**	**191,671**	**30,053**	**10,696**	**308,409**
Securitization and internal treasury current accounts	**(11,973)**	**9,404**	**3,767**	**(1,198)**	**0**
Total net debt before operating leases	**(627,909)**	**(138,301)**	**(250,218)**	**(46,794)**	**(1,063,222)**
Financial liabilities for operating leases					
- within 12 months	(7,975)	(10,813)	(78,479)	-	(97,267)
- between 1 and 5 years	(15,796)	(38,359)	(188,622)	-	(242,777)
- beyond 5 years	-	(30,077)	(53,785)	-	(83,862)
Operating lease effects on net debt	**(23,771)**	**(79,249)**	**(320,886)**	**-**	**(423,906)**
Total net debt	**(651,680)**	**(217,550)**	**(571,104)**	**(46,794)**	**(1,487,128)**

The operating sectors of the Group

Production

The companies that operate in the Production sector, included in the consolidation area, are shown in the list attached to this Report.

Breakdown of revenues by activity (Euro/000)	**Year 2023**	**Year 2022**	*Chg. %*
Beef and meat-based products	2,658,920	2,562,921	*3.75*
- intercompany revenues	(25,787)	(26,765)	
Beef and meat-based products - Net total	**2,633,133**	**2,536,156**	
Cured meats and gastronomy/snack food	367,096	322,963	*13.67*
- intercompany revenues	(10,111)	(9,275)	
Net total - Cured meats and gastronomy/snack food	**356,985**	**313,688**	
Total Production	**2,990,118**	**2,849,844**	***4.92***

The Production Sector revenues were Euro 2,990.1 million, up by Euro 140.3 million compared to Euro 2,849.8 million in 2022. The gross operating margin increased from Euro 223.6 million to Euro 235.6 million, up by Euro 12.0 million while operating income increased from Euro 141.6 million to Euro 152.5 million, up by Euro 10.8 million.

The beef business

The segment showed a significant increase in the level of revenues compared to the previous year, which was determined both by the increase in its market shares, and the effect of the price increases implemented during the previous year, required to offset the substantial increase in the cost of all production factors, especially in the purchase cost of cattle, the price of which continued to increase throughout 2023.
Profit margins showed an improvement as well, in line with the higher revenues.

With regard to foreign markets, in Africa sales remained stable, and profitability improved compared to the previous year, mainly due to improved results from the start-up of a lease agreement for existing facilities in the Democratic Republic of Congo during the year, and improved operations in Algeria and Mozambique, which offset the decline in turnover recorded in Angola, which suffered from the deterioration in the country's macroeconomic outlook, and the consequent depreciation of the local Kwanza currency.

The results achieved in the foreign business segment were also affected by the losses recorded at the new slaughtering plant in Poland, the operations of which were started at the beginning of the current year, and are therefore still in the start-up phase.

In Russia, despite the positive performance of the local business characterised by increases in sales in both the production and foodservice distribution segments, the significant depreciation of the Rouble led to the recognition of reduced sales and profitability.

Revenues showed an increase in operations involving the distribution of food products to foodservice abroad, on the part of Inalca Food & Beverage S.r.l. and its subsidiaries. These companies, the operations of which are closely connected with trends in tourist flows, benefited from the resumption of business operations, which had been hit by the impact of the Pandemic in a more significant manner. In this field, the only area in which there are still no signs of recovery is China where, after the heavy lockdown implemented by the Chinese authorities during the previous year, business is struggling to recover to pre-Pandemic levels.

<u>Cured meats and snacks sector</u>

After the spread of African Swine Fever (ASF), which affected pigs and wild boars in some European countries, and Italian regions, the spread of PRRS (Porcine Reproductive and Respiratory Syndrome), and PEDV (porcine epidemic diarrhea virus) viruses also greatly decreased the availability of piglets at the community and national level, thus affecting the amount of swine herd with effects on the amount of available raw materials, and leading to an increase in the price of pigs, and fresh and processed pork. The increase in selling prices also led to a reduction in consumption.

The national availability of pigs for charcuterie production recorded a negative change of 2.3% compared to 2022. On the other hand, there was a slight increase in sales in terms of volumes, which recorded +0.6% but with a much greater change in value due to the general increase in list prices that weighed a +8% in terms of average price €/Kg.

The companies in the business segment have operated in the context of these market trends by concluding new contracts with the major chains of retail and of other served business segments, with the objective of maintaining its production capacity at a satisfactory level, aiming at enhancing its industrial technological assets and streamlining its fixed overheads. Furthermore, the target markets have been covered by maintaining volumes in product and distribution channel combinations while flexibly adjusting its offer and adapting its production to the needs expressed by the consumer.

Satisfactory results were achieved in the two divisions in which the business segment operates. In particular:

<u>Cured meats division</u> – The direct comparison with 2022 showed an increase in sales by 13.7%, and in volumes by 7.7%, recovering in selling prices only partially the increases in the costs of raw materials, packaging, and services incurred during 2023, recorded in *Normal Trade, Horeca/Food-service* sales channels.

<u>Snack division</u> – After the significant increase in volumes recorded in the previous year, the division confirmed once again very satisfactory growth rates in 2023 as well, and a comparison of the year under review with the values posted in in 2022 shows an increase in terms of sales (+11.5%), which was also supported by an albeit limited increase in volumes (+5.6%), setting a new historical record for the Division's activities, with sales of more than Euro 34 million.
Indeed, the Division's strategy based on proposing innovative products has gained interest in modern distribution channels, with important positive feedback in terms of growth.

Among the significant events that occurred during the year we must note:

- the production plant in Poland, owned by Zaklady Miesne Sochocin Sp. z o.o, located in Sochocin, started its operations in early January. The processing business, which is still in the start-up phase, is gradually increasing the number of animals slaughtered with the aim of reaching full utilization of its production capacity; the start-up of deboning activities took place in May while work on the production of hamburgers commenced in November;

- In March, the subsidiary Ges.car S.r.l. hired about 300 employees, previously working for a cooperative company to which some activities at the plants in Pegognaga (MN) and Reggio Emilia had been contracted out;

- on 30 March, the Revenue Agency concluded an audit at Società Agricola Corticella S.r.l., which led to issue a Report of Findings (*Processo Verbale di Constatazione*) from which objections emerged in relation to an undue VAT deduction for the years from 2017 to 2019. Despite the firm conviction that it had acted correctly, the Subsidiary reached a tax concession settlement with agreement in November, paying a total sum of Euro 450 thousand to the Tax Office;

- on 15 May, a hearing was held by the second-instance Tax Court of Bologna on Inalca S.p.A.'s appeal concerning the litigation involving Euro 2000 Consortium (for more details, please refer to the notes provided in the 2022 financial statements), the outcome of which was surprisingly unfavourable to the company; following this event, the company decided to resort to the settlement concession scheme of pending disputes, since it did not intend to run unnecessary risks while waiting for the long decision-making process of the Supreme Court. The cost recognized during the year for about Euro 15 million also included the amount pertaining to the subsidiary Ges. Car. S.r.l., which, despite its success at first instance, decided to settle the pending dispute, thus avoiding the risks of the continuation of the proceedings;

- additional investments were made in the Cured Meats business segment, with interventions at the main production plants of subsidiaries Alimentari S.p.A., and Castelfrigo LV S.r.l., concerning the "Bellies and Derivatives" project;

- in July, the subsidiary Inalca Food & Beverage S.r.l. was unsuccessful in tax proceedings resulting from an audit relating to the year 2016, on the matter of transfer pricing. The company filed an appeal in second instance against this ruling in January 2024;

- in September, a public tender was held for the 15-year concession to operate the municipal slaughterhouse, previously run by subsidiary Macello di Parma. At present, the awarding process is now in progress, and it is hoped that the concession will be renewed in favour of the same company;

- in October, an agreement was formalised for the entry of INALCA S.p.A. in the capital of a company with a slaughterhouse in Sicily, in relation to which the subsidiary Tecnostar Due S.r.l. has already drawn up a plan for the full renovation, and expansion of the cattle slaughtering department with the goal of making it a major plant in Sicily;

- in November, INALCA S.p.A. formalised the redemption of the lease of the Solignano plant (formerly Fimar), which is now held by way of ownership;

- Sara S.r.l. was shut down since it had completed the winding-up operations with its simultaneous cancellation from the register of companies in November;

- in December, shares and stakes in the subsidiaries Fiorani & C. S.p.A. (the business name of which was subsequently changed to Fiorani & C. S.r.l.) and Parma France S.a.s., were taken over by minority shareholders, thus bringing the investments to 70% and 76%, respectively;

- In the last few days of the year, 55% control was acquired through a capital increase in the previously associated company Agro-Inwest Sp. Zoo, dedicated to the breeding of cattle in Poland for slaughter at the new plant of Zaklady Miesne Sochocin Sp. z o.o.;

- throughout the year, work continued on the development of the IF&B Group's food distribution business to overseas foodservice through the expansion of storage warehouses, the modernization of production lines, and the acquisition of smaller distribution companies in Australia. Additional stakes were also acquired in Bright View Trading HK Ltd., and Inalca Food & Beverage Cabo Verde Lda., over which full control was obtained. Finally, it is worth mentioning the acquisition by the subsidiary Bright View Trading HK Ltd of all the quotas of two companies specializing in foodservice distribution of food in the high-end segment operating in Hong Kong and Macau, respectively.

The major industrial investments made during 2023 concerned the following projects:

- the construction and upgrading of production systems at the plants of INALCA S.p.A. In particular, we must note the acquisition of silos for storage of food flours, the construction of a new grinding system for hamburgers, and a palletizing/depalletizing system for the can department installed at the Castelvetro plant; the expansion of the refrigeration plant, the redoing of flooring and shelving, and the construction of a new boiler for steam production at the Ospedaletto Lodigiano Plant; the completion of the new cogeneration and absorber plant at the Rieti factory;

- the completion of the new slaughtering, deboning and transformation in Sochocin in Poland, the operations at which were started at the beginning of 2023;

- the improvement of efficiency of production lines, and of productivity in the areas of production and slicing of cold cuts at all manufacturing sites of subsidiary Italia Alimentari S.p.A.;

- the installation, which is in the process of being completed, involving systems intended for exploiting residues from processing through the manufacturing of high value-added products, as well as the completion of the systems for the production of cracklings and lard of subsidiary Castelfrigo LV S.r.l.;

- the acquisition of new sheds and plots of lands on the part of subsidiary Società Agricola Corticella S.r.l.;

- the completion and commissioning of the rendering system at subsidiary Realbeef S.r.l.;

- the expansion and renovation of some sheds owned by subsidiary La Torre Soc. Cons. a r.l.

Distribution

The companies that operate in the Distribution sector, included in the consolidation area, are shown in the list attached to this Report.

Total revenues in the Distribution sector amounted to Euro 2,085.5 million in 2023, showing an increase of Euro 155.0 million compared to Euro 1,930.5 million in 2022 (+8.0%).

Sales to customers in the "Street Market", and "National Account" categories amounted to Euro 1,850.5 million (Euro 1,679.2 million in 2022).
Specifically, sales in the "Street Market" category (restaurants and hotels not belonging to Groups or Chains) amounted to Euro 1,365.9 million, up compared to Euro 1,256.8 million in 2022.
Sales in the "National Account" category (operators of Chains and Groups and Canteens) amounted to Euro 484.6 million, up compared to Euro 422.4 million in 2022, thanks to the positive contribution given by the customers in the segment of Groups and Chains of hotels and restaurants).

According to the findings of the Confcommercio Studies Office ("Congiuntura" issue no. 2, February 2024), the consumption (in terms of quantity) concerning the item "Hotels, meals and out-of-home consumption" in Italy increased by +5.2% in 2023 compared to 2022.

Sales in the "Wholesale" category (almost entirely concerning frozen seafood products to wholesalers) amounted to Euro 200.7 million in 2023, showing a decrease from Euro 217.4 million in 2022, due to the lower availability of product to be sold, which affected the first half of 2023.

Operating profitability showed a recovery, with gross operating margin amounting to Euro 123.1 million in 2023 (Euro 82.1 million in 2022), and operating income amounting to Euro 84.9 million (Euro 46.2 million in 2022).

Among the significant events that occurred during the year, it should be noted that:

- on 28 April 2023 the Shareholders' Meeting of MARR S.p.A. approved the financial statements at 31 December 2022, and resolved to distribute a gross dividend of Euro 0.38 per share, with "ex-dividend date" (no. 18) on 22 May 2023, record date on 23 May, and payment on 24 May. Undistributed profits were allocated to Extraordinary Reserve;

- the Shareholders' Meeting of MARR S.p.A. also revoked, for the unexecuted portion, the authorization to purchase, dispose of, and to perform acts of disposition of the Company's own shares granted by a resolution of the Shareholders' Meeting on 28 April 2022; at the same time, it approved a new authorization to purchase, dispose, and perform acts of disposition of the Company's own shares in accordance with the terms and conditions laid down in the resolution proposal approved by the Board of Directors on 14 March 2023, and described in the report available on the Company's website at www.marr.it governance/AGM section;

- on 29 May 2023, Cremonagel S.r.l. was established, which signed, on 30 June 2023, with effect from 1 July 2023, a lease agreement for the business unit owned by Cremonagel S.a.s. di Alberto Vailati & c., based in Piacenza and operating in the wholesale and retail trade of ice creams and frozen food in the bar supplies, and fast food sector. The company is wholly owned by subsidiary New Catering S.r.l.;

- on 20 December 2023, the plan for the merger of the wholly-owned company AS.CA S.p.A. by incorporation into MARR S.p.A. was filed with the Register of Companies, as well as published on the website www.marr.it, and at the authorized storage mechanism www.emarketstorage.com. As from 1 February 2020, AS.CA S.p.A. operates a business unit lease with parent company MARR S.p.A.

The major industrial investments made during 2023 concerned the following projects:

- the purchase of new software, some of which is still being implemented, for about Euro 730 thousand;
- progress in the works for the construction of the new distribution center in Bottanuco (BG), which is expected to become operational by the first half of 2024, for about Euro 17.4 million;
- works for the completion of the third floor of the head office in Santarcangelo di Romagna (RN), whose premises host the new company Academy;
- modernization and revamping works at the various branches of MARR S.p.A.

Catering

The companies that operate in the Catering sector, included in the consolidation area, are shown in the list attached to this Report.

Breakdown of revenues by activity (Euro/000)	**Year 2023**	**Year 2022**	*Chg. %*
On-board catering	107,548	82,155	*30.91*
- intercompany revenues	-	-	
On-board catering - Net total	**107,548**	**82,155**	***30.91***
Motorway catering	452,070	360,719	*25.32*
- intercompany revenues	-	-	
Motorway catering - Net total	**452,070**	**360,719**	***25.32***
Commercial catering	220,175	192,948	*14.11*
- intercompany revenues	-	-	
Commercial catering - Net total	**220,175**	**192,948**	***14.11***
Total Catering	**779,793**	**635,822**	***22.64***

The Catering sector recorded total revenues equal to Euro 779.8 million, up compared to Euro 635.8 million in 2022 (+Euro 144.0 million).

Profit margins in the entire sector also improved, with gross operating margin amounting to Euro 123.0 million compared to Euro 88.4 million in 2022 (+Euro 34.6 million).

Finally, operating income amounted to Euro 32.0 million, showing sharp growth compared to Euro 5.7 million in 2022 (+Euro 26.3 million).

The significant events during the period included:

- the signing of an exclusive agreement with "Pret A Manger," a chain famous for menus featuring fresh food and organic coffee, to develop the brand in Italy. The first outlet was opened at the end of May in Terminal 2 of Milan-Malpensa Airport (VA) as part of a multi-year development plan that includes several openings. Furthermore, a framework agreement was signed for the development of the "Alice Pizza" brand exclusively in the Travel market;

- three new "Roadhouse", "Alice Pizza" and "Wagamama"-branded stores were opened at the Porta Garibaldi station in Milan, and the first "Wagamama"-branded restaurant within the spaces of the Mazzoniana Wing at the Termini Station in Rome;

- new Panella-branded bar/coffee shops were opened at the airports of Friuli Venezia Giulia (Gorizia), Orio al Serio (Bergamo) Rome Fiumicino (Rome), and Milan-Malpensa;

- the opening of a restaurant with the format "La pasta di Michelis", and a "Roadhouse Restaurant"-branded store at Milan-Malpensa Airport;

- a new catering outlet/Sparkling Bar was opened to the public at Catania Airport, as was an "Argiolas"-branded Wine Bar at Cagliari-Elmas Airport;

- a "Juicebar"-branded store at the Rome Tiburtina station, and a store at the Bologna Interporto terminal were closed;

- five new "McDonalds's"-branded stores were opened at the Cinisello Nord and Chienti Ovest service stations, as well as at the La Spezia and Alessandria railway stations, and at Pisa Airport;

- the signing of contracts for the opening of new outlets at Pisa Airport, the signing of extensions for certain stores at Milan-Malpensa Airport, and a three-year extension of the outlet located at Bari Airport;

- the awarding of tenders for new outlets at Naples Airport, and in the landside T1 arrivals area of Milan-Malpensa Airport;

- the inauguration of the first gate-delivery service in Italy, in the "McDonald's"-branded outlet at Ciampino Airport;

- the launch of the partnership with Gambero Rosso in August 2023 for a new line of croissants developed by the masters of the Gambero Rosso Academy;

- Chef Express S.p.A.'s publication of the new edition of the Sustainability Report, updated to financial year 2022, and with a perimeter extended to any and all Subsidiaries with registered offices in Italy, which was prepared in accordance with the most recognised international standards such as GRI-Global Reporting Initiative, and SASB-Sustainability Accounting Standards Board;

- as part of its commitments to Corporate Social Responsibility, Chef Express has decided to support scientific research, and has entered into a partnership with Humanitas Foundation for Research, one of the most important scientific research organizations in the medical field, envisaging a fundraising event to be held at different times throughout the year 2023, the proceeds of which will be allocated to studies and research projects on the microbiota, the ecosystem of bacteria, fungi and viruses that inhabits our bodies, with a fundamental role in maintaining physical and mental well-being;

- with regard to subsidiary Roadhouse S.p.A. we must note:
    - six new Roadhouse Restaurant-branded stores were opened, thus bringing to 173 the number of outlets opened by the chain in Italy;
    - forty-four new outlets were inaugurated, and four were closed with the Billy Tacos brand, a fast format offering Mexican-inspired street food recipes, thus bringing to 97 the number of outlets in operation;
    - five new stores under the "Calavera Restaurant" brand were opened, thus bringing to 25 the number of restaurants opened;
    - the first "RIC-Chicken House"-branded outlet was inaugurated, which is a new cosy and colourful format where you can enjoy the best of grilled chicken with all new and original recipes;

- with regard to subsidiary C&P S.r.l., it should be noted that two new outlets under "Wagamama" and "Miscusi" brands were opened at the Merlata Bloom Shopping Center in Milan, and a store under "Casa Maioli" brand located in Bergamo, and a store under "Wagamama" brand were closed at the Da Vinci Shopping Mall in Fiumicino (Rome);

- through subsidiary Palermo Airport F&B S.c.a r.l., there was the successful opening of four landside stores, awarded in the bidding process, two of which were opened in early August ("Terrazza Palermo" Snack & Cocktail Bar on 7 August, and "La Braciera" Pizzeria Restaurant on 9 August) while the remaining two stores, "Forno San Lorenzo" and "Caffè Vergnano", were opened on 23 October, and October 24, respectively;

- through subsidiary Pokè MXP S.r.l., a new outlet was opened under the "Pokè House" brand at Milan-Malpensa International Airport on 2 November;

- the subsidiary Il Castello di Castelvetro S.r.l., began operating a restaurant in the historic village of Castelvetro di Modena (MO);

- the operation by subsidiary Railrest S.A. of new passenger services related to ticket control, and passenger flow routing at Koln and Antwerp stations;

- with regard to the British subsidiaries Bagel Nash Limited and Bagel Factory Limited, both of which are operating bagel-themed catering outlets in U.K. and Ireland, it must be noted that six new outlets were opened: two stores at London Underground stations in Ealing Broadway and Westminster, a kiosk at

Luton Airport in London, a new catering outlet at the West Quay shopping center in Southampton in July 2023, and two new stores in central London, in Covent Garden in August 2023, and in Liverpool Street in the heart of the city in November 2023. Also noteworthy is the renewal of the lease for Canary Wharf station for another five years expiring in July 2029, and that of the White Rose Shopping Center in Leeds for another three years expiring in November 2026. Finally, the Willesden Green store was closed at the London Underground station;

- the sale of the 50% quota in Time Vending S.r.l. to IVS Group S.A., which already held the remaining 50% through its subsidiary IVS Italia S.p.A. The value of the transaction, including Time Vending's positive net financial position, amounted to Euro 7,385 thousand. Subsequently, Chef Express S.p.A. reinvested the proceeds from sale by purchasing 1,309,397 own shares of IVS Group S.A. (corresponding to approximately 1.4% of IVS Group S.A.'s capital), at a price of Euro 5.64 per share in line with the average stock market price for the last six months prior to the purchase. The joint venture between IVS Group S.A. and Chef Express S.p.A. dates back to 2009, and this transaction strengthens the basis for greater and more evolved forms of collaboration between the two companies, which are examples of excellence in the food & beverage distribution, and catering sectors in Italy and Europe.

Parent Company

Among the significant events that occurred during the year, it should be noted that:

- on 28 November 2023 there was the approval of the plan for the demerger with spin-off, pursuant to Article 2506.1, paragraph 1, of the Italian Civil Code, involving the real estate assets of the Parent Company Cremonini S.p.A. in favour of the company being established Cremonini Immobiliare S.r.l.;

- from a legal, financial and economic point of view, the extraordinary transaction responds to the need to partially reorganize the Company's operations for the purpose of a more efficient operation, and future possible exploitation of the company's properties that are currently used partly for commercial and tourist purposes, and partly for residential/rental purposes; it is also aimed at concentrating the same assets, and related business activities in a more functional manner within the structure of the Cremonini Group itself.

Relationships with unconsolidated subsidiaries, associated, and related Companies

With reference to the Group's relationships, in the 2023 financial year, with controlling, unconsolidated subsidiaries, associated, and related Companies on market conditions, it should be noted that these transactions affected the types of costs and revenues summarised in the following table. Statement of assets and liabilities and income statement data are shown in specific annexes to the notes to the consolidated financial statements relating to each company, broken down by type of relationship.

(Euro/000)	Controlling companies	Subsidiaries	Associated companies	Related companies
Revenues				
Trade income	-	246	19,409	28
Other income	12	1,047	414	274
Total revenues	**12**	**1,293**	**19,823**	**302**
Costs				
Trade expense	-	13,191	19,997	2,099
Other expense	-	-	-	216
Total costs	**-**	**13,191**	**19,997**	**2,315**
Loans and receivables				
Trade receivables	-	3,442	3,258	17
Other receivables	7	23,471	10,573	3
Total loans and receivables	**7**	**26,913**	**13,831**	**20**
Loans and payables				
Trade payables	-	35	4,386	85
Other payables	-	-	-	6,888
Total loans and payables	**-**	**35**	**4,386**	**6,973**

As far as relationships with both related and controlling companies are concerned, the breakdown is as follows:

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	12	-	**12**	**-**
Hera Ambiente Servizi industriali S.r.l.	-	135	-	-	**-**	**135**
Le Cupole S.r.l.	-	-	-	78	**-**	**78**
LLC Soyuz	28	-	-	-	**28**	**-**
Scalo - Servizi calabresi di logistica - S.n.c. dei F.lli Viscomi D. e P.	-	74	32	76	**32**	**150**
St Corus Ltd	-	1,881	-	-	**-**	**1,881**
Time Vending S.r.l.	-	-	242	-	**242**	**-**
Verrini Holding S.r.l.	-	9	-	62	**-**	**71**
Total related and controlling companies	**28**	**2,099**	**286**	**216**	**314**	**2,315**

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Related and controlling companies:						
Cremofin S.r.l. (parent company)	-	-	7	-	**7**	**-**
Importadora Italiana del Sureste s.a. de c.v.	-	-	1	-	**1**	**-**
Le Cupole S.r.l.	-	-	3	2,374	**3**	**2,374**
LLC Soyuz	1	-	-	-	**1**	**-**
Scalo - Servizi calabresi di logistica - S.n.c. dei F.lli Viscomi D. e P.	4	85		2,486	**4**	**2,571**
Unieffebi S.r.l.	11	-	-	-	**11**	**-**
Verrini Holding S.r.l.	-	-	-	2,028	**-**	**2,028**
Total related and controlling companies	**16**	**85**	**11**	**6,888**	**27**	**6,973**

Investments

During 2023 total investments were made for Euro 217.9 million, in addition to acquisitions for Euro 23.6 million.

Shown below is the schedule of the net change in non-current tangible and intangible assets for the entire 2023 financial year.

Net investments broken down by sector

(Euro/000)	Production	Distribution	Catering	Others	Total
Intangibles					
Patents and intellectual property rights	770	607	834	-	**2,211**
Development costs	-	-	1,011	-	**1,011**
Concessions, licenses, trademarks and similar rights	65	-	679	-	**744**
Intangible assets under development and advances	1,421	124	12,194	-	**13,739**
Other intangible assets	137	-	-	-	**137**
Total intangible assets	**2,393**	**731**	**14,718**	**-**	**17,842**
Tangibles					
Land and buildings	22,055	2,414	17,023	952	**42,444**
Plant and machinery	39,532	3,207	7,460	677	**50,876**
Industrial and business equipment	3,289	594	1,997	-	**5,880**
Other tangible assets	4,871	2,057	11,851	677	**19,456**
Tangible assets under development and advances	50,227	17,566	13,358	215	**81,366**
Total tangible assets	**119,974**	**25,838**	**51,689**	**2,521**	**200,022**
Total	**122,367**	**26,569**	**66,407**	**2,521**	**217,864**

More detailed information on the investments made during the year can be found in the notes to the consolidated financial statements.

Research and development

The main research and development activities, broken-down by sector, were as follows:

Production

Beef Segment

In 2023, Inalca S.p.A. continued, on the innovation front, its development work in the areas of food safety, and production hygiene based on innovative technologies for controlling the presence of microbial agents, in addition to advanced risk analysis systems.

Another front of innovation is the implementation of new Blockchain-type digital infrastructures across all levels of the supply chain, capable of improving production efficiency and performance, as well as the level of traceability and environmental sustainability of production.

Inalca S.p.A. has also adopted precision farming and animal husbandry systems in the livestock sector, as well as solutions capable of improving nutrient uptake in the agronomic use practices of organic manure.

Cured meats and snack segment

In 2023, the cured meats and snack division performed R&D work for technological innovation, and directed its efforts in particular on projects that are considered particularly innovative, carried out at both the Gazoldo degli Ippoliti and Busseto plants.

More specifically, these are programmes based on research and development in the following areas:

Programme of experimental activities aimed at the creation of new product solutions for the cured meats segment:

- "Uncured" bacon (without Additives of chemical origin) with U.S. export certification;
- Ready-to-Eat "Clean Label" bacon (reduced presence of additives);
- Seasoned Raw Ham produced with raw material Black Pig of Calabria;
- "Hintershinken"-class cooked ham for the German market.

The business segment is also carrying out activities related to the study and experimentation aimed at the development of protein derivative products from pork and beef, which are also configured among those falling under the eligibility criteria provided for in Article 2 of the Ministry of Economic Development's Decree of 26 May 2020, and, as a step in this direction, it has dedicated significant its resources at the Castelnuovo Rangone branch, and the Gazoldo degli Ippoliti plant.

In accordance with Article 2426.5 of the Italian Civil Code, the international accounting standards, and in compliance with Article 108 of Presidential Decree no. 917/86 (Consolidated Act on Income Taxes), as amended, research and development expenditure was considered as an operating cost, and charged entirely to the income statement.

It is hoped that the positive outcome of these innovations will generate good results in terms of turnover with favourable repercussions on the business segment's economy.

For the development of these projects, the division had incurred R&D&I costs for the work performed in the previous year, for which the opportunity to take advantage of tax credits granted by the Government, and/or any other incentives provided for by Law will be considered.

Distribution

The activity continued to develop and expand the product lines of its own brand.

Catering

In 2023 Chef Express S.p.A. carried out R&D activities aimed at improving the methods of purchasing and delivering products and services to customers.

Specifically, the company has developed and is gradually implementing a system of kiosks and pick-up points at its points of sale. This system allows the process of ordering and delivering products and services to be monitored in a precise manner, as well as the measurement of the time needed for both ordering and delivering and the simultaneous feedback of the level of customer satisfaction.

In 2023 work continued on the Business Transformation project, which will enable the company to reduce business complexity, eliminate low value-added activities (duplication, organisational redundancy, etc.), optimise the organisational model, simplify and streamline information flows and data management, support future business growth, and strengthen its market position.

By availing itself of the cooperation from a third party, work continued, during the year, on the study and analysis of the current organizational processes in order to identify any possible area of critical concern, and arrange appropriate solutions to improve the efficiency of the company, taking into consideration not only traditional technologies but also more innovative ones that allow for a reduction in manual activities with low added value, and evaluate what the optimal organizational structure and related sizing may be.

Events occurring after the end of the 2023 financial year

The following events occurred after the financial year-end:

Parent Company

- On 7 March 2024, as part of the reorganization of the Cremonini Group's real estate assets resolved upon during 2023, the demerger took place by assigning the properties owned by the parent company Cremonini S.p.A. to the newly-established company Cremonini Immobiliare S.r.l. pursuant to Article 2506.1 of the Italian Civil Code. The transaction, carried out on a continuity of values basis, resulted in the replacement of the portion of assets assigned to the newly-established Cremonini Immobiliare S.r.l. in the Parent Company's financial statements, with the 100% investment in the latter's quota capital.

Production

In the Production sector we must note:

- during January 2024, through the subscription of a capital increase, control was acquired over Sama S.r.l., a company that owns a slaughterhouse in Sicily. The subsidiary Società Agricola Transumanza S.r.l., which will be responsible for the development of breeding activities in Sicily, has recently started the refurbishment of barns acquired by Sama S.r.l. itself;

- again in January 2024, ownership was acquired for the plant located in Pace del Mela (ME), previously held under lease by Sama S.r.l.;

- following the approval of the ranking list for the projects of supply chain, and district contracts for the agri-food sector in relation to NRRP grants, work commenced on the formalities for obtaining grants and financing for the benefit of the Group companies involved in the "Inalca Nord" project;

- during March 2024, the change in the company name of Zaklady Miesne Sochocin Sp. z o.o. to Inalca Poland Sp.z o.o. was notified to the Polish authorities.

Distribution

In the Distribution sector we must note:

- on 31 January 2024 the dissolution and winding-up of MARR Foodservice Iberica S.A. were finalized with the registration of the deed of dissolution with the Register of Companies of Madrid, and subsequent cancellation of the company;

- on 23 February 2024, the Board of Directors of MARR S.p.A. approved, pursuant to Article 2505, paragraph 2, of the Italian Civil Code, the merger of the wholly-owned company AS.CA. S.p.A. by incorporation into the parent company MARR S.p.A.;

- on 13 March 2024 the Board of Directors of MARR S.p.A. approved the consolidated financial statements, the sustainability report, and the draft separate financial statements for 2023, which will be submitted to the Shareholders' Meeting convened on 19 April;

- on the same date, the Board of Directors of MARR S.p.A. also set out the proposal for the distribution of a gross dividend of Euro 0.60 per share with "ex-dividend date" (no. 19) on 20 May 2024, record date on 21 May, and payment on 22 May.

Catering

In the Catering sector we must note:

- in January 2024, Chef Express S.p.A. contributed the shares of IVS Group S.A., which had been acquired in 2023 against a capital increase in IVS Partecipazioni S.p.A. for a total amount of Euro 6,800,000 through the issuance of 5,292,687 shares, reserved for Chef Express S.p.A.;

- in March 2024, there was the acquisition of the remaining 40% of the quotas of the subsidiary C&P S.r.l., as a result of which Chef Express S.p.A. became its Sole Quotaholder;

- new contracts were signed for the operation of catering outlets at Fiumicino Airport, and the Colceresa Sud service area, and the opening of a second ''Alice Pizza''-branded store at Malpensa International Airport;

- at subsidiary Roadhouse S.p.A., there was the opening of an additional ''Roadhouse Restaurant''-branded store in Milan, a new ''Calavera Restaurant''-branded store at La GrandeMela Shopping Center in Sona (VR), three new outlets under the ''Billy Tacos'' brand, and the first franchise outlet under the ''Fradiavolo'' brand. In addition, two ''Roadhouse Restaurant''-branded stores, and two ''Billy Tacos''-branded stores were closed, thus reaching 298 outlets, of which 295 are operated directly by companies belonging to the sector;

- there was the start-up of subsidiary Railrest S.A.'s operation of an information kiosk inside Brussels station;

- with regard to the British subsidiaries Bagel Nash Limited and Bagel Factory Limited, lease agreements were signed for five additional new stores: at Baker Street Underground Station, Clapham Junction Station in London, and the NEC National Exhibition Centre in Birmingham, the second largest one in Europe, as well as at Liverpool Shopping Center, and Kensington Arcade in London. These stores are expected to open in spring 2024.

Business Outlook

Production

With regard to the beef production and sale business segment, the performance of sales showed significant increases in the first months of 2024 compared to the previous year, mainly resulting from a recovery in demand after the slowdowns recorded last year, favoured both by a slight drop in selling prices, and by recoveries in consumer purchasing power thanks to wage and salary dynamics.

As regards cured meats, on the other hand, the growth trend that has been underway for some years now continued, which was also favoured by the substantial investments made and still underway.

The recovery continued in Africa, the results of which continue to show signs of growth in sales levels, especially in Angola and Algeria, a country in which production activities have resumed. However, the limited spending capacity of the populations of the African continent remains, which, together with the difficult socio-political situations present in some states, keeps the level of uncertainty involved in operating in that geographical area high.

Finally, as far as Inalca Food & Beverage S.r.l. is concerned, significant increases in sales were recorded in the first months of the new year, due not only to efforts aimed at the continued development of the business, but also to the gradual consolidation of acquisitions made in previous years, for the completion of ongoing investments, and the restructuring of activities in the China region.

Distribution

Sales to customers in the catering market (Street Market and National Account) in the first two months of 2024 were consistent with the growth and profit margin targets expected for the year.

These results have accrued in a context of out-of-home food consumption in Italy, which is expected to grow during the entire year 2024 (TradeLab, February 2024), including thanks to a positive trend in tourist flows.

MARR S.p.A. continued to strengthen its competitive positioning, through a value proposition to meet customer needs, and to increase customer loyalty.

MARR S.p.A.'s development plan, pursued under the banner of sustainability, is based on proximity to the customer through the presence of the sales force, and proximity logistics, for which the Group has prepared an investment plan aimed at strengthening and modernizing its operational capacity.

The first step in this plan will be the opening of the MARR Lombardy distribution center scheduled from the second quarter of 2024.

Work was also confirmed on the focus of the entire organization on recovering operating profitability through gross profit management, and operating cost control, in addition to controlling working capital absorption levels.

Catering

The acceleration of operations in the catering sector, both in terms of sales and profit margins, already demonstrated in 2023, bodes well about winning new customers, and increasing shares in target markets during 2024.

In fact, revenues from both concession catering, and commercial catering in the first months of 2024 stood at higher levels than last year.

Atypical and/or unusual transactions

During 2023 no atypical and/or unusual transactions were carried out and/or occurred, which, for materiality, nature of the counterparties, object of the transaction, method of determination of the transfer price and their occurrence in proximity to the year-end can raise doubts as to the correctness and completeness of these financial statements, conflict of interest, safeguarding of corporate assets and protection of the shareholders.

Reconciliation between the Parent Company's shareholders' equity values and the profit for the year with the corresponding consolidated values

A reconciliation schedule between the equity and profit for the year resulting from the Parent Company's annual financial statements, with the Group's share of the corresponding consolidated values at 31 December 2023 is given in the paragraph on shareholders' equity in the explanatory notes to the consolidated financial statements.

Main risks and uncertainties

The Group companies are exposed to financial risks in the conduct of their business, such as those described in more detail in the explanatory notes and where these mean: market risk (being the combination of the currency risk for purchases of goods aboard, and interest rate and price risks), and credit and liquidity risks.

Furthermore, it must be considered that the Group companies, though operating in the food sector that is characterised by a substantial stability, suffers from the general conditions of the economy and is therefore exposed, even though to a lower extent compared to other sectors, to the uncertainties of the current macroeconomic climate.

As far as concerns the evolution of the Group's financial position, this depends on numerous conditions amongst which are, other than achievement of set targets in terms of commercial working capital management, the trend of the banking and monetary markets that are also influenced by the current economic situation.

As far as concerns the specific risks and uncertainties of Cremonini S.p.A. and Group business, please refer to the paragraph "Provisions for non-current risks and charges" in the Explanatory Notes.

Anti-corruption policy

The main Group companies have adopted their own Codes of Ethics in the framework of their anti-corruption policy. The professional practices and conduct by which all employees and other persons working with the Group must abide are laid down in this document.

Furthermore, the types of risk to which the Group is exposed (predicate offences) are detailed in the specific Organisational Models 231/2001 of each Group company.

The Group companies have put in place a series of preventive procedures against corruption risks associated with the approval and qualification of suppliers and the management of product non-conformity.
In view of the various types of business the companies conduct, one of the main areas in which the risk of corruption could materialise is participation in public tenders.

The aim of the Code of Ethics is to assure an increasingly high degree of corporate governance transparency and efficiency: it contains the rules of conduct and principles of legality, transparency and honesty to apply to the Group companies' internal and external relations. The companies themselves see that the Code of Ethics is made known to their stakeholders and to new employees at the time of their engagement. The control bodies audit the compliance with and the adequacy of the Code annually.

During the current year, a whistleblowing system was also put in place, in accordance with the provisions of Legislative Decree no. 24/2023, by the Parent Company and all Group companies subject to this legislation, to through a specific electronic platform that ensures the anonymity of the report, and compliance with all the requirements prescribed by the Global Data Protection Regulation (GDPR), also following a specific Data Protection Impact Assessment (DPIA).

Human resources

The Cremonini Group is aware that its collaborators make up an important resource for the company in order to achieve the success and future of the same company. This is why it pays a large amount of attention to the well-being of all collaborators, to the development of training programmes attentive to individual needs and to fostering a positive corporate climate able to arouse a sense of belonging and commitment to meeting common business objectives.

A total of 17,183 people work in the countries where the Group operates. The majority are in the European Union (85.2%) followed by Russia (7.2%), and Africa (2.3%). The headcount in 2022 was instead 15,155 collaborators.
The breakdown of the organizational structure based on professional designation was 142 executives, 274 middle managers, 2,941 office staff, and 13,826 workers or seasonal workers.
In addition to its employees, the Group also uses a large number of salespeople and a network of haulage contractors that collaborate with agency and service agreements.

During the year, sector-based refresher and training courses were held and they also regarded the fields of environmental safety, languages, computers and occupational safety. Despite the uncertainty arising from the macroeconomic scenario, the Group in no case whatsoever reduced its headcount and actually increased it. Please note the agreements with the Universities or secondary schools as well, which offered students traineeships that in some cases turn into employment.

Furthermore, among the Group's policies for respecting and appreciating its human resources are:

Production

Where they exist, the INALCA Group applies the national collective labour agreements for the sector to which each company belongs. They cover 100% of employees in Italy, and more than 19% of those abroad. Collective labour agreements also provide for precise references to occupational health and safety.
Collective bargaining is also applied to outsourced workers. National collective bargaining benefits available to full-time employees are also provided without distinction to part-time or fixed-term employees.

INALCA S.p.A. intends to contribute to combating all forms of labour exploitation, in the agricultural sector in particular, and ensuring stable employment and access to young people. Training, safety and protection of workers are fundamental pillars for its development in full respect of human rights and equal opportunities. In managing labour relations, the Group intends to ensure the protection of diversity by seeking to prevent any possible discrimination, in full compliance with its Code of Ethics. With regard to the protection of human rights, INALCA S.p.A. places human and workers' rights at the basis of its personnel management and recruitment procedures. These issues are communicated to new hires in all Group subsidiaries through the company's Code of Ethics, and human resources management and recruitment procedures. INALCA S.p.A. carries out systematic training activities at all company levels. Training is entrusted to teams of experts operating in different business areas. The topics on which training activities focus essentially concern:

- the induction of new hires, combining education and training actions;
- occupational health and safety, and environmental protection;
- hygiene of processing, and the principles of quality;
- ethical principles, codes of conduct adopted as part of the company's organizational model, and human rights.

In the course of 2023, an e-learning portal was implemented in collaboration with a certified training provider, within which custom content can be published, which is created for this purpose by in-house staff.

Distribution

MARR S.p.A. is convinced of the importance of human resources for the development of the Company: adequately trained, valued, motivated employees involved in the spirit of the Company are the prerequisite for the achievement of the business objectives.

Human resource management is focused on the well-being of the individual and on a path of professional growth guided by the criterion of merit and aimed at developing aptitudes while taking into account the professional aspirations of each collaborator. Decisions about the assignment of positions or roles of greater responsibility are made on the basis of each employee's professional profile and actual competence and ability to contribute to the achievement of individual and company objectives.
In October 2019, MARR S.p.A. adopted a human resource management policy, in which it pursues the goal of valuing its employees and collaborators according to these principles:
- impartiality;
- absence of discrimination;
- merit (principle of fairness).

The Company promotes personnel management aimed at preventing any discrimination that may originate from the gender, ethnic group, religious faith, marital status, sexual orientation, age, disability, and political beliefs of its employees.
The basis on which MARR S.p.A. has built this policy is respect for human rights provided for in the Code of Ethics, which is included in the Organisational Model among some of the offences it covers (e.g., exploitation of labour or the crime of racism and xenophobia).
There have been no cases of discriminatory incidents within MARR S.p.A. and the MARR Group.

In 2023 too, MARR S.p.A. made considerable investments in personnel training through the MARR Academy, a "company laboratory" created to support the professional development of the Group Employees and Collaborators, enhancing their technical and soft skills through both traditional in-person and online training sessions. Specifically, the main training focuses implemented involved various profiles in the Sales Organisation, embracing numerous thematic areas.

In particular, training meetings were held, which were dedicated to Sales Management, with the aim of enhancing their role, activities and skills and transferring the proper approach to managing the area and using the work plan. Furthermore, work continued on the training programme put in place in 2022, which was focused on Local Specialists, who are key staff operating at the Branches in local areas in support of the Sales Organisation in the sales management of the various product classes.

MARR gives the right to elect their representatives in the manner prescribed by law and the National Collective Labour Agreement, with the assurance that these representatives are not subject to any type of discrimination and that they are free to communicate with workers in their workplaces.

Catering

In 2023 the Companies in the Catering Sector implemented major organizational development and training projects with a focus on soft skills.
On the network, growth projects were developed for managerial roles with special emphasis on internal growth with targeted training courses aimed at about 200 operators.
With regard to the head office, work was completed on the project of defining the "organizational manual" with full revision of the corporate organizational chart, job description and job title.

With regard to relations with trade unions, the first company supplementary contract valid for all Companies in the Sector was signed in May 2023, with the inclusion of new topics such as greater attention to work-life balance, scholarships, expansion of special leave coverage, attention and support for maternity/paternity, increase of supplementary pension, inclusion of principles on gender violence, and support for women subjected to domestic violence.

The TaSC (Talent Strategy Chef Express) project has also been set up, which involves all the company's employees with the aim of offering and defining for each person a potential growth plan based on their skills and performance.

In an increasingly complex market, it is essential to build and strengthen the skills necessary to face the challenges that will await us in future, which is why the company has structured skills certification programmes for its employees for growth, whether vertically or horizontally and cross-sector.

During 2023, Chef Express S.p.A. activated the intercompany digital communication platform "Next", aimed at all employees in both the network and at the head office, which facilitates operations, supports professional growth programmes, fosters the potential development of people working in the Group, constitutes the main dynamic and interactive communication channel, supports and stimulates organisational culture, a sense of belonging to the Group, and the sharing of goals and benefits among people.

Occupational Health and Safety

The Group considers the safeguarding of its employees' psycho-physical integrity to be a primary objective and therefore undertakes to provide workplaces that are as healthy and safe as possible and comply with current health and safety regulations, at the same time encouraging all those who work with the Group to take a responsible approach to safety.

The risks to which the workers of the Group companies are exposed in performing their duties are identifiable as: i) risks from noise, vibrations, chemicals, explosive atmospheres and microclimate; ii) risks from handling loads manually and repetitive movements; and iii) risk of working with display screen equipment.

After careful consideration, the managements of the various Group companies have drawn up their own specific assessments of worker safety risks and given the heads of the areas concerned authority to act on their behalf, with the aim of making them aware of their responsibilities in the field of safety.

Given the complexity of the Group, reference should be made to the specific detailed policies provided in the financial statements of the Subsidiaries.

Environment, Quality and Sustainable Development

In the perspective of safeguarding and respecting the environment, the Group has always been careful about the activities its Companies carry out with reference to both its production processes and the optimization of the resources available, with a constant commitment to reduce water and energy consumption and the production of solid and liquid waste.

All sector Sub-holding companies, which have been active in these areas for years, prepare specific Sustainability Reports to provide stakeholders with evidence of their policies and performance in the economic, social and environmental spheres.
These Sustainability Reports, which are available on the companies' websites, deal extensively with these issues, a partial examination of which is provided in the following paragraphs.

Production

In 2023 Inalca S.p.A. published the ninth edition of the Sustainability Report prepared for the year 2022, in compliance with the GRI Standards according to the "*In accordance*" option. The updated edition of the Sustainability Report is available on the company's website at the following link: https://www.inalca.it/en/our-sustainability-report/.

This edition of the Sustainability Report features technical insights into climate altering emissions (GHGs) analysis, and the extension of GRI indicators, such as energy and emission intensity, in view of the forthcoming CSRD and EUDR regulations.

As in the previous year, this edition of the Report was also certified by Deloitte & Touche S.p.A.

In addition to the disclosure of numerous indicators, and data regarding impacts and consumption, the Sustainability Report contains sections dedicated to the company's principles and values, sustainable development guidelines, and technical management standards in the fields of quality, food safety, and occupational health and safety, as well as corporate social responsibility, including the company organizational model implemented pursuant to Law no. 231/2001.

In this context, Inalca S.p.A. has also defined and shared with its Stakeholders the following objectives:

- conducting for each reporting period an annual GHGs emissions inventory validated by an independent third party on Scope 1, 2 and 3 emissions, based on a recognized calculation methodology (e.g. GHG Protocol), applied on the company's scope of financial consolidation;
- submitting for validation its decarbonisation target based on annual milestones previously set out by an independent third party, such as SBTi, or peer technical/scientific bodies/companies, aligned to a temperature scenario as per the Paris Agreement (on a best effort basis, 1.5°C temperature scenario for all Scopes, or possibly the Well Below 2°C temperature scenario);
- monitoring the trend in annual GHG emissions from Scope 1, 2 and 3, according to the previously defined decarbonisation target;
- increasing the number of farms in the supply chain involved in the primary data collection project for the purpose of measuring GHG emissions (Scope 3) on the farm, as from 2023, and for the next reporting periods.

In combating climate change, INALCA S.p.A. has strengthened its integrated system of generation of energy from renewable sources through the production of biogas obtained from anaerobic digestion of scraps and waste, endothermic combustion of biomass, and PV systems for a total capacity of 35 MW. In terms of its contribution to the fight against climate change, Inalca S.p.A.'s energy system allowed emissions of about 60,000 tons of Carbon Dioxide to be saved in 2023. Additional sustainable development activities include improving packaging, and in particular reducing packaging weight, using recycled raw materials in packaging composition, and better recycling by end users.

The data provided in the Sustainability Report is also the reference for environmental disclosure, which also includes environmental product declarations certified in the EPD© system for hamburgers and Montana-branded canned meat (S-P-00711 - Montana Frozen Hamburger (environdec.com) - S-P-01293 - Montana Canned beef meat (environdec.com)). The certification of the information provided ensures clarity and transparency on the actual impacts and consumption of food products covered by this form of communication.

With regard to environmental issues, in 2023 INALCA S.p.A. commenced work on the preparation of a study comparing the provisions of the new BATs - Best Available Techniques -, the application of which is provided for in the Integrated Environmental Authorizations of the Group's main production plants, with the latter's current environmental performance. The purpose of the analysis is to identify the best strategies aimed at achieving the objectives, specifically provided for in the aforementioned BATs, in the areas of energy and water consumption, waste production, control systems, and environmental management of the Group's industrial processes.

The new BATs were published by the European Union on 18 December 2023 (Commission Implementing Decision (EU) 2023/2749) within the framework of the Integrated Pollution Prevention and Control (IPPC) environmental legislation, which has as its legal basis Directive 2010/75/EU on industrial emissions. In Italy, this directive was transposed under Legislative Decree no. 46 of 4 March 2014, amending Legislative Decree no. 152/2006, which includes rules governing the issuance, updating and review of the Integrated Environmental Authorization (IEA) of the plants involved.
The IPPC regulations are based on three fundamental cornerstones:

- the integrated approach, provided for by this regulatory system, and fully adopted by INALCA S.p.A., i.e., that authorisations consider the environmental impact in its entirety, including emissions into air, water and soil, waste generation, resource use, energy efficiency, noise, radiation, vibration, accident prevention, and site restoration after decommissioning, with the aim of achieving high protection of the environment as a whole;
- the adoption of the aforementioned BATs (Best Available Techniques), which binds environmental

authorisations to the use of best available techniques (BATs);
- local conditions, i.e., that authorisations take into account the technical characteristics of the installation, geographical location, and local environmental conditions.

Distribution

Sustainability is a constant focus of attention, and the MARR S.p.A. sub-holding company reports on its policies and performance, with specific regard to environmental, social, personnel, human rights, and active and passive anti-corruption issues. These issues, together with the others identified as a priority within the scope of the materiality analysis, are reported, and analyzed extensively in the MARR Group Sustainability Report, which also fulfils the function of consolidated Non-Financial Declaration (NFD) required by Legislative Decree no. 254/2016, and which is prepared and published independently, and made available for consultation in digital format at the following address: https://www.marr.it/sustainability/report-and-esg. For the purpose of drafting the Sustainability Report/NFD 2023, MARR S.p.A. has implemented an analysis process conducted according to the guidelines for sustainability reporting of the GRI (Global Reporting Initiative) Standard, aimed at identifying the issues that could affect the ability to create value, and that are most relevant for the Company and its Stakeholders. This process involved all responsible management functions, some categories of stakeholders, and was approved by the Board of Directors, together with the draft Consolidated Financial Statements.

With regard to climate change, it is the subject of attention by Management, which assesses its risks, and designs strategies aimed at reducing its impact on the operations of the Group, as well as the impact thereon of its own business. It is believed that the climate change currently under way, and expected in the coming years. could affect some aspects of MARR S.p.A.'s operations, since rising temperatures could have an impact on the cost of refrigeration, and preservation of products, and the supply chain. These aspects are monitored on an ongoing basis in order to consider solutions that can mitigate adverse impacts related to increased costs, and on the other hand ensure a containment of the negative effects that business activities have on the climate. In this regard, it should be noted that, within the Sustainability Report/Non-Financial Declaration pursuant to Legislative Decree no. 254/2016, to which we refer for detailed information, MARR S.p.A. reports its impact on the climate by showing the figure of Scope 1, Scope 2, and Scope 3 emissions, and the associated actions for their mitigation.
As at the date of this report, there were no significant risks of adjustments to the carrying amounts of assets and liabilities, or uncertainties affecting the assumptions used to develop estimates, arising from climate change.
There are no pending criminal proceedings for the MARR Group with respect to damage caused to the environment.

Catering

The sustainability path which Chef Express S.p.A. has embarked on aims at systematising the projects put in place, and reporting the results achieved by preparing and publishing its own Sustainability Report.

This document also allows the reporting of the results in terms of operations, and social and environmental issues generated by the company in conducting its business, as well as their dissemination to a wide audience consisting of all stakeholders. The Sustainability Report then constitutes for Chef Express an appropriate tool in order to acknowledge the Company's ability to design, and implement strategies capable of responding to stakeholder expectations, and, finally, it may be used as a moment of strategic planning and reporting for the near future. The updated edition of the Sustainability Report of Chef Express is available on the company website at the following link: https://www.chefexpress.it/wp-content/uploads/Bilancio-Sostenibilità-Chef-Express-2022/.

In addition, a path to further improvement in the ESG (Environmental, Social & Governance) sphere has been embarked on since July of the previous year, focusing in particular on the following activities:
- Sustainability Strategic Plan (aimed at ensuring the development, and evolution of projects in the area of sustainability);
- Supplier ESG assessment (evolution of supplier assessment, and monitoring through ESG scores);
- Waste management (evolution of guidelines, and a framework for evaluating the implementation of solutions in the area of waste reduction);
- Carbon Neutrality (structuring a scalable greenhouse gas reporting system);
- Innovation and energy efficiency (evolution of project development in the area of sustainability under an energy upgrading plan);

- Employee training (providing training and awareness-raising to employees on social and environmental sustainability issues).

Chef Express S.p.A. and other Group companies operating in the Catering Sector follow a constant policy of maintaining its workers' awareness of energy saving in order to foster the values of respect for the environment and the safeguarding of water and energy resources.
The aforesaid companies abide by the provisions of law governing the disposal of special waste as regards environmental issues.

During the year Chef Express S.p.A. and subsidiary Roadhouse S.p.A. continued to install PV plants on most of their premises, which will meet a part of the energy requirements.
The control and efficiency of electricity consumption is achieved with the help of advanced systems designed to monitor, reduce, and stabilize electrical voltage. The implementation of building automation, a system capable of remotely monitoring, in real time, the operation of systems, and machinery to improve energy efficiency, has affected the most energy-intensive stores and outlets, thus enabling a considerable reduction in consumption; in fact, it will be installed on all business units, regardless of the term of contract, and will be implemented on all freestanding buildings, and in general at all stores and outlets equipped with autonomous air conditioning systems. In addition, work was completed on the installation of electronic meters for both water and electricity utilities necessary for the implementation of a real-time consumption monitoring system through a web platform capable of providing detailed monthly consumption reports. Finally, the Company has been purchasing all of its energy that is 100% certified from renewable sources (Guarantee of Origin) for several years now.

The Group companies operating in the Catering Sector also endeavour to use recyclable or biodegradable materials, to recycle waste and to use organic foodstuffs and/or foodstuffs coming from fair trade markets, compatibly with the products contained in the recipes used in the catering industry.

Some outlets are equipped with special recycling banks dedicated to waste sorting thanks to the support provided by specialist partners in order to improve their performance in this field. Therefore, customers also play an active part in improving waste sorting by means of these installations.
This project is also accompanied by the installation of special waste-compactors, which are designed to promote the proper collection of PET bottles for food use so that they can be sent for recycling, through a virtuous circle, for the production of recycled PET (rPET) suitable for food contact.
The next steps in this course provide for the exploitation of organic waste (ECW 200108) from the point of view of circular economy, such as the recovery of coffee grounds to generate new materials or the recovery of orange peels for the production of yarn to be used in the textile industry, through the collaboration with a specialist partner.

Work also continued on the campaign to reduce and eliminate food waste by adopting practices focused on upstream reduction of any possible waste generated from catering services.
This action is intended to contribute to the principles of reducing and preventing waste production, as well as avoiding the generation of food waste. Below are some examples of improvement actions already applied:

- applying operational management (first-in first-out) in the preservation of food products and checking expiry dates periodically;
- carrying out a precise long-term analysis of references sold;
- preventing losses in preparing food by delivering ongoing training to employees;
- carrying out appraisals of supplies, including on the basis of the protection characteristics of the packaging in order to minimise the generation of food waste;
- raising customers' awareness about food waste and its causes through the implementation of dedicated communication campaigns.

In the agrifood sector, and more precisely in the catering sector, the reduction of waste is imperative both with regard to environmental issues and merely for operational requirements. For some time now, Chef Express S.p.A. has established and continues work on special partnerships with entities operating throughout the country (first of all Banco Alimentare, the Italian Food Bank Network) through which specific projects have been put in place in order to support needy families. In this case too, new partnerships with dedicated platforms are being considered for the implementation of specific projects with a view to continuous improvement.

Data protection and Cyber Risk

In compliance with Regulation (EU) 679/2016 (General Data Protection Regulation - "GDPR") as transposed into the Italian legal system under Legislative Decree 101 of 10 August 2018, the Group companies have adopted a policy for the management of sensitive information and data, following the appropriate procedures for minimising the risk of breaching privacy and data protection as required by the current regulations, while also appointing a Data Protection Officer (DPO), if required.

The Parent Company Cremonini S.p.A.

Shown below are the summarised results of the Parent Company prepared in conformity with the IAS/IFRS International Accounting Standards.

Income statement of the Parent Company Cremonini S.p.A.

(Euro/000)	Year 2023	Year 2022	Chg. %
Total revenues	**10,549**	**8,906**	*18.45*
Changes in inventories of work in progress, semi-finished and finished goods	-	-	
Value of production	**10,549**	**8,906**	*18.45*
Cost of production	(7,322)	(5,385)	
Value added	**3,227**	**3,521**	*(8.35)*
Personnel costs	(4,267)	(4,444)	
Gross operating margin [(a)]	**(1,040)**	**(923)**	n.a.
Amortization, depreciation and write-downs	(2,707)	(3,896)	
Operating income [(b)]	**(3,747)**	**(4,819)**	*(22.25)*
Net financial income (charges)	(1,330)	(960)	
Profit from ordinary activities	**(5,077)**	**(5,779)**	*(12.15)*
Net income (charges) from investments	12,622	15,881	
Net extraordinary income (charges)	-	-	
Result before taxes	**7,545**	**10,102**	**n.a.**
Income taxes for the financial year	986	867	
Net profit	**8,531**	**10,969**	**n.a.**

Balance Sheet of the Parent Company Cremonini S.p.A.

(Euro/000)	Year 2023	Year 2022	Chg. %
Intangible assets	4	6	
Tangible assets	79,721	80,229	
Equity investments and other financial assets	293,965	293,439	
Total fixed assets	**373,690**	**373,674**	*0.00*
Trade net working capital			
- Trade receivables	3,800	2,942	
- Inventories	0	-	
- Trade payables	(8,959)	(9,805)	
Total trade net working capital	**(5,159)**	**(6,863)**	
Other current assets	21,198	30,351	
Other current liabilities	(22,488)	(19,778)	
Net working capital	**(6,449)**	**3,710**	*n.a.*
Staff Severance Indemnity Provision and other m/l term provisions	**(4,349)**	**(4,338)**	
Net invested capital	**362,892**	**373,046**	*(2.72)*
Total Shareholders' Equity	**325,832**	**332,642**	*(2.05)*
Net medium/long-term debt	20,503	28,680	
Net short-term debt	16,557	11,724	
Net debt	**37,060**	**40,404**	*(8.28)*
Net equity and net debt	**362,892**	**373,046**	*(2.72)*

a – EBITDA (Gross operating margin) is an economic indicator not defined in the International Accounting Principles and the IFRS. EBITDA is the measurement used by the Company's management to monitor and evaluate its operations. The management retains that EBITDA is an important indicator for measuring the Group performance as it is not affected by the volatile nature of the effects of the various criteria of calculating taxable income, the amount and characteristics of the invested capital as well as the relative depreciation criteria. At present, subject to a later in-depth study regarding the evolution of the IFRS accounting practices, EBITDA is defined by the Cremonini Group as the Profit/Loss gross of the depreciation or amortization of tangible and intangible assets, allocations and write-downs, financial expenses and income and income taxes.
b – The operating profit (loss) (EBIT) is defined by the Cremonini Group as the Profit/Loss for the year gross of financial charges and income, non-recurring items and income taxes.

Net debt of the Parent Company Cremonini S.p.A. [c]

(Euro/000)	Year 2023	Year 2022
Payables to banks, bonds and other financial institutions		
- due within 12 months	(27,511)	(15,428)
- due between 1 and 5 years	(20,503)	(28,680)
- due beyond 5 years	0	0
Total payables to banks, bonds and other financial institutions	**(48,014)**	**(44,108)**
Liquidity		
- cash and cash equivalents	21,111	10,696
- other financial assets	0	0
Total liquidity	**21,111**	**10,696**
Securitization and internal treasury current accounts	**(10,157)**	**(6,992)**
Total net debt	**(37,060)**	**(40,404)**

Property services

Cremonini S.p.A. directly manages both property units that are destined for civil use and property destined for specific activities in the Catering Sector.

Direct services

The transactions and services rendered, carried out mainly in relation to Group companies, generally concern the following operational areas:

Finance: management of the centralized treasury and planning of structured and medium to long-term loans;

Guarantees and advisory services: issuing of guarantees (bank and insurance) and general assistance concerning accounting, corporate law, taxes, legal and contractual services;

Fiscal consolidation: as the consolidator, Cremonini S.p.A. has adhered to Article 117 of the T.U.I.R. (Consolidated Tax Code), the preparation of the "national tax consolidation". All the Group's sub-holding companies and all the other entities controlled by them have adhered to this rule.

c – The Net Debt, utilized as a financial indicator of the indebtedness, is shown as a summary of the following positive and negative components of the Statement of Assets and Liabilities. Positive components: cash and cash equivalents; current securities due for sale; short-term financial receivables; derivative instruments. Negative components: due to banks; due to other financiers, leasing and factoring companies; derivative instruments and bonds.

Relationships with Group and related companies

With particular reference to its own activities and the specific financial and service relationships with the subsidiaries and related companies it should be noted that Cremonini S.p.A.'s relationships involved the type of costs and revenues summarised in the following table. The economic and financial data by type of relationship for each company is indicated in the specific annexes to the explanatory notes. It should further be noted that the relationships with related companies are of minor significance.

(Euro/000)	Parent Company	Subsidiaries	Associated companies	Related companies
Revenues				
Financial income	-	832	-	-
Services	-	7,821	-	2
Sales of goods	-	-	-	-
Other income [(a)]	12	14,464	-	235
Total revenues	**12**	**23,117**	**-**	**237**
Costs				
Financial charges	-	168	-	-
Services	-	259	-	-
Purchase of goods	-	20	-	-
Other charges	-	760	-	-
Total costs	**-**	**1,207**	**-**	**-**
Receivables				
Financial	7	6,437	-	-
Trade	-	3,545	-	-
Other [(b)]	-	12,206	-	-
Total Receivables	**7**	**22,188**	**-**	**-**
Payables				
Financial		16,600	-	-
Trade		7,552	-	-
Other [(b)]		7,204	-	-
Total Payables	**-**	**31,356**	**-**	**-**

(a) mainly dividends.
(b) mainly relevant to tax receivables and payables within the national tax consolidation and the VAT Group schemes.

The powers granted to the Directors

The powers granted to the individual directors are those specified below:

- to the Chairman Luigi Cremonini, in addition to the legal representation mentioned in Art. 21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 16 May 2023;

- to the Chief Executive Officer Vincenzo Cremonini, in addition to the legal representation mentioned in Art. 21 of the By-laws, the necessary powers were conferred for the completion of acts relating to the company's business, to be exercised with an individual signature, in connection with powers attributed with a Board of Directors resolution on 16 May 2023.

An Executive Committee and a General Manager have not been appointed in the current corporate bodies' structure.

Both the Chairman and the Chief Executive Officer use their powers only for the normal management of the company's business, while significant transactions by typology, quality and value, are submitted to the examination of the Board of Directors.

Castelvetro di Modena, 29 March 2024

THE CHAIRMAN
OF THE BOARD OF DIRECTORS
(Luigi Cremonini)

FINANCIAL STATEMENTS AT 31 DECEMBER 2023

CREMONINI S.P.A.

Financial statements at 31 December 2023

Statement of Financial Position – Assets

(Euro)	Note	**31.12.2023**	31.12.2022
Non-current assets			
Tangible assets	1	79,721,383	80,229,519
Other intangible assets	2	3,592	5,737
Investments in subsidiaries and associated companies	3	292,866,355	292,311,460
Investments in other companies	4	1,029,592	1,029,592
Deferred tax assets	16	80,792	80,602
Other non-current assets	5	108,216	136,745
Total non-current assets		**373,809,930**	**373,793,655**
Current assets			
Current financial receivables	6	18,648,739	15,653,553
relating to related parties		*18,648,739*	*15,653,537*
Current trade receivables	7	3,819,552	2,941,993
relating to related parties		*3,540,581*	*2,750,136*
Current tax assets	8	8,342,403	26,035,743
Current financial assets	4	460,893	321,465
Cash and cash equivalents	9	21,111,227	10,695,731
Other current assets	10	176,200	217,345
relating to related parties		*0*	*0*
Total current assets		**52,559,014**	**55,865,830**
Total assets		**426,368,944**	**429,659,485**

Statement of Financial Position - Liabilities

(Euro)	Note	**31.12.2023**	31.12.2022
Shareholders' Equity			
Share capital	11	67,073,932	67,073,932
Reserves	12	(40,896,756)	(41,034,791)
Retained earnings		291,124,234	295,633,505
Result for the period		8,530,995	10,969,328
Total Shareholders' Equity		**325,832,405**	**332,641,974**
Non-current liabilities			
Non-current financial payables	13	20,528,715	28,705,963
relating to related parties		*25,651*	*25,651*
Employee benefits	14	306,257	293,579
Non-current provisions for risks and charges	15	101,536	101,536
Deferred tax liabilities	16	3,941,160	3,942,892
Other non-current liabilities		473	473
Total non-current liabilities		**24,878,141**	**33,044,443**
Current liabilities			
Current financial payables	17	51,289,536	50,899,817
relating to related parties		*23,779,000*	*35,471,875*
Current tax liabilities	18	13,800,667	1,900,519
Current trade liabilities	19	9,065,880	9,839,268
relating to related parties		*7,554,472*	*8,700,873*
Other current liabilities	20	1,502,315	1,333,464
Total current liabilities		**75,658,398**	**63,973,068**
Total liabilities		**426,368,944**	**429,659,485**

Financial statements at 31 December 2023

Income statement

(Euro)	Note	**31 December 2023**	31 December 2022
Revenues	21	9,005,885	8,097,306
relating to related parties		*7,822,095*	*7,046,544*
Other revenues and income	22	1,543,060	808,263
relating to related parties		*1,329,516*	*610,758*
Costs for purchases	23	(96,580)	(97,437)
relating to related parties		*(19,992)*	*(1,857)*
Other operating costs	24	(7,225,283)	(5,287,456)
relating to related parties		*(262,725)*	*(371,701)*
Personnel costs	25	(4,267,241)	(4,443,884)
Amortization and depreciation	26	(2,696,345)	(3,146,289)
Write-downs and provisions	26	(10,850)	(750,000)
Income (Charges) from equity investments	27	12,622,327	15,881,468
relating to related parties		*12,551,816*	*15,824,478*
Financial (Income)/Charges	28	(1,329,834)	(960,170)
relating to related parties		*664,037*	*270,656*
Result before taxes		**7,545,139**	**10,101,801**
Income taxes	29	985,856	867,527
Result for the period		**8,530,995**	**10,969,328**

Statement of comprehensive income

(Euro)	**31 December 2023**	31 December 2022
Result for the period	**8,530,995**	**10,969,328**
Items not to be reclassified to profit or loss in subsequent periods:		
Fair value valuation financial assets available for sale	139,428	66,918
Actuarial gain (losses)	(1,833)	24,672
Tax effect	440	(5,921)
Comprehensive Income	**8,669,030**	**11,054,997**

Statement of changes in the shareholders' equity

Euro/000	Balances at 31 December 2022	Allocation of the results for the previous year: Reserves	Allocation of the results for the previous year: Dividends	Changes of the period: Other movements	Changes of the period: Net profit (loss) for the period	Changes of the period: Other Profits/(losses), net of taxes	Balances at 31 December 2023
Share capital	67,073,932						67,073,932
Nominal value of treasury stock in portfolio	-						-
Total Share capital	**67,073,932**	-	-	-	-	-	**67,073,932**
Share premium reserve	78,279,705						78,279,705
Legal reserve	14,749,280						14,749,280
Merger Deficit	(146,379,437)						(146,379,437)
Merger Surplus	94,514						94,514
Reserve for IAS adjustments	12,787,578						12,787,578
Reserve Actuarial Gains(Losses)	(59,144)					(1,393)	(60,537)
Fair value reserve	(507,287)					139,428	(367,859)
Total Reserves	**(41,034,791)**	-	-	-	-	**138,035**	**(40,896,756)**
Profits (Losses) carried forward	295,633,505	10,969,328	(15,478,599)				291,124,234
Result of the year	10,969,328	(10,969,328)			8,530,995		8,530,995
Total Shareholders' Equity	**332,641,974**	-	**(15,478,599)**	-	**8,530,995**	**138,035**	**325,832,405**

Euro/000	Balances at 31 December 2021	Allocation of the results for the previous year: Retained earnings reserve	Allocation of the results for the previous year: Dividends	Changes of the period: Other movements	Changes of the period: Net profit (loss) for the period	Changes of the period: Other Profits/(losses), net of taxes	Balances at 31 December 2022
Share capital	67,073,932						67,073,932
Nominal value treasury stock in portfolio							-
Total Share capital	**67,073,932**	-	-	-	-	-	**67,073,932**
Share premium reserve	78,279,705						78,279,705
Legal reserve	14,749,280						14,749,280
Merger Deficit	(146,379,437)						(146,379,437)
Merger Surplus	94,514						94,514
Reserve for IAS adjustments	12,787,578						12,787,578
Reserve Actuarial Gain Losses	(77,895)					18,751	(59,144)
Fair valute reserve	(574,205)					66,918	(507,287)
Total Reserves	**(41,120,460)**	-	-	-	-	**85,669**	**(41,034,791)**
Profits (Losses) carried forward	267,555,019	28,078,486					295,633,505
Result of the year	28,078,486	(28,078,486)			10,969,328		10,969,328
Total Shareholders' Equity	**321,586,977**	-	-	-	**10,969,328**	**85,669**	**332,641,974**

Cash flow statement (indirect method)

(Euro/000)	**31.12.2023**	31.12.2022
Profit for the period	**8,530,995**	**10,969,328**
Amortization and depreciation	2,696,345	3,146,289
Net change in other provisions and non-monetary income items	427,103	805,093
Net change in Staff Severance Provision	(211,579)	(146,048)
Changes in working capital		
(Increase) decrease in trade receivables	(869,184)	1,663,261
Increase (decrease) in trade payables	(845,800)	68,849
(Increase) decrease in other items of the working capital	11,863,497	(10,316,682)
Cash-flow from operating activities (A)	**21,591,377**	**6,190,090**
Net (investments) in intangible assets	-	-
Net (investments) in tangible assets	(2,186,064)	(1,975,964)
Net change in other non current assets	(582,043)	(30,614,832)
Cash-flow from (used in) investment activities (B)	**(2,768,107)**	**(32,590,796)**
Increase (Decrease) in medium-long term borrowings	(8,177,248)	(8,164,205)
Increase (Decrease) in short-term borrowings	15,248,073	22,103,240
Cash-flow from distribution of dividends	(15,478,599)	-
Capital increase and other changes in equity	-	-
Cash flow from financing activities (C)	**(8,407,774)**	**13,939,035**
Cash Flow of the year (D=A+B+C)	**10,415,496**	**(12,461,671)**
Cash and cash equivalents at the beginning of the year (E)	10,695,731	23,157,402
Cash and cash equivalents at the end of the year (F=D+E)	**21,111,227**	**10,695,731**

Cremonini S.p.A. Financial Statements at 31 December 2023

Notes to the financial statements

Form and content of the financial statements

The financial statements at 31 December 2023 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, and resolutions and ordinances promulgated in implementation of Art. 9 of Legislative Decree 38/2005.

The section on "Valuation criteria" illustrates the international accounting standards adopted in the preparation of the Cremonini S.p.A. statement of assets and liabilities as at 31 December 2023.

The Cremonini S.p.A. financial statements as at 31 December 2023 were prepared in accordance with the cost method, with the exception of land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1.

For the purposes of comparison, the financial statements at 31 December 2023 show the figures for the financial year ended at 31 December 2022.
The following classifications have been used:

- Statement of Financial Position for current/non-current items;
- Income Statement by nature;
- Cash flow statement (indirect method).

It is considered that these classifications provide information that better responds to representing the Company's equity, economic and financial situation.

The functional and presentation currency is the euro.

With regard to the schedules contained in these financial statements, the Statement of Assets and Liabilities, Income Statement and Cash Flow Statement are shown in euro units. If not otherwise indicated, the tables contained in these financial statements are shown in thousands of Euros.

Changes in accounting standards

The new IFRS and IFRIC standards adopted by the European Union, applicable from 1 January 2023 are reported below with a brief description. The adoption of these revised standards and interpretations has not had any significant impact on the financial statements but has resulted, in some cases, in additional information only. Please also refer to the description in the Directors' Report.

New accounting standards, amendments and interpretations applicable in 2023

The valuation criteria used in preparing the consolidated financial statements at 31 December 2023 do not diverge from those used to draw up the consolidated financial statements for the financial year ended 31 December 2022, with the exception of the accounting standards, amendments and interpretations applicable as of 1 January 2023, which are described below:

- On 18 May 2017, the IASB issued IFRS 17– *Insurance Contracts*, which is intended to replace IFRS 4 - Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that fairly represents the rights and obligations arising from insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also prescribes presentation and disclosure requirements to improve comparability among entities in this industry. The new standard measures an insurance contract based on a General Model, or a simplified version thereof, the Premium Allocation Approach ("PAA"). The main features of the General Model are:
  - estimates and assumptions of future cash flows are always the current ones;
  - the measurement reflects the time value of money;
  - estimates involve extensive use of observable market information;
  - there is a current and explicit measurement of risk;
  - expected profit is deferred, and aggregated into groups of insurance contracts at initial recognition; and,
  - the expected profit is recognised over the contract coverage period while taking into account adjustments resulting from changes in assumptions about the cash flows for each group of contracts.
  - The PAA approach provides for the measurement of the liability for residual coverage for a group of insurance contracts, provided that, upon initial recognition, the entity expects the liability to reasonably represent an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications of applying the PAA approach do not apply to the valuation of liabilities for outstanding claims, which are measured by using the General Model. However, it is not necessary to discount those cash flows if the balance to be paid or collected is expected to occur within one year from the date the claim occurred. An entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held, and also to investment contracts with a discretionary participation feature (DPF). In addition, on 9 December 2021, the IASB published "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information." The amendment is a transition option related to comparative information on financial assets presented at the date of first-time adoption of IFRS 17, and was applied from 1 January 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and to improve the usefulness of comparative information for users of financial statements. The adoption of this standard, and related amendment had no impact on the Cremonini Group's consolidated financial statements.

- The International Accounting Standards Board has published the document on "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)", which clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.
  The main change to deferred tax on assets and liabilities arising from a single transaction (Amendments to IAS 12) is an exemption from initial recognition provided for in IAS 12.15(b), and IAS 12.24. Accordingly, exemption from initial recognition does not apply to transactions in which deductible and taxable temporary differences of equal amounts arise at initial recognition. This is also explained in the newly-inserted paragraph IAS 12.22A.

An entity that applies "Deferred tax related to assets and liabilities arising from a single transaction" must also, at the beginning of the first comparative period presented:

a) recognise the deferred tax asset, if it is probable that taxable income will be realised against which the deductible temporary difference may be utilised, and the deferred tax liability for all deductible and taxable temporary differences associated with: (i) assets consisting of right-of-use, and lease liabilities; and (ii) decommissioning, restoration, and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset; and
b) recognise the cumulative effect of the first-time adoption of the amendments as an adjustment to the opening balance of retained earnings (or, as the case may be, other component of equity) as of that date.

The amendments were applied as from 1 January 2023. The application of amendments to IAS 12 had no impact on the financial statements of Cremonini S.p.A.

- On 12 February 2021, the IASB published two amendments, "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2", and "Definition of Accounting Estimates - Amendments to IAS 8."
  The amendments to IAS 1 and IFRS Practice Statement 2 aim to make disclosure of accounting policies more precise by replacing the requirement to disclose "significant accounting policies" with a requirement to disclose "material accounting policy information." The amendments also provide guidance as to the circumstances in which information is likely to be considered material, and therefore require disclosure.
  The document amends IAS 1 in the following ways:
  - an entity is now required to provide its material accounting policy information rather than its significant accounting policies, several paragraphs have been added to explain how an entity can both identify material accounting policy information, and provide examples of when accounting policy information is likely to be material;
  - the amendments clarify that accounting policy information may be material by its nature, even if the amounts involved are immaterial;
  - the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
  - the amendments clarify that if an entity provides immaterial information about accounting policies, such information shall not obscure material information about accounting policies.

  The aforementioned amendments do not affect the measurement, or presentation of items in the financial statements, but only the disclosure about entities' accounting policies.
  The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input, or measurement technique are changes in accounting estimates, unless they result from the correction of errors from prior periods. These amendments clarify how entities should distinguish between changes in accounting estimates, changes in accounting policies, and corrections of prior-period errors.

- In December 2021, the Organization for Economic Cooperation and Development (OECD) released a draft legislative framework for a global minimum tax to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profits from one jurisdiction to another in order to reduce the global taxation of corporate groups. In March 2022, the OECD published detailed technical guidance on the Pillar Two rules. Stakeholders expressed concerns to the IASB about the potential implications on income tax accounting, and in particular deferred tax accounting, arising from the Pillar Two model rules. The IASB issued Amendments (the Amendments) International Tax Reform - Pillar Two in response to stakeholders' concerns on 23 May 2023. The adoption of this amendment had no impact on Cremonini S.p.A.'s financial statements.

Accounting standards, amendments and interpretations applicable to the financial statements for the financial years commencing on a subsequent date

Below are the international standards endorsed by the European Union, but not mandatory for IFRS 2023 financial statements, but which will be mandatory for financial statements for periods beginning on or after 1 January 2024:

- amendments to IAS 1 - Presentation of financial statements:
  - Classification of Liabilities as Current or Non-Current;

- Classification of Liabilities as Current or Non-Current - deferral of effective date;
- Non-current Liabilities with Covenants.

- amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity should classify liabilities as current or noncurrent.

These amendments are expected to have a significant impact on many entities with multiple liabilities classified as current, particularly those with loan-related covenants. The amendments are mandatory for financial statements beginning on or after 1 January 2023.

On 31 October 2022, the IASB published Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions that an entity must meet within 12 months of the reporting date of the financial statements affect the classification of a liability.

The amendments to IAS 1 specify that covenants to be met after the reporting date of the financial statements do not affect the classification of debt as current or non-current at the aforesaid date. Instead, the amendments require a company to provide information about such covenants in the notes to the financial statements. The amendments are effective for financial periods beginning on or after 1 January 2024.

At present, the Company is analysing the standards described above and evaluating whether their adoption will have a significant impact on the separate financial statements.

Amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);

In 2020 the International Accounting Standards Board (Board) published the Exposure Draft on "Lease Liability in a Sale and Leaseback". The document specifies the method used by a seller-lessee to initially measure the right-of-use asset, and lease liability arising from a sale and leaseback transaction, and how the seller-lessor subsequently measures that liability.

In 2021, the Board reviewed the feedback received on the Exposure Draft. At the meeting held in September 2021, the Interpretations Committee discussed the draft, and discussed the direction thereof after considering this feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. Under this paragraph, the lessee-seller is required to determine "lease payments", or "revised lease payments" so as not to recognise any amount of gain or loss related to the right of use retained by the lessee-seller itself. The paragraph does not prescribe any particular method for achieving this result.

New standards and amendments issued by the IASB but not yet approved by the European Union

Below are the amendments to international standards issued by the IASB, which, however, have not yet completed the relevant endorsement process:

- amendments to IAS 7 – Statement of Cash Flows, and IFRS 7 – Financial instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023);
- amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023).

  It is expected that the amendments to IAS 21 may be endorsed before the planned effective date of 1 January 2025 while for amendments to IAS 7 and IFRS 7, the endorsement process is unlikely to be completed before the planned effective date of 1 January 2024.

Valuation criteria

The valuation criteria used in the drafting of the financial statements for the period ended 31 December 2023 are the same as those used for the drafting of the financial statements at 31 December 2022, with the possible exception as reported in the section above. The most significant valuation criteria adopted for the drafting of the financial statements are indicated below.

Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or production price including any ancillary costs which are directly attributable to the asset and connected with its use.
As allowed by IFRS 1, upon transition to the International Accounting Standards, the Company carried out the initial valuation at fair value of certain lands and buildings it owned, and used this fair value as the new cost subject to depreciation.
Except as indicated above, revaluations are not allowed, even in application of specific laws.
Property, plant and equipment are depreciated systematically on a straight-line basis throughout their useful life, which is the estimated time in which the asset will be used by the company. When the Property, plant and equipment consist of several significant components, each having a different useful life, depreciation is carried out separately for each component. The value to be depreciated is represented by the book value reduced by the presumable net disposal value at the end of its useful life, if significant or if it can be reliably determined. Land is not depreciated (elements with an indefinite useful life), even if purchased jointly with a building, similarly to property, plant and equipment held for sale which are valued at the lower of the book value and their fair value net of disposal expenses.
Costs for improvements, updating and transformation which add value to the property, plant and equipment are allocated to the balance sheet assets. Any other repair and maintenance costs are recognised in the income statement when they are incurred.
The recoverability of the book value of intangible fixed assets is verified by adopting the criteria indicated under "Impairment of non-financial assets".
Depreciation reflects the economic and technical deterioration of the asset and begins when the asset becomes available for use. It is calculated according to the linear model of the asset's estimated useful life.

The rates applied are:

- Buildings	2% - 4% (useful life)
- Plant and equipment	8% - 20%
- Industrial and trade equipment	15% - 25%
Other assets:	
- Furniture and furnishings	10% - 15%
- Electronic office equipment	20%
- Vehicles and internal means of transport	20%
- Automobiles	25%
- Other minor assets	10%-40%

An asset is eliminated from the balance sheet at the time of sale or when the future economic benefits expected from its use or disposal no longer apply. Any losses or profits (calculated as the difference between net proceeds of the sale and book value) are included in the income statement upon said elimination.

Goodwill and other intangible assets

Intangible assets refer to assets without an identifiable physical consistency, which are controlled by the company and able to produce future economic benefits, as well as goodwill when purchased against payment of consideration.
An intangible asset is identifiable if it can be separated from goodwill; the identifiability requirement is usually satisfied when:

I. the intangible asset essentially consists of a legal or contractual right, or
II. the asset can be separated, that is, it can be sold, transferred, rented or exchanged autonomously from or as an integral part of other assets. Control means the company's ability to use the future economic benefits arising from the asset and the possibility of limiting access to the asset by others.

Intangible assets are recognised at cost, determined according to the criteria indicated for property, plant and equipment. Revaluations are not allowed, even in application of specific laws.

Intangible assets with a definite useful life are systematically amortized throughout their useful life, which is the estimated period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of non-financial assets".

Other intangible assets are amortized according to the following criteria:

- Industrial patents and intellectual property rights	5 years
- Concessions, licences, trademarks and similar rights	5 years / 20 years
- Other	5 years / duration of the contract

The amortization period and the amortization criteria of intangible assets with a definite useful life are reviewed at least upon each closing date and adjusted prospectively if necessary.

Investments in subsidiaries, associated and other companies

Investments in subsidiaries and associated companies are valued at their acquisition cost, subscription cost or conferral cost, as possible written down in the case of permanent impairment losses; the initial value is reinstated in subsequent financial periods if the reasons for the write-down no longer apply.
The investments in other companies that are classified in accordance with IFRS 9 are initially stated at their fair value. Changes in value are charged through comprehensive income. Where it is not possible to determine a reliable fair value, they are maintained at cost, as possibly written down in the case of permanent impairment losses. The initial value will not be reinstated in subsequent years, even when the reasons for the write-down no longer apply.

Cash and cash equivalents

The item relating to cash and cash equivalents includes cash, current bank accounts, demand deposits and other high-liquidity short-term financial investments, which are easily converted into cash and are subject to an insignificant risk of value fluctuation.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their nominal value, which is representative of their fair value, and subsequently valued at their amortized cost, net of any write-downs. Due to the short duration of trade receivables, they are not discounted as the effect of the discounting of cash flows is irrelevant, therefore application of the amortized cost does not produce significant effects. The bad debt provision on that date represents the difference between the book value of the receivables and the cash flows reasonably expected from collection thereof.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is eliminated from the balance sheet when:

i. the rights to receive cash flows from the asset have been extinguished;
ii. the right to receive cash flows from the assets is maintained, but there is a contractual obligation to pay them in full and without delay to a third party;
iii. the Company has transferred the right to receive cash flows from the asset and (a) has essentially transferred all the risks and benefits of ownership of the financial asset or (b) it did not transfer or essentially retain all the risks and benefits of the asset, but transferred control of the asset.

In the cases in which the Company transferred the right to receive cash flows from an asset and did not transfer nor essentially maintain all the risks and benefits or did not lose control of the asset, the asset is recognised in the Company balance sheet to the extent of the latter's residual involvement in the asset itself.
In this case, the Group also recognises an associated liability. The asset which is transferred and the associated liabilities are valued so as to reflect the rights and obligations that the Group has retained. Residual involvement which for example takes the form of a guarantee on a transferred asset, is valued at the lower of the asset's

initial book value and the maximum value of the consideration that the Company may be required to pay.

Impairment of financial assets

The Company verifies on each balance sheet date whether a financial asset or group of financial assets has become impaired. A financial asset or group of financial assets is considered to have undergone impairment if, and only if, there is objective evidence of impairment as a result of one or several events that took place since the initial recognition (when a "loss event" occurs) and this loss event has an impact that can be reliably estimated on the estimated future cash flows of the financial assets or the group of financial assets. Proof of impairment can be given by indicators such as financial difficulties, inability to fulfil obligations, insolvency with regard to the payment of interest or significant payments, which the debtors or a group of debtors are going through; the probability that the debtor will be bankrupt or become subject to another form of financial reorganisation, or where observable information indicates that there exists a measurable decrease in estimated future cash flows, such as a change in the economic environment or the terms and conditions of the obligations.

For financial assets recognised at amortized cost, the Company has first of all assessed whether there is objective evidence of impairment for each financial asset that is individually significant, or collectively significant for those financial assets that are not significant individually. If the Company determines that there is no evidence of impairment for a financial asset, it includes the asset in a group of financial assets with credit risk characteristics that are similar and assesses it collectively for the purpose of verifying the impairment. Assets that are not evaluated individually for a write-down and for which impairment has been recognised or continues to be recognised, are not evaluated on a collective basis for impairment.
If there is objective evidence of impairment, the amount of the loss is measured as a difference between the book value of the asset and the current value of the estimated future cash flows (excluding credit losses expected in the future that have not yet occurred).
The book value of the asset is reduced through the use of an allowance for bad debts and the amount of the loss is recognised in the income statement.
If in subsequent years the amount of the write-down is estimated to have increased or decreased as a consequence of an event that took place after the write-down was recognised, the previous write-down must be increased or decreased by adjusting the provision as an offsetting entry in the income statement.

For available for sale financial assets, the Company measures on each balance sheet reference date whether there is objective evidence that an asset or a group of assets has become impaired.

Impairment of non-financial assets

On each balance sheet closing date, the Company assesses whether there are any indicators of impairment of non-financial assets. When events take place that indicate a reduction in the value of an asset or in cases where annual verification of impairment is required, recoverability is verified by comparing the book value with the relevant recoverable value, the latter being the higher of fair value, net of disposal expenses, and value in use.
If there is no binding selling agreement, fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best available information in order to reflect the amount that the company could obtain from the sale of the asset.
Value in use is determined by discounting the expected cash flows from use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documented assumptions which represent the best estimate of future economic conditions that will take place in the remaining useful life of the asset, with greater weight given to indications from outside the company. Discounting takes place at a rate that takes into account the risk inherent in the business area.
Valuation takes place for each individual asset or for the smallest identifiable group of assets that generates autonomously incoming cash flows from continuing use (cash generating unit). When the reasons for the write-downs cease to exist, the assets, except for goodwill, are revalued and the adjustment is allocated to the income statement as a write-back (reversal of an impairment loss). The write-back is made at the lower between recoverable value and gross book value of previous write-downs, decreased by the amortization rate at which they would have been recognised if the write-down had not taken place.

Share capital

The costs for the issuing of shares or options are classified in shareholders' equity (net of the physical benefit connected to them) as a deduction of profits deriving from the issuing of these instruments.
For buybacks of treasury shares, the price paid, including any directly attributable ancillary expenses, is deducted from the group shareholders' equity until the time of elimination, reissuing or sale of the shares. When treasury shares are resold or reissued, the price collected, net of any directly attributable ancillary expenses and the relevant tax effect, is recognised as group shareholders' equity.

Financial liabilities

Financial liabilities that fall within the scope of application of IAS 39 are classified as financial liabilities at fair value recognised in the income statement, or as financial payables or derivatives designated as hedging instruments, as the case may be. The Company's financial liabilities include trade payables and other payables, loans and derivative financial instruments. The Company determines the classification of its financial liabilities at the time of initial recognition.

Financial liabilities are initially carried at fair value, which is equal to the consideration received on the settlement date to which are added, in the case of financial payables, directly attributable transaction costs.

Subsequently, non-derivative financial liabilities are measured on the basis of the depreciated cost criterion using the effective interest rate method.
Amortized cost is calculated by recognising every discount or premium on the acquisition and the fees and costs that are an integral part of the effective interest rate. Amortization at the actual interest rate is included among financial expenses in the income statement.

Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortization process.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when the obligation underlying the liability has been extinguished, cancelled or fulfilled. When an extinguished financial liability has been replaced by another from the same lender, at terms and conditions that are essentially different, or the conditions attached to a liability in existence are essentially modified, this exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, with a consequent recognition in the income statement of any differences between book values.

Employee benefits

Employee Severance Indemnity is part of what IAS 19 defines as defined benefit plans, as part of benefits after employment termination. The accounting treatment provided for these types of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the already accrued employee severance indemnity and discount it to take into account the time that will elapse prior to actual payment. The actuarial calculation considers variables such as average permanence of employees, level of inflation and expected interest rates. Liabilities are measured by independent actuaries. Following the amendments to IAS 19, which were applicable for the financial years commencing on or after 1 January 2013, the profits and losses from the actuarial calculation of defined benefit plans are recognised in the comprehensive income statement entirely in the period they refer to. These actuarial profits and losses are classified directly in retained earnings and are not reclassified in the income statement in subsequent reporting periods. Past service cost is recognised on the earliest of the following dates:

- date on which an amendment or reduction of the plan takes place;
- date on which the Group recognises the related restructuring costs.

The Group recognises the following changes in the net obligations for defined benefit plans in the statement of profit/(loss) for the reporting period by nature:

- costs for work provided, including costs for current and past work provided, profits and losses on non-routine reductions and extinctions; and
- net interest income or interest expenses.

The asset or liability relating to defined benefits includes the present value of the defined benefit obligation after the fair value of the asset servicing the plan is deducted.

Provisions for risks and charges

Provisions for risks and charges are costs and expenses of a definite nature that are certain or likely to be incurred but which at the end of the year could not be quantified or timed. Provisions are recognised when: (i) the existence of an actual, legal or implicit obligation deriving from a past event is probable; (ii) it is probable that the fulfilment of an obligation will be onerous; (iii) the amount of the obligation can be reliably estimated. Provisions are recognised at the amount representing the best estimate of the total that the company would reasonably pay to settle the obligation, or transfer it to third parties at year-end. When the financial effect of time is significant and the payment dates of the obligations are estimated reliably, the provision is discounted; the increase of the provision linked to the passing of time is allocated to income statement under "Financial income (expenses)". The supplementary client indemnity provisions have been set aside on the basis of reasonable estimates, as have other provisions for risks and charges, taking into consideration the available elements for the probable future liability.

Income taxes

Current taxes are determined on the basis of a realistic forecast of the charges to be settled in application of applicable tax laws or which have been essentially approved on the period closing date. The relevant payable is recorded net of any deferred tax assets, withholdings made and tax credits which can be offset, under the item "Tax payables". In the event of a receivable, the amount is recorded under "Receivables from others" of current assets.

Deferred tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities recognised in the balance sheet and the corresponding amounts recognised for tax purposes.
Deferred tax liabilities are recognised against all temporary taxable differences, with the following exceptions:

- the deferred tax liabilities originate from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not have any effects either on balance sheet profits or the profit and loss calculated for tax purposes;
- the reversal of taxable temporary differences, associated with equity investments in subsidiaries, associated Companies and joint ventures, can be controlled and it is probable that this will not take place in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for tax credits and losses which are unused and carried forward, to the extent that there will be adequate future tax profits that could make possible the use of deductible temporary differences and tax credits and losses carried, except if:

- deferred tax assets connected to deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect either balance sheet results or profit or loss for tax purposes;
- taxable temporary differences associated with equity investments in subsidiaries, associated companies and joint ventures and deferred tax assets are recognised only to the extent that temporary deductible differences will be reversed in the foreseeable future and there are adequate tax profits against which the temporary differences can be used.

Recognition of deferred tax assets takes place when their recovery is probable. The value of deferred tax assets is re-examined on each closing date and reduced to the extent that it is no longer probable that sufficient taxable

profits will be available. Deferred tax assets and deferred tax liabilities are classified among non-current assets and liabilities and are netted if they refer to taxes that can be offset. The balance of the netting, if it is an asset, is recognised under the item "Deferred tax assets"; if it is a liability it is recognised under the item "Deferred tax liabilities". When the results of transactions are recognised directly in equity, current taxes, deferred tax assets and deferred tax liabilities are also recognised under equity or in the statement of comprehensive income consistently with the recognition of the element to which they refer.
Deferred tax assets or deferred tax liabilities are calculated on the basis of the tax rate that is expected to be applied in the year in which these assets will be realised or these liabilities will be extinguished.

Criteria for converting foreign currency items

Transactions in a foreign currency are initially recognised in the functional currency, applying the spot exchange rate on the transaction date. Monetary assets and liabilities denominated in a foreign currency are converted into the functional currency at the exchange rate applicable on the balance sheet date.
Foreign exchange differences are recognised in the income statement including foreign exchange differences realised upon collection of the receivables and payment of payables in a foreign currency.
Non-monetary items valued at their historical cost in a foreign currency are converted using the exchange rate applicable on the initial recognition date of the transaction. Non-monetary items recognised at fair value in a foreign currency are converted using the exchange rate applicable on the date that value was determined. Profit and loss from the reconversion of non-monetary items is handled in line with the recognition of profits and losses relating to changes in fair value of these items (conversion differences on items the fair value of which is recognised in the statement of comprehensive income or the income statement are recognised in the comprehensive income statement or the income statement, respectively).

Recognition of revenues

Revenues from the sale of products are recognised at the time that all the risks and expenses deriving from ownership of the assets are transferred, this coinciding with the delivery or shipment thereof.
Revenues from services are recognised on the basis of their degree of completion.
Income of a financial nature is recognised on an accruals basis. For all financial instruments measured at amortized cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Dividends

Dividends are recognised when their allocation is certain, which usually coincides with the distribution resolution passed on the part of the investee, or authorisation by the local monetary authority which approves expatriation thereof, if received from abroad.

Recognition of costs

Costs are recognised when they refer to goods and services which are acquired and/or received during the reporting period.
Rents payable for operating leases are allocated to the income statement according to the accruals principle.
Finance lease payments are allocated, as to the principal amount, to reduction of the financial debt, and as to interest to the income statement.
Expenses for services are recognised on an accruals basis.
For all financial instruments measured at amortized cost, interest expense is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Major assumptions adopted by Management and discretionary valuations

The application of generally accepted accounting principles to the preparation of financial statements and interim financial reports requires that the management make accounting assumptions based on complex and/or subjective judgements, estimates based on past experience and assumptions which are considered reasonable and realistic based on the information which is known at the time the estimate is made. The use of these accounting assumptions influences the carrying value of assets and liabilities and the disclosures on contingent assets and liabilities as at the balance sheet date, as well as the amount of revenues and costs in the reporting period. The actual results may differ from the estimated ones due to the uncertainty that characterises the assumptions and conditions on which the estimates are based. Below are accounting assumptions made during the drafting of the financial statements and interim reports, which are critical because they are based on highly subjective assumptions and estimates with regard to issues which by their very nature are uncertain. If these estimates and assumptions, which are based on the best valuation on the part of the management, should differ from the actual circumstances in the future, they would be modified in an appropriate manner during the period in which these circumstances vary. Changes in the conditions on which the adopted judgements, assumptions and estimates are based may have a significant impact on subsequent results.

Below are the main estimates and assumptions adopted by the Management for the preparation of these annual statements; any changes thereto, which cannot be anticipated at this time, may affect the income and equity.

- <u>Estimates adopted for the measurement of asset impairment</u>

For the purpose of verifying any impairment of the equity investments recognised in the accounts, the Company has adopted the methodology described in the paragraph “Impairment of assets”.

The discount rate used was the weighted average cost of capital (WACC), equal to 7.5%. The measurement of any asset impairment loss was carried out on an annual basis with reference to 31 December 2023, as were any impairment tests on the value of equity investments, for more details on which please refer to the specific section.

- <u>Estimates made in actuarial calculation for the determination of defined benefit plans as part of termination benefits</u>

The measurement of employee severance indemnity liabilities was carried out by an independent actuary based on the following assumptions:

- the anticipated inflation rate is 2.00%;
- discounting rate[1] utilised is equal to
  - 3.17% (duration 10+);
  - 3.08% (duration 7-10);
  - 2.95% (duration 5-7);
- the anticipated annual rate of increase in post-employment benefits is 3.00%;
- the annual rate of frequency of post-employment benefits advances is anticipated as 3.00%;
- employee turnover is equal to 6.5%.

- <u>Estimates adopted in the calculation of deferred taxes</u>

The directors are required to make a significant discretionary assessment to determine the amount of deferred tax assets that can be recognised. They are required to estimate the probable time and amount of future taxable profits.

- <u>Others</u>

[1] Curve of average yields that arises from the IBOXX Eurozone Corporates AA index (7-10 years).

The following financial statement elements are affected by estimates and assumptions made by Management:
- depreciation and amortization
- valuation of other assets.

Financial risk management

The main risks identified, monitored and actively managed by Cremonini S.p.A. are the following:

- market risk: arising from the Company's exposure to interest rate and exchange rate fluctuations and to price volatility of the products and services sold;
- credit risk: arising from the possibility of insolvency of a debtor counterparty;
- liquidity risk: arising from the lack of financial resources with which to cover short-term financial commitments.

Cremonini S.p.A. uses derivative financial instruments exclusively to hedge the exposure to interest rate risk. Nevertheless, in the cases where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market risk

Market risk consists in the possibility of changes in exchange rates, interest rates or the prices of products adversely affecting the value of assets, liabilities or estimated cash flows.

Exchange Rate Risk

Cremonini S.p.A., operating mainly nationally, is marginally exposed to changes in exchange rates that therefore have little effect on the financial flows that originate from operations and loan transactions in currencies other than the European currency (euro).
At 31 December 2023 the Company did not have any exposure in currencies other than Euro.

Sensitivity analysis

In consideration of the above comments, the changes in exchange rates with respect to the euro should not have influenced Cremonini S.p.A.'s result for the period in any manner.

Interest rate risk

Cremonini S.p.A., as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.

The medium/long-term loans are mainly stipulated with variable interest rates exposing the Company to the risk of a change in future cash flows while the fixed rate loans expose the Company to the risk of a change of the fair value of the loans themselves.

Sensitivity analysis

As at 31 December 2023, a hypothetic increase of 1% of the EURIBOR, as with all the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity) of about Euro 480 thousand on an annual basis (Euro 440 thousand at 31 December 2022).

Credit risk

The credit risk represents the company's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties utilised in financial transactions.

Management of trade credit is the responsibility of the Customers Office, Debt Recovery Office and Disputes Management on the basis of formalised valuation procedures for commercial partners' credit lines. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.
The monitoring of the customer is based on collection of data and information on the new customers (to permit a complete and correct evaluation of the risks that a new customer can contribute) and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year so as to ensure that the outstanding positions are never significant.
The Company's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees.
The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple numbers of customers and particularly distributed turnover. With regard to the financial counterparty risk deriving from the use of liquidity, the Company implements policies that limit the loan exposure with the individual financial institutions.

At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Current trade receivables	3,820	2,942	878
Other non-current assets	108	137	(29)
Other current assets	176	217	(41)
Total	**4,104**	**3,296**	**808**

The fair value of the above categories is not indicated as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not based on observable market data.

Please refer to point 7 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk

The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the economic result in the case where the company is obliged to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that places the company's activities at risk.
Cremonini S.p.A. systematically respects the maturities of its commitments, a conduct which allows to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.
Cremonini S.p.A. manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources

sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring by the centralised treasury of the receipts and payments flows of all directly or indirectly wholly-owned Subsidiaries pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, it is generally preferred to find sources through specific long-term loans, which are sometimes encumbered by financial covenants for the examination of which please refer to the specific disclosure provided in the notes to the financial statements.

The table below analyses the financial liabilities and derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the carrying values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
31 December 2023				
Financial payables	51,290	20,529	-	71,819
Trade Liabilities	9,066	-	-	9,066
	60,355	**20,529**	**-**	**80,884**
31 December 2022				
Financial payables	50,900	28,706	-	79,606
Trade Liabilities	9,839	-	-	9,839
	60,739	**28,706**	**-**	**89,445**

Classes of financial instruments

The following elements are recognised in conformity with the accounting standards relating to financial instruments:

Balance Sheet Assets 2023	Loans and receivables	Assets at FVPL	Assets at FVOCI	Total
Other non-current receivable items	108	-	-	**108**
Current financial receivables	18,649	-	-	**18,649**
Current trade receivables	3,820	-	-	**3,820**
Current financial assets held for sale	461	-	-	**461**
Current tax receivables	8,342	-	-	**8,342**
Cash and cash equivalents	21,111	-	-	**21,111**
Other current receivable items	176	-	-	**176**
Total	**52,667**	**-**	**-**	**52,667**

Balance Sheet Assets 2022				
Other non-current receivable items	137	-	-	**137**
Current financial receivables	15,654	-	-	**15,654**
Current trade receivables	2,942	-	-	**2,942**
Current financial assets held for sale	321	-	-	**321**
Current tax receivables	26,036	-	-	**26,036**
Cash and cash equivalents	10,696	-	-	**10,696**
Other current receivable items	217	-	-	**217**
Total	**56,003**	**-**	**-**	**56,003**

Balance Sheet Liabilities 2023	Other financial liabilities	Liabilities at FVPL	Liabilities at FVOCI	Total
Non-current financial payables	20,529	-	-	**20,529**
Current financial payables	51,290	-	-	**51,290**
Total	**71,818**	**-**	**-**	**71,818**

Balance Sheet Liabilities 2022				
Non-current financial payables	28,706	-	-	**28,706**
Current financial payables	50,900	-	-	**50,900**
Total	**79,606**	**-**	**-**	**79,606**

In conformity with the requirements of the changes introduced to IFRS 13, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as "Level 2" financial assets, as the input having a significant effect on the fair value recorded are figures directly observable on the market[2].
In the same manner, with regard to the non-current financial payables, the recognition of which at fair value is indicated in paragraph 13 of these explanatory notes, financial assets are also classifiable as "Level 2" as the inputs that influence the fair value are directly observable market figures.
With regard to the "Other current and non-current assets" items, you are referred to the indications in paragraphs 5 and 10 of these explanatory notes.

[2] The Company identifies as "Level 1" financial assets/liabilities those where the input has a significant effect on the fair value recorded, represented by prices quoted on an active market for assets or liabilities and as "Level 3" financial assets/liabilities those where the input is not based on observable market figures.

Capital management policy

The Company's primary aim, in regard to capital management, is to obtain an appropriate level of entity in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the Company, in addition to the pursuit of satisfactory economic results and the generation of cash flows, can intervene on the dividends policy and configuration of the Company's capital.

The main indicators that the Company uses for capital management are:

1) R.O.S. (Return On Sales);
2) R.O.I. (Return On Investment);
3) R.O.A.C.E. (Return On Average Capital Employed);
4) R.O.E. (Return On Equity);
5) Net Debt / Equity;
6) Net Debt /EBITDA.

Presentation of the financial statements

The Statement of Assets and Liabilities, Income Statement and Statement of Changes in Shareholders' Equity have been drawn up in Euro, while the Financial Statements and the Explanatory Notes have been drawn up in thousands of Euros in order to facilitate their presentation and interpretation.

Information included in the Directors' Report

With respect to the nature of the Company's business activities, the events of significance occurring after the end of the financial year, relationships with associated and related companies together with other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

Details of the main items of the statement of assets and liabilities

ASSETS

Non-current assets

Specific statements have been prepared for the two categories of non-current assets (tangible and intangible) which have been respectively attached in annex 3 and 4 that indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

1. Tangible assets

(Euro/000)	Balance at 31.12.2022	Purchases	Decreases	Other	Depr.	**Balance at 31.12.2023**
Land and buildings	76,750	952	-	-	(1,730)	75,972
Plant and machinery	1,926	677	-	-	(624)	1,979
Industrial and business equipment	-	-	-	-	-	-
Other assets	1,453	342	-	-	(340)	1,455
Fixed assets under construction and advances	100	215	-	-	-	315
Total	**80,229**	**2,186**	**-**	**-**	**(2,694)**	**79,721**

Land and buildings

The increase in the year, amounting to Euro 952 thousand, related for Euro 790 thousand to works for the refurbishment of the company-owned buildings located in Rome, and at the Castelvetro di Modena premises (Modena).

Land and buildings are encumbered by mortgages, against the only existing medium-to long-term loan, for an amount of Euro 74 million.

Plant and machinery

The investments concerned mainly the purchase of specific facilities for the properties located in Rome (Trevi area), and in the province of Modena, both at the head office in Castelvetro di Modena, and at the property at Via Farini in Modena.

Other assets

The change for the year mainly refers to increases connected with the purchase of furniture and fittings for the company-owned properties in Modena.

Fixed assets under construction and advances

Investments in properties under refurbishment located in Rome (Trevi area) were made during the year.

2. Other intangible assets

(Euro/000)	Balance at 31.12.2022	Purchases	Decreases	Other	Amort.	**Balance at 31.12.2023**
Concessions, licences, trademarks and similar rights	6	-	-	-	(2)	4
Total	**6**	**-**	**-**	**-**	**(2)**	**4**

3. Investments in subsidiaries and associated companies

The main changes that took place in the financial year and the additional information list regarding the subsidiary companies are deductible, in detail, in Annexes 5 and 6.

Equity investments in subsidiaries

The main changes during the year 2023 regarded shareholdings in:

- Interjet S.r.l. for a write-down of Euro 760 thousand;
- Staff Service S.r.l. for a revaluation of Euro 565 thousand.

The surplus of the residual carrying value of the single equity investments in subsidiaries compared to the measurement made with the shareholders' equity method (appendix 6) is not due to enduring impairment since it is attributable to the greater value of the assets held by the subsidiary or to the potentials and goodwill of the industrial and commercial assets they manage.

All equity investments presenting impairment indicators were tested for impairment, and the results were positive.

Specifically, the recoverability of the value of the investment in Chef Express S.p.A., the carrying amount of which is higher than the share of equity, was verified by an impairment test based on the Discounted Cash Flow method.

Below are the main assumptions used to determine the value in use:

- time horizon of economic and financial forecasts: the period from 2024 to 2033;
- financial method used: Discounted Cash Flow (DCF) in its unlevered version, i.e., considering cash flows before financial and tax charges;
- cash flow growth rate beyond the plan period ("g") equal to 2.0%;
- WACC (weighted average cost of capital) discount rate of 7.5%;
- terminal value determined by perpetuity valuation of cash flows.

The results of the impairment test showed no permanent impairment losses. In fact, the difference between the carrying amount of the investment, and the value in use determined as described above, net of net financial position, was found to be significant, and, therefore, no change in the assumptions used in the plan, and in the discount rate, can be reasonably assumed, which could lead to an impairment loss.

4. Investments in other companies and Financial assets held for sale

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Investments in other companies	1,030	1,030	-
Financial assets	461	321	139

The increase in the balance of the "Financial assets held for sale" is attributable to the fair value measurement of the investment in Banco BPM S.p.A.

Please refer to "Equity investments in other companies" in Appendix 5 for more details.

5. Other non-current assets

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Tax assets	107	136	(29)
Other receivables	1	1	-
Total	**108**	**137**	**(29)**

Tax assets relate for Euro 69 thousand to tax credits for investments obtained under Law 178/2020, while the remaining amount relates to the residual credit of a request for IRES (Corporate Income) tax refund submitted by Cremonini S.p.A. for itself and the Companies that joined the tax consolidation scheme in the years 2007 to 2011. The amount that was initially claimed for refund had been calculated on the IRAP (Regional Business Tax) with reference to the cost of labour and workers collaborating with the Company.

Current assets

6. Current financial receivables

(Euro/000)	31.12.2023	31.12.2022	Difference
Trade receivables	18,649	15,654	2,995
Total	**18,649**	**15,654**	**2,995**

Details of the receivables from subsidiaries are given below; you are referred to Annex 1 for further details:

(Euro/000)	31.12.2023	31.12.2022	Difference
Receivables from parent company	**7**	**-**	**7**
Cremofin S.r.l.	7	-	7
Receivables from subsidiaries	**6,437**	**11,973**	**(5,536)**
Chef Express S.p.A.	5,834	-	5,834
INALCA S.p.A.	603	11,973	(11,370)
Receivables from subsidiaries for transferred tax payables	**12,205**	**3,681**	**8,524**
As.Ca. S.p.A.	151	55	96
Castelfrigo Lv S.r.l.	-	486	(486)
INALCA S.p.A.	3,480	2,723	757
Guardamiglio S.r.l.	328	-	328
Inalca Food & Beverage S.r.l.	-	74	(74)
MARR S.p.A.	7,693	-	7,693
New Catering S.r.l.	472	106	366
Società Agricola Corticella S.r.l.	-	155	(155)
Staff Service S.r.l.	81	82	(1)
Total	**18,649**	**15,654**	**2,988**

Financial receivables from subsidiaries refer to the financial relationships settled through the ordinary treasury current account, the terms and conditions of which are aligned to the market conditions (normally applied by the banks).

7. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	31.12.2023	31.12.2022	Difference
Receivables from customers	**279**	**192**	**87**
Due within 12 months	292	208	84
Provision for bad debts	(13)	(16)	3
Receivables from subsidiaries	**3,541**	**2,720**	**821**
Antonio Verrini S.r.l.	295	277	18
C&P S.r.l.	8	1	7
Castelfrigo LV S.r.l.	4	-	4
Chef Express S.p.A.	264	102	162
Cremonini Restauration S.a.s.	1	1	-
Cremovit S.r.l.	142	31	111
Dolfen S.r.l.	-	53	(53)
Fiorani & C. S.p.A.	346	452	(106)
Ges.car S.r.l.	1,153	989	164
Guardamiglio S.r.l.	83	-	83
Inalca Food & Beverage S.r.l.	8	-	8
Ina Ten S.r.l.	3	3	-
INALCA S.p.A.	742	303	439
Interjet S.r.l.	1	1	-
Italia Alimentari S.p.A.	8	-	8
Macello di Parma S.r.l.	11	4	7
MARR S.p.A.	325	204	121
Momentum Services Ltd	11	1	10
Roadhouse S.p.A.	126	33	93
Soc. Agr. Corticella S.r.l.	-	258	(258)
Staff Service S.r.l.	10	7	3
Receivables from associated companies	**-**	**30**	**(30)**
Time Vending S.r.l.	-	30	(30)
Total	**3,820**	**2,942**	**878**

It should be noted that related-party transactions were carried out at arm's length.

The change in the provision for bad debts was the following:

(Euro/000)	31.12.2023	31.12.2022	Difference
Initial balance	(16)	(16)	-
Use for the financial year	3	-	3
Accruals during the year	-	-	-
Final balance	**(13)**	**(16)**	**3**

At 31 December 2023 the trade receivables and the provision for bad debts were apportioned by due date as

follows:

(Euro/000)	31.12.2023		31.12.2022	
	Amount	Bad Debt prov.	Amount	Bad Debt prov.
Trade receivables not overdue	82	-	5	-
Overdue up to 30 days	141	-	134	-
Overdue from 31 to 60 days	3	-	1	-
Overdue from 61 to 90 days	9	-	9	-
Overdue from 91 to 120 days	-	-	-	-
Overdue over 120 days	57	(13)	59	(16)
Total	**292**	**(13)**	**208**	**(16)**

8. Current tax assets

(Euro/000)	31.12.2023	31.12.2022	Difference
Receivables for advance on direct taxes	24	-	24
Receivables for withholdings	49	4	45
VAT credit and other taxes requested for reimbursement	8,271	26,034	(17,763)
Other sundry receivables	1	1	-
Provision for bad debts	(3)	(3)	-
Total	**8,342**	**26,036**	**(17,694)**

Current tax assets, equal to Euro 8.3 million, showed a decrease of Euro 17.7 million compared to Euro 26.0 million in 2022, due to a reduction in the substantial VAT credit balance accumulated as at 31 December 2022.
This decrease was achieved thanks to the definition of a different subjective scope of the VAT Group. In fact, only the companies that normally generate debt joined the VAT Group scheme in 2023.

9. Cash and cash equivalents

(Euro/000)	31.12.2023	31.12.2022	Difference
Cash	20	16	4
Bank and postal accounts	21,091	10,680	10,411
Total	**21,111**	**10,696**	**10,415**

Please refer to the cash flow statement for the 2023 evolution of cash and cash equivalents.

10. Other current assets

(Euro/000)	31.12.2023	31.12.2022	Difference
Accrued income and prepaid expenses	45	47	(2)
Other receivables			
Advances to suppliers	106	34	72
Receivables from social security institutions	141	165	(24)
Provision for bad debts	(143)	(143)	-
Advances to employees	14	8	6
Other sundry receivables	13	106	(93)
Total	**176**	**217**	**(41)**

LIABILITIES

Shareholders' equity

As far as changes are concerned, please refer to the statement of changes in equity.

11. Share capital

The share capital as at 31 December 2023 of Euro 67,073,931.60 is represented by 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., with a par value of euro 0.52 each, fully subscribed and paid up, with normal rights.

Treasury stock
At 31 December 2023 the Parent Company did not hold any treasury stock.

12. Reserves

Share premium reserve
This reserve is made up of the share premium paid by the shareholders at the time of the Public Subscription Offer in 1998. This reserve amounting to Euro 78,280 thousand has not undergone changes compared to 31 December 2022.

Legal reserve
The legal reserve amounting to Euro 14,749 thousand remained unchanged in the financial year, having reached the limit referred to in Article 2430 of the Italian Civil Code.

Reserve for transition to IAS
This is the reserve set up following the first-time adoption of the International Accounting Standards.

Valuation reserve
This reserve identifies changes in the fair value of financial assets. Changes for the period that affected the reserve under examination were a decrease in the value of the shares held in Banco BPM S.p.A.

Non-current liabilities

13. Non-current financial payables

(Euro/000)	31.12.2023	31.12.2022	Difference
Due between 1 and 5 years			
Payables to banks	20,503	28,680	(8,177)
Payables to subsidiaries for Ires reimbursement	26	26	-
Total payables due between 1 and 5 years	**20,529**	**28,706**	**(8,177)**
Due beyond 5 years			
Payables to banks	-	-	-
Total payables due beyond 5 years	**-**	**-**	**-**
Total	**20,529**	**28,706**	**(8,177)**

Below is the breakdown of payables to banks:

(Euro/000)	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2023
Overdraft	213	-	-	213
Hot Money	19,121	-	-	19,121
Mortgages	8,177	20,503	-	28,680
Total	**27,511**	**20,503**	**-**	**48,014**

The composition of the mortgages is as follows:

Bank (Euro/000)	Expiry date	Current	Between 1 and 5 years	Beyond 5 years	Total 31.12.2023
Banca Intesa Sanpaolo S.p.A.	30/06/27	8,222	20,556	-	**28,778**
Effect of application of amortised cost		(45)	(53)	-	**(98)**
Total		**8,177**	**20,503**	**-**	**28,680**

Net Debt

The table below reports the breakdown of Net Debt at 31 December 2023 and for the previous year:

(Euro/000)	31.12.2023	31.12.2022	Difference
A. Cash	21,111	10,696	10,415
B. Cash equivalents	-	-	-
C. Other current financial assets	6,443	11,973	(5,530)
D. Liquidity (A) + (B) + (C)	**27,554**	**22,669**	**4,885**
E. Current financial debt (including debt instruments)	16,600	18,965	(2,365)
F. Current portion of non-current financial debt	27,511	15,428	12,083
G. Current financial indebtedness (E+F)	**44,111**	**34,393**	**9,718**
H. Net current financial indebtedness (G-D)	**16,557**	**11,724**	**4,833**
I- Non-current financial debt (excluding current portion and debt instruments)	20,503	28,680	(8,177)
J. Debt instruments	-	**-**	**-**
K. Nnon-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I+J+K)	**20,503**	28,680	(8,177)
M. Total financial indebtedness (H+L)	**37,060**	**40,404**	**(3,344)**

The only medium/long-term loan agreement in place at 31 December 2023 provides for financial covenants that, if met, would entitle the bank to withdraw from the agreement itself. The covenants on the agreement - shown in the table below - had been fully complied with at the date of the precise check on 31 December 2023.

Table 1

(Euro/000)	Banca Intesa Sanpaolo S.p.A. (a)
Amount of the loans as at 31 December 2023	28,778
Recipient of the loan	Cremonini S.p.A.
Expiry date	30/06/2027
Covenant	
Net Debt/EBITDA	<= 3.75
Net Debt/Equity	<= 2.0

(a) covenants calculated on the consolidated financial statements of the Cremonini Group, net of the effects of the adoption of IFRS 16.

14. Employee benefits

The item includes the payable for staff severance indemnities and the movement in the period was the following:

(Euro/000)	**31.12.2023**	31.12.2022
Opening balance	294	317
Accrued for the year	10	1
Actuarial gains (losses)	2	(24)
Closing balance	**306**	**294**

With reference to the significant actuarial assumptions (as indicated in the paragraph "Main accounting judgments, estimates and assumptions adopted by Management"), the table below shows the effects on the final liabilities deriving from the possible changes thereto.

(Euro/000)	Turnover rate +1%	Turnover rate -1%	Inflation rate + 0.25%	Inflation rate - 0.25%	Discount rate + 0.25%	Discount rate - 0.25%
Effect on the final liability	305	304	307	302	301	308

15. Provisions for risks and charges

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Provision for risks	102	102	-
Total	**102**	**102**	**-**

(Euro/000)	Balance at 31.12.2022	Provision	Use	**Balance at 31.12.2023**
Provision for risks	102	-	-	102
Total	**102**	**-**	**-**	**102**

The provisions for risks and charges, unchanged compared to 2022, consist of the quantification of liabilities connected with contractual costs and charges of probable existence.

16. Deferred tax assets and liabilities

As at 31 December 2023, the deferred taxes amounted to Euro 3,860 thousand, and represent Euro 3,941 thousand of deferred taxes, and Euro 81 thousand of pre-paid taxes.

The first items consist principally of deferred tax liabilities arising from the revaluation of land and buildings, carried out during the transition to international accounting standards, and the deferral of taxation on capital gains realised while deferred taxes refer to the tax effect calculated on the taxed funds taxable in subsequent years.

The details of the individual positions are shown in the following tables.

(Euro/000)	**31.12.2023**		31.12.2022	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Deferred tax assets				
Bad debt provision	162		161	
Taxed Provisions	102		89	
Other	73		86	
Total	**337**		**336**	
Taxable amount for IRES	**337**		**336**	
Tax Rate	24.00%		24.00%	
Deferred tax assets for IRES		**81**		**81**

(Euro/000)	**31.12.2023**		31.12.2022	
	Amount of timing differences	**Fiscal Effect**	**Amount of timing differences**	**Fiscal Effect**
Deferred tax liabilities				
Tangible assets	16,416		16,429	
Minor items	6		-	
Total	**16,422**		**16,429**	
Tax Rate	24.00%		24.00%	
Deferred tax liabilities for IRES		**3,941**		**3,943**

Current liabilities

17. Current financial payables

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Payables to subsidiaries	23,779	35,466	(11,687)
Payables to controlling companies	-	6	(6)
Payables to banks	27,511	15,428	12,083
Closing balance	**51,290**	**50,900**	**390**

With regard to the change in bank payables compared to the previous year please refer to the cash flow statement and comments in the Directors' Report with reference to the net debt.
The detail of the payables to subsidiaries is reported below; please refer to Annex 1 for further details:

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Financial payables to subsidiaries	**16,644**	**18,997**	**(2,353)**
Chef Express S.p.A.	-	3,783	(3,783)
INALCA S.p.A.	-	1	(1)
Interjet S.r.l.	2,445	2,870	(425)
MARR S.p.A.	9,844	9,412	432
Staff Service S.r.l.	4,355	2,931	1,424
Payables to subsidiaries for transferred tax receivables	**7,135**	**16,469**	**(9,334)**
Antonio Verrini S.r.l.	82	279	(197)
Castelfrigo LV S.r.l.	703	-	703
C&P S.r.l.	813	960	(147)
Chef Express S.p.A.	266	6,131	(5,865)
Dolfen S.r.l.	373	-	373
Ges.car. S.r.l.	967	16	951
Guardamiglio S.r.l.	161	944	(783)
Il Castello di Castelvetro S.r.l.	50	-	50
Inalca Food & Beverage S.r.l.	53	-	53
Interjet S.r.l.	221	182	39
Italia Alimentari S.r.l.	381	605	(224)
Macello di Parma S.r.l.	30	-	30
MARR S.p.A.	-	3,913	(3,913)
Poke Mxp S.r.l.	24	-	24
Realbeef S.r.l.	461	-	461
Roadhouse S.p.A.	1,298	2,694	(1,396)
Roadhouse Grill Roma S.r.l.	292	471	(179)
Sara S.r.l. (wound-up)	-	143	(143)
Società Agricola Corticella S.r.l.	779	-	779
Tecnovit S.r.l.	25	-	25
Tecno-Star due S.r.l.	7	-	7
Treerre Food S.r.l.	149	131	18
Total	**23,779**	**35,466**	**(11,687)**

It should be noted that related-party transactions were carried out at arm's length.

Relative to the financial payables to consolidated companies please refer to the description in the item "Current financial receivables" (note 6).

18. Current tax liabilities

(Euro/000)	31.12.2023	31.12.2022	Difference
IRES	13,373	1,549	11,824
Withholding taxes	428	352	76
Total	**13,801**	**1,901**	**11,900**

IRES tax payables are relating to the balance of current taxes accrued in 2023 within the scope of the tax consolidation scheme, which has been joined by Cremonini S.p.A. as the consolidating company. The debt accrued during the year is stated net of the residual receivables for IRES tax advances paid, and showed an increase due to the balance being higher than the advances paid.

19. Current trade liabilities

(Euro/000)	31.12.2023	31.12.2022	Difference
Suppliers	**1,172**	**1,138**	**34**
Payables for purchase of fixed assets	**340**	**-**	**340**
Payables to parent company	**-**	**-**	**-**
Cremofin S.r.l.	-	-	-
Payables to subsidiaries	**7,554**	**8,701**	**(1,147)**
As.ca. S.p.A.	-	2	(2)
Castelfrigo S.r.l.	-	1,606	(1,606)
C&P S.r.l.	-	424	(424)
Chef Express S.p.A.	11	1,599	(1,588)
Dolfen S.r.l.	1,052	-	1,052
Guardamiglio S.r.l.	-	166	(166)
INALCA S.p.A.	-	655	(655)
Inalca Food & Beverage S.r.l.	10	261	(251)
Interjet S.r.l.	15	5	10
Italia Alimentari S.p.A.	10	679	(669)
MARR S.p.A.	-	1,458	(1,458)
New Catering S.r.l.	-	74	(74)
Realbeef S.r.l.	-	82	(82)
Roadhouse S.p.A.	-	1,141	(1,141)
Roadhouse Grill Roma S.r.l.	-	318	(318)
Sara S.r.l.	-	1	(1)
Società Agricola Corticella S.r.l.	6,364	-	6,364
Staff Service S.r.l.	60	155	(95)
Tecno-Star Due S.r.l.	31	74	(43)
Treerre Food S.r.l.	1	1	-
Total	**9,066**	**9,839**	**(773)**

Payables to subsidiaries mainly arise from the assignment of VAT credits to the parent company Cremonini S.p.A. within the scope of the Group's VAT payments.

20. Other current liabilities

(Euro/000)	31.12.2023	31.12.2022	Difference
Accrued expenses and deferred income	276	142	134
Inps/Inail/Scau	177	215	(38)
Inpdai/Previndai/Fasi/Besusso	47	51	(4)
Payables to other social security institutions	38	42	(4)
Other payables			
Advances and other payables from customers	19	-	19
Payables for employee remuneration	419	418	1
Guarantee deposits and down payments received	-	-	-
Payables to directors and statutory auditors	145	132	13
Other minor payables	381	333	48
Total	**1,502**	**1,333**	**169**

The payable for employee remuneration includes the current wages and salaries still to be paid as at 31 December 2023, as well as the allocations relating to the holidays accrued and not taken and related charges.

Guarantees, sureties and commitments

These consist of both guarantees given directly by the Company, in the interests of both Group companies and third parties to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, Group VAT set-offs, participation in tenders, etc..

They refer to:

(Euro/000)	31.12.2023	31.12.2022
Loans or credit lines	410,851	433,217
Revenue Agency / VAT offices	118,863	66,054
Supply contracts, management of leased assets, good performance of contracts etc.	12,478	12,345
Other minor	209	209
Total guarantees, sureties and commitments	**542,401**	**511,825**

Collateral guarantees granted

Collateral guarantees granted to third parties, mainly relating to mortgages on owned properties, are detailed in the comment on the financial statement item of "tangible assets".

Details of the main items of the income statement

21. Revenues

These are broken down as follows:

(Euro/000)	2023	2022	Difference
Revenues from sales - Goods for resale	19	13	6
Revenues from services	3,984	3,439	545
Advisory services to third parties	2,115	1,981	134
Rent income	2,470	2,354	116
Other revenues from ordinary activities	418	310	108
Total	**9,006**	**8,097**	**909**

Below is a breakdown of revenues by geographical area:

(Euro/000)	2023	2022	Difference
Italy	8,989	8,089	900
European Union	17	8	9
Total	**9,006**	**8,097**	**909**

22. Other revenues and income

(Euro/000)	2023	2022	Difference
Operating grants	66	25	41
Grants from suppliers and others	4	-	4
Other cost reimbursements	1,473	783	690
Total	**1,543**	**808**	735

"Other cost reimbursements" relate for Euro 450 thousand to a voluntary settlement scheme as a result of objections submitted by the Revenue Agency –Modena Provincial Head Office - regarding the failure to provide the guarantees envisaged for the excess VAT credit related to the tax year2019 transferred by subsidiaries INALCA S.p.A. and Italia Alimentari S.p.A. to Cremonini S.p.A., and used as setoff against the entire amount with excess debit accrued by other entities that have joined the Group VAT scheme.

23. Costs for purchases

(Euro/000)	**2023**	2022	Difference
Costs for purchases - Goods for resale	(25)	(17)	(8)
Costs for purchases - Stationery and printed paper	(3)	(4)	1
Other costs for purchases	(69)	(76)	7
Total	**(97)**	**(97)**	**-**

24. Other operating costs

(Euro/000)	**2023**	2022	Difference
Costs for services	(5,301)	(3,740)	(1,561)
Costs for leases and rentals	(80)	(83)	3
Other operating charges	(1,844)	(1,464)	(380)
Total	**(7,225)**	**(5,287)**	(1,938)

The change in the balance with respect to last year is detailed in the following tables.

Costs for services

(Euro/000)	**2023**	2022	Difference
Energy consumption and utilities	(482)	(457)	(25)
Maintenance and repairs	(258)	(284)	26
Commisions, commercial and distribution services	(462)	(474)	12
Third-party services and outsourcing	(62)	(62)	-
Purchasing services	(3)	-	(3)
Other technical and general services	(4,034)	(2,463)	(1,571)
Total	**(5,301)**	**(3,740)**	**(1,561)**

Costs for leases and rentals

(Euro/000)	**2023**	2022	Difference
Rents and charges payable other property assets	(80)	(83)	3
Leases and rentals related to real and personal property	**(80)**	**(83)**	**3**
Total	**(80)**	**(83)**	**3**

Other operating charges

(Euro/000)	**2023**	2022	Difference
Losses on receivables	(11)	-	(11)
Indirect taxes and duties	(925)	(1,036)	111
Contributions and membership fees	(53)	(46)	(7)
Other minor costs	(855)	(382)	(473)
Total	**(1,844)**	**(1,464)**	**(380)**

"Indirect taxes and duties", which amounted to Euro 1,036 thousand in 2022, included taxes on financial transactions (Tobin Tax) paid as a result of the buyback of shares of subsidiary INALCA S.p.A.
In 2023, the company recorded an increase in the charge for non-deductible VAT due to the worsened VAT pro-rata.

"Other minor costs", up by Euro 473 thousand, mainly include costs anticipated in the name and on behalf of subsidiaries, which were then charged back.

25. Personnel costs

(Euro/000)	**2023**	2022	Difference
Salaries and wages	(3,173)	(3,296)	123
Social security contributions	(868)	(880)	12
Pensions and similar obligations	(2)	- 2	0
Staff Severance Provision	(221)	(233)	12
Other personnel costs	(3)	(33)	30
Total	**(4,267)**	**(4,444)**	**177**

On 31 December 2023 the Company employed a total staff number of 24 persons, as follows:

	Factory staff	Office staff	Managers	**Total**
Employees as at 31.12.2022	0	15	7	22
Employees as at 31.12.2023	**0**	**16**	**8**	**24**
Increases (decreases)	0	1	1	2
Average no. of employees during 2023	**0**	**16**	**8**	**24**

26. Amortization, depreciation, write-downs and provisions

(Euro/000)	**2023**	2022	Difference
Depreciation of tangible assets	(2,694)	(3,141)	447
Amortization of intangible assets	(2)	(5)	3
Write-downs and provisions	- 11	(750)	739
Total	**(2,707)**	**(3,896)**	**1,189**

The decrease in "Write-downs and provisions" was mainly due to the recognition of a provision of Euro 750 thousand in the previous yea, for penalties and interest imposed as a result of objections submitted by the Revenue Agency.

(Euro/000)	**2023**	2022	Difference
Write-down of receivables	(11)	-	(11)
Other provisions	-	(750)	750
Total	**(11)**	**(750)**	**739**

27. Income (Charges) from equity investments

(Euro/000)	**2023**	2022	Difference
Income (Charges) from investments in subs.	12,747	15,766	(3,019)
Income (Charges) from investments in other comp.	70	57	13
Revaluation of investments	565	630	(65)
Write-down of investments	(760)	(572)	(188)
Total	**12,622**	**15,881**	**(3,259)**

The change in the balance with respect to last year is detailed in the following tables.

Income (Charges) from equity investments in subsidiaries

(Euro/000)	**2023**	2022	Difference
Dividends from subsidiaries	12,747	15,766	(3,019)
Marr S.p.A.	*12,747*	*15,766*	*(3,019)*
Other minor	-	-	-
Total	**12,747**	**15,766**	**(3,019)**

Dividends were received from subsidiary MARR S.p.A. during the year.

Income (Charges) from equity investments in other companies

The 2023 balance of the item under examination includes dividends received in the year from subsidiaries Futura S.r.l. for Euro 48 thousand and Banco BPM S.p.A. for Euro 22 thousand.

Write-downs/Revaluations of investments

(Euro/000)	**2023**	2022	Difference
Revaluation of equity investments	565	630	*(65)*
Staff Service S.r.l.	*565*	*630*	*(65)*
Write-down of equity investments	(760)	(572)	(188)
Interjet S.r.l.	*(760)*	*(572)*	*(188)*
Total	**(195)**	**58**	**(253)**

As already described in paragraphs 3 "Investments in subsidiaries and associates" and 4 "Investments in other companies", the receivables are impaired. In particular, the investment in Interjet S.r.l. was written down to reflect losses incurred in 2023. Furthermore, the carrying amount of the investment in Staff Service S.r.l. was restored following the positive result achieved in the current financial year.

28. Financial Income/(Charges)

(Euro/000)	2023	2022	Difference
Net financial Income (Charges)	(1,330)	(960)	(370)
Total	**(1,330)**	**(960)**	**(370)**

In detail:

Net financial income (charges)

(Euro/000)	2023	2022	Difference
Financial Income (Charges) from controlling companies	**-**	**(4)**	**4**
Financial Income (Charges) from subsidiaries	**663**	**275**	**388**
Financial income			
- Bank interest receivable	174	13	161
- Other financial income	-	-	-
Total financial income	**174**	**13**	**161**
Financial charges			
- Interest payable on loans	(1,684)	(490)	(1,194)
- Interest payable on current accounts and others	(381)	(255)	(126)
- Other bank charges	(102)	(499)	397
Total financial charges	**(2,167)**	**(1,244)**	**(923)**
Total	**(1,330)**	**(960)**	**(370)**

The item groups the total of the interest income and payable connected to the Group's treasury service and interest, commissions and charges payable to banks and other lenders.

Below is the breakdown of financial charges and income to/from subsidiaries:

(Euro/000)	2023	2022	Difference
Antonio Verrini S.r.l.	-	1	(1)
As.Ca. S.p.A.	1	1	-
C&P S.r.l.	-	4	(4)
Castelfrigo LV S.r.l.	3	-	3
Chef Express S.p.A.	282	113	169
Dolfen S.r.l.	2	-	2
Ges.Car. S.r.l.	1	-	1
INALCA S.p.A.	535	149	386
Interjet S.r.l.	(29)	(21)	(8)
Italia Alimentari S.p.A	1	6	(5)
MARR S.p.A.	(100)	38	(138)
New Catering S.r.l.	1	1	-
Società Agricola Corticella S.r.l.	4	-	4
Staff Service S.r.l.	(38)	(17)	(21)
Treerre Food S.r.l.	-	1	(1)
Total	**663**	**275**	**388**

29. Income taxes

(Euro/000)	2023	2022	Difference
Net income from subs. for transferred taxable amounts	975	873	102
IRES previous years	9	-	9
	984	**873**	**111**
Provision for deferred tax assets/liabilities	2	(5)	7
IRAP	-	-	-
IRAP previous years	-	-	-
	2	**(5)**	**7**
Total	**986**	**868**	**118**

The balance of net income from tax consolidation refers to the result of the IRES (corporate income) tax consolidation scheme, which has been joined by Cremonini S.p.A. as the consolidating company.

Reconciliation of theoretical tax burden and actual tax burden

IRES (corporate income tax)

(Euro/000)	Year 2023		Year 2022	
	Taxable amount	**Tax**	**Taxable amount**	**Tax**
Profit before taxation	**7,545**		**10,102**	
Taxation rate	24.0%		24.0%	
Theoretical tax burden		**(1,811)**		**(2,424)**
Permanent differences				
Non-deductible amortization and depreciation	224		221	
Write-down of financial assets	760		572	
Taxes and tax amnesties	290		287	
Other increases	250		1,462	
Total increases	**1,524**		**2,542**	
Dividends from foreign companies	(12,177)		(15,032)	
Deductible IRAP and IMU	(290)		(287)	
Write-up of financial assets	(564)		0	
Gains/losses on disposals	0		(630)	
Other decreases	(347)		(536)	
Total decreases	**(13,378)**		**(16,485)**	
Timing differences deductible in future years				
Other increases	321		320	
Total	**321**		**320**	
Timing differences taxable in future years				
Other decreases	0		(41)	
Total	**0**		**(41)**	
Reversal of timing diff. from previous years				
Capital gains on disposal of real estate	0		0	
Total	**0**		**0**	
Use of taxed provisions	(3)		0	
Other decreases	(73)		(73)	
Total	**(76)**		**(73)**	
Taxable income	**(4,064)**		**(3,636)**	
Tax rate	24.0%		24.0%	
Actual tax durden		**975**		**873**
Ires previous years		**9**		**0**

IRAP (regional tax on production)

(Euro/000)	Year 2023 Taxable amount	Tax	Year 2022 Taxable amount	Tax
Profit before taxation	**7,545**		**10,102**	
Costs not relevant for IRAP				
Financial Income/Charges	(1,330)		(960)	
Revenues from equity investments	12,622		15,881	
Personnel cost	(4,267)		(4,444)	
Total	**7,025**		**10,477**	
Theoretical taxable amount	**0**		**0**	
Taxation rate	3.90%		3.90%	
Actual tax burden	**0**	**0**	**0**	**0**
Irap previous years				

Information required by Law no. 124/2017

In accordance with the above rules, it should be noted that the Company received the following donations from public administrations in 2023.

Beneficiary	Grantor	Reason	Amount (Euro/000)
Cremonini S.p.A.	MEF / Revenue Agency	Electricity / Gas Bonuses	43

Other information

Pursuant to the law the total fees due to the directors (Articles 2364 and 2389 of the Italian Civil Code), members of the Board of Statutory Auditors and independent auditors are noted below:

- Directors: Euro 1,350 thousand
- Board of Statutory Auditors: Euro 73 thousand
- Independent Auditors: Euro 83 thousand.

(Euro/000)	Company that provided the service	Recipient	Fees pertaining to 2023
Audit	PricewaterhouseCoopers S.p.A.	Cremonini S.p.A.	83,207
Attestation services	PricewaterhouseCoopers S.p.A.	Cremonini S.p.A.	0
Other services			0
Total			**83,207**

Events occurring after the end of the financial year

Please refer to the Directors' Report for details of the other events occurring after the financial year-end.

Allocation of the result for the year

Dear Shareholders,

before concluding and requesting your decisions on this matter, we confirm that the draft financial statements for the year ended 31 December 2023, submitted for your examination and approval herein, were prepared in compliance with prevailing legislation.

Please refer to the Directors' Report for comments on the overall situation of the Company and the Group, as well as the Explanatory Notes for comments on individual items. We invite you to approve the financial statements for the year ended 31 December 2023, together with the Directors' Report.

Furthermore, we propose to allocate the profit for the year of Euro 8,530,995.25 as follows:

- to dividend of Euro 0.04 per ordinary share, totalling Euro 5,159,533.20 with related "ex-dividend date" (no. 16) on 24 June 2024, and payment on 26 June 2024;
- to "Retained earnings" for the remaining portion of Euro 3,371,462.05.

Castelvetro di Modena, 29 March 2024

THE CHAIRMAN

OF THE BOARD OF DIRECTORS

(Luigi Cremonini)

Annexes

These annexes contain information additional to that reported in the notes to the separate financial statements, and form an integral part thereof:

Annex 1	-	Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2023;
Annex 2	-	Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for the 2023 financial year;
Annex 3	-	Statement of changes in tangible assets for the financial statements ended 31 December 2023;
Annex 4	-	Statement of changes in other intangible assets for the financial statements ended 31 December 2023;
Annex 5	-	List of equity investments and Available-for-sale assets as at 31 December 2023;
Annex 6	-	List of equity investments in subsidiaries and associated companies as at 31 December 2023 (Article 2427, paragraph 5, of the Italian Civil Code).

Annex 1

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2023

(Euro/000)	Treasury		Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:					(a)	(b)		
Antonio Verrini S.r.l.	-	-	295	-	-	82	**295**	**82**
As.ca. S.p.A.	-	-	-	-	151	-	**151**	**-**
Castelfrigo S.r.l.	-	-	4	-	-	703	**4**	**703**
C&P S.r.l.	-	-	8	-	-	813	**8**	**813**
Chef Express S.p.A.	5,834	-	264	11	-	275	**6,098**	**286**
Cremonini Restauration S.A.S.	-	-	1	-	-	-	**1**	**-**
Cremovit S.r.l.	-	-	142	-	-	-	**142**	**-**
Dolfen S.r.l.	-	-	-	1,052	-	373	**-**	**1,425**
Fiorani & C. S.p.A.	-	-	346	-	-	-	**346**	**-**
Ges.Car. S.r.l.	-	-	1,153	-	-	967	**1,153**	**967**
Guardamiglio S.r.l.	-	-	83	-	328	161	**411**	**161**
Il Castello di Castelvetro S.r.l.	-	-	-	-	-	50	**-**	**50**
Inalca Food & Beverage S.r.l.	-	-	8	10	-	53	**8**	**63**
Ina Ten S.r.l.	-	-	3	-	-	-	**3**	**-**
INALCA S.p.A.	603	-	742	-	3,480	-	**4,825**	**-**
Interjet S.r.l.	-	2,439	1	15	-	227	**1**	**2,681**
Italia Alimentari S.p.A.	-	-	8	10	-	381	**8**	**391**
Macello di Parma S.r.l.	-	-	11	-	-	30	**11**	**30**
Marr S.p.A.	-	9,818	325	-	7,693	38	**8,018**	**9,856**
Momentum Services Ltd	-	-	11	-	-	-	**11**	**-**
New Catering S.r.l.	-	-	-	-	472	-	**472**	**-**
Palermo Airport F&B s.c.a r.l.	-	-	-	-	-	-	**-**	**-**
Poke MXP S.r.l	-	-	-	-	-	24	**-**	**24**
Railrest S.A.	-	-	-	-	-	-	**-**	**-**
Realbeef S.r.l.	-	-	-	-	-	461	**-**	**461**
Roadhouse S.p.A.	-	-	126	-	-	1,300	**126**	**1,300**
Roadhouse Grill Roma S.r.l.	-	-	-	-	-	292	**-**	**292**
Società Agricola Corticella S.r.l.	-	-	-	6,364	-	779	**-**	**7,143**
Staff Service S.r.l.	-	4,343	10	60	81	15	**91**	**4,418**
Tecnostar Due S.r.l.	-	-	-	31	-	7	**-**	**38**
Tecnovit S.r.l.	-	-	-	-	-	25	**-**	**25**
Treerre Food S.r.l.	-	-	-	1	-	149	**-**	**150**
Total subsidiaries	**6,437**	**16,600**	**3,541**	**7,554**	**12,205**	**7,205**	**22,183**	**31,359**
Controlling company								
Cremofin S.r.l.	7	-	-	-	-	-	**7**	**-**
Total controlling companies	**7**	**-**	**-**	**-**	**-**	**-**	**7**	**-**

(a) Other receivables include receivables for IRES (corporate income tax) charges transferred to the Parent Company.

(b) Other payables include payables for IRES (corporate income tax) benefits transferred to the Parent Company.

Annex 2

Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for the 2023 financial year

(Euro/000)	Financial Revenues	Services	Sales	Other (a)	**Total revenues**	Financial expenses	Services	Purchases	Other (b)	**Total expenses**
Subsidiaries:										
Antonio Verrini S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
As.ca. S.p.A.	1	-	-	-	**1**	-	-	-	-	**-**
C&P S.r.l.	-	14	-	2	**16**	-	-	-	-	**-**
Castelfrigo S.r.l.	3	8	-	-	**11**	-	-	-	-	**-**
Chef Express S.p.A.	283	2,765	-	511	**3,559**	-	(115)	-	-	**(115)**
Cremonini Restauration S.A.S.	-	-	-	-	**-**	-	-	-	-	**-**
Dolfen S.r.l.	2	-	-	-	**2**	-	-	-	-	**-**
Fiorani & C. S.p.A.	-	1	-	-	**1**	-	-	-	-	**-**
Ges.Car. S.r.l.	1	-	-	-	**1**	-	-	-	-	**-**
Guardamiglio S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
Il Castello di Castelvetro S.r.l.	-	-	-	1	**1**	-	-	-	-	**-**
Ina Ten S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
Inalca Food & Beverage S.r.l.	-	43	-	6	**49**	-	-	-	-	**-**
INALCA S.p.A.	535	2,064	-	239	**2,838**	-	(7)	-	-	**(7)**
Interjet S.r.l.	-	10	-	6	**16**	(29)	(15)	-	(760)	**(804)**
Italia Alimentari S.p.A.	1	376	-	244	**621**	-	(19)	-	-	**(19)**
Macello di Parma S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
MARR S.p.A.	-	1,533	-	12,747	**14,280**	(100)	(2)	-	-	**(102)**
Momentum Services Ltd	-	14	-	-	**14**	-	-	-	-	**-**
New Catering S.r.l.	1	2	-	-	**3**	-	-	-	-	**-**
Palermo Airport F&B s.c.a r.l.	-	-	-	3	**3**	-	-	-	-	**-**
Poke MXP S.r.l	-	-	-	1	**1**	-	-	-	-	**-**
Railrest S.A.	-	4	-	-	**4**	-	-	-	-	**-**
Realbeef S.r.l.	-	4	-	-	**4**	-	-	-	-	**-**
Roadhouse Grill Roma S.r.l.	-	39	-	-	**39**	-	-	-	-	**-**
Roadhouse S.p.A.	-	863	-	100	**963**	-	(3)	-	-	**(3)**
Società Agricola Corticella S.r.l.	4	3	-	-	**7**	-	-	-	-	**-**
Staff Service S.r.l.	1	69	-	605	**675**	(39)	(39)	-	-	**(78)**
Tecnostar Due S.r.l.	-	8	-	-	**8**	-	(63)	(20)	-	**(83)**
Tecnovit S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
Treerre Food S.r.l.	-	-	-	-	**-**	-	-	-	-	**-**
Total subsidiaries	**832**	**7,820**	**-**	**14,465**	**23,117**	**(168)**	**(263)**	**(20)**	**(760)**	**(1,211)**
Controlling companies:										
Cremofin S.r.l.	-	-	-	12	**12**	-	-	-	-	**-**
Total controlling companies	**-**	**-**	**-**	**12**	**12**	**-**	**-**	**-**	**-**	**-**

(a) Other revenues include dividends from subsidiaries and write-up of equity investments.
(b) Other costs include write-offs of equity investments in subsidiaries.

Annex 3

Statement of changes in tangible assets for the financial statements ended 31 December 2023

(Euro/000)	Opening position			Changes over the period					Closing position		
	Initial cost	Accumulated depreciation	Balance at 31.12.2022	Merger	Acquisitions	Net decreases	Reclass./ Other changes	Depreciation	Initial cost	Accumulated depreciation	Balance at 31.12.2023
Land and buildings	100,816	(24,066)	76,750	-	952	-	-	(1,730)	101,768	(25,796)	75,972
Plant and machinery	9,648	(7,722)	1,926	-	677	-	-	(624)	10,325	(8,346)	1,979
Industrial and business equipment	49	(49)	-	-	-	-	-	-	49	(49)	-
Other assets	8,369	(6,916)	1,453	-	342	-	-	(340)	8,669	(7,214)	1,455
Fixed assets under construction and advances	100	-	100	-	215	-	-	-	315	-	315
Total	**118,982**	**(38,753)**	**80,229**	**-**	**2,186**	**-**	**-**	**(2,694)**	**121,126**	**(41,405)**	**79,721**

Annex 4

Statement of changes in other intangible assets for the financial statements ended 31 December 2023

(Euro/000)	Opening position			Changes over the period				Closing position		
	Initial cost	Accumulated amortization	Balance at 31.12.2022	Acquisitions	Net decreases	Reclass./Write-downs Other changes	Amortization	Initial cost	Accumulated amortization	Balance at 31.12.2023
Patents and intellectual property rights	240	(240)	-	-	-	-	-	240	(240)	-
Concessions, licences, trademarks and similar rights	28	(22)	6	-	-	-	(2)	28	(24)	4
Total	**268**	**(262)**	**6**	**0**	**0**	**0**	**(2)**	**268**	**(264)**	**4**

Annex 5

List of equity investments and Available-for-sale assets as at 31 December 2023

(Euro/000) Company name	Percentage	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other changes	Percentage	Final value	Note
Subsidiaries:									
Chef Express S.p.A.	100.00	61,070	-	-	-	-	100.00	61,070	
INALCA S.p.A.	100.00	168,241	-	-	-	-	100.00	168,241	
Interjet S.r.l.	100.00	2,789	750	-	(760)	-	100.00	2,779	
MARR S.p.A.	50.72	57,937	-	-	-	-	50.72	57,937	
Staff Service S.r.l.	100.00	2,274	-	-	565	-	100.00	2,839	
Total subsidiaries		**292,311**	**750**	**0**	**(195)**	**0**		**292,866**	
Other companies:									
Futura S.p.A.		962	-	-	-	-		962	
Other minor companies		68	-	-	-	-		68	
Total other companies		**1,030**	**0**	**0**	**0**	**0**		**1,030**	
Financial assets held for sale									
Banco BPM S.p.A.		321	-	-	140	-		461	a)
Total Financial assets held for sale		**321**	**0**	**0**	**140**	**0**		**461**	

a) the investment write-off has been booked in the specific equity reserve "Fair value reserve"

Annex 6

List of equity investments in Subsidiaries and associated Companies as at 31 December 2023 (Article 2427.5 of the Italian Civil Code)

The table below shows the breakdown of the cost of investments in subsidiaries, as of 31 December 2023, compared with the related share of adjusted equity attributable to Cremonini S.p.A.

(Euro/000) Name	Registered office	Capital stock (in Euro if not otherwise stated)	Net profit (loss) for the year ended 31.12.2023	Net equity at 31.12.2023	Adjusted equity at 31.12.2023	Percentage held at 31.12.2023	Carrying value (A)	Valuation based on NE (B)	Difference (B) - (A)	Notes
Subsidiaries:										
Chef Express S.p.A.	Castelvetro di Modena (MO)	8,500,000	6,537	30,986	7,314	100.00%	61,070	7,314	(53,756)	
INALCA S.p.A.	Castelvetro di Modena (MO)	187,017,167	35,832	482,717	512,119	100.00%	168,241	512,119	343,878	
Interjet S.r.l.	Castelvetro di Modena (MO)	2,500,000	(758)	2,779	2,779	100.00%	2,779	2,779	0	
MARR S.p.A.	Rimini	33,262,560	44,912	338,674	343,426	51.17%	57,937	175,731	117,794	
Staff Service S.r.l.	Castelvetro di Modena (MO)	93,000	974	3,254	3,254	100.00%	2,839	3,254	415	
Total subsidiaries							**292,866**	**697,943**	**407,916**	

CREMONINI S.P.A.

Via Modena no. 53 – Castelvetro di Modena (MO)

Share capital Euro 67,073,931.60= fully paid-up

Registered with the Modena Chamber of Commerce - Economic and Administrative Register no. 126967

Modena Register of Companies no. 00162810360

Tax code and VAT no. 00162810360

* * *

BOARD OF STATUTORY AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING

FINANCIAL STATEMENTS AT 31 DECEMBER 2023

prepared pursuant to and for the purposes of

Art. 2429.2 of the Italian Civil Code

Dear Shareholders,

During the financial year ended 31 December 2023, our activities were guided by the provisions of the law and the Rules of Conduct for the Board of Statutory Auditors of unlisted companies issued by the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*).

With this report we bring to your attention such activities and the results achieved.

The financial statements of Cremonini S.p.A. as of 31 December 2023, prepared in accordance with the Italian regulations governing their preparation, have been submitted for your examination, and showed a profit for the year of Euro 8,530,995.25. The financial statements were made available to us within the terms of law by the Board of Directors on 29 March 2024.

The independent auditors, PricewaterhouseCoopers S.p.A., in charge of the statutory audit of the accounts, delivered to us their report dated 27 April 2024 showing an unqualified opinion.

From the independent auditor's report the financial statements give a true and fair view of the financial position of Cremonini S.p.A. as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The Board of Statutory Auditors, not being entrusted with the statutory audit, carried out on the financial statements the supervisory activities envisaged in Rule 3.8. of the "Rules of conduct of the Board of Statutory Auditors of unlisted companies" consisting of an overall summary control aimed at verifying that the financial statements have been properly prepared. It is the responsibility of the independent auditors to verify the compliance with the accounting records.

1) Supervision work under Art. 2403 and ff. of the Italian Civil Code

We supervised compliance with the law, with the Articles of Association, with proper management principles and in particular, the adequacy of the organisational, administrative and accounting set-up and its actual functioning.

We attended Shareholders' Meetings and Board of Directors' meetings and, on the basis of the information to hand, we have no particular observations to report.

We obtained information from the Board of Directors, well in advance and also during the meetings held, on the general company performance and its outlook, as well as on transactions of greater significance, by size or characteristics, conducted by the Company and its subsidiaries and, on the basis of the information to hand, we have no particular observations to report.

As a part of periodic exchanges of data and information, we held meetings with the audit firm PricewaterhouseCoopers S.p.A, and the Supervisory Board, as well as with the Boards of Statutory Auditors and the Supervisory Board of the subsidiaries Chef Express S.p.A. and Roadhouse S.p.A., without any points emerging that are worthy of mention herein.

We perused the Annual Report prepared by the Supervisory Board, dated 31 December 2023, and no other critical issues concerning the proper implementation of the organizational model have emerged that need to be highlighted in this report.

We acquainted ourselves with and supervised the adequacy of the organisational, administrative and accounting structure and its actual functioning also by gathering information from heads of functions, and we have no particular observations to report in this regard.

We acquainted ourselves with and supervised, within the sphere of our responsibility, the adequacy and functioning of the administrative and accounting system, as well as on the latter's reliability in giving a fair view of the operational events by obtaining information from the heads of functions and scrutinising company documents, and we have no particular observations to report in this regard.

We did not discover atypical and/or unusual corporate transactions carried out with third parties or related parties during the financial year. Inter-group and related-party transactions carried out in 2023 are adequately described in the explanatory notes to the financial statements, and in the Directors' Report, form part of normal management, and were regulated at market conditions.

The Board of Statutory Auditors also acknowledges that:

- No reports were received from the shareholders pursuant to Art. 2408 of the Italian Civil Code;
- It was not necessary to intervene regarding omissions of the Board of Directors pursuant to Art. 2406 of the Italian Civil Code;
- No reports were submitted pursuant to Art. 2409.7 of the Italian Civil Code;
- The directors stated the safeguards put into place for risk and uncertainties management to which the Company is exposed in their Report on Operations;
- During the year, the Board of Statutory Auditors did not issue opinions and observations set down by law;
- We made no reports to the Board of Directors pursuant to and for the purposes of Art. 25-octies of Legislative Decree no. 14 of 12 January 2019;
- We received no reports from public creditors pursuant to and for the purposes of Art. 25-novies of Legislative Decree no. 14 of 12 January 2019.

No other significant facts emerged during the course of the supervision work, as described above, which would require to be mentioned herein.

2) Observations on the separate financial statements

From the independent auditor's report the financial statements give a true and fair view of the financial position of Cremonini S.p.A. as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

With reference to the disclosures provided in the financial statements as at 31 December 2023, taking account that the statutory audit of accounts was carried out by the audit firm PricewaterhouseCoopers S.p.A., the Board of Statutory Auditors confirms that it verified, within the sphere of its responsibility, that:

- The provisions of law governing the preparation of the financial statements, and the report on operations have been complied with, by means of direct audits and information obtained from the appointed audit firm, and that it has no particular observations to report;

- The financial statements have been prepared in accordance with the "International accounting standards" (IFRS) according to the instructions given by the Board of Directors in the explanatory notes to the financial statements, to which reference should be made for more details;

- The accounting policies used for the purposes of preparing the accounting statements for 2023 are the same as those used for the formation of the financial statements at 31 December 2022, with the exception of new accounting standards, amendments and interpretations applicable from 1 January 2023, which did not have a significant impact on the financial statements but only entailed, in some cases, additional disclosures.

- To the best of our knowledge, the directors have complied with the provisions of law in the preparation of the financial statements, in compliance with the international accounting standards IFRS.

3) Observations and proposals as to the approval of the financial statements

Considering the results of the work we performed and the opinion expressed in the independent auditor's report today, we invite the Shareholders to approve the financial statements as at 31 December 2023, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposal for the allocation of the annual result made by the directors.

Castelvetro di Modena (MO), 24 April 2024

The Board of Statutory Auditors

Eugenio Orienti (Chairman) *Signed*

Paola Simonelli (Standing auditor) *Signed*

Giulio Palazzo (Standing auditor) *Signed*

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Cremonini SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cremonini SpA (hereinafter also the "Company"), which comprise the statement of financial position as of 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

pwc

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

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

We communicated 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 identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Cremonini SpA are responsible for preparing a report on operations of Cremonini SpA as of 31 December 2023, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of Cremonini SpA as of 31 December 2023 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the financial statements of Cremonini SpA as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have nothing to report.

Parma, 24 April 2024

PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

3 of 3

Cremonini Group

Consolidated Financial Statements at 31 December 2023

Consolidated financial statements at 31 December 2023

Consolidated Statement of Financial Position - Assets

(Euro/000)	Note	**Year 2023**	Year 2022
Non-current assets			
Tangible assets	1	1,782,868	1,659,491
Goodwill	2	225,638	224,547
Other intangible assets	3	27,335	21,648
Investments valued at equity	4	19,421	17,810
Investments in other companies	5	21,579	16,248
Financial assets held for sale		0	0
Financial instruments / Derivatives	19	126	1,015
Non-current financial receivables	6	1,141	18,046
relating to related parties		1,129	*18,009*
Deferred tax assets	7	35,661	37,698
Other non-current assets	8	38,348	33,896
Total non-current assets		**2,152,117**	**2,030,399**
Current assets			
Inventories	9	585,434	578,454
Biological assets	10	73,530	68,858
Current financial receivables	11	40,624	15,307
relating to related parties		*32,922*	*10,222*
Current trade receivables	12	612,407	610,141
relating to related parties		*6,717*	*8,631*
Current tax assets	13	64,837	65,831
Financial assets held for sale		7,261	322
Financial instruments / Derivatives	19	3,073	6,094
Cash and cash equivalents	14	350,802	287,265
Other current assets	15	75,051	78,050
relating to related parties		*3*	*39*
Total current assets		**1,813,019**	**1,710,322**
Total assets		**3,965,136**	**3,740,721**

Consolidated Statement of Financial Position - Liabilities

(Euro/000)	Note	**Year 2023**	Year 2022
Shareholders' Equity			
Share capital	16	67,074	67,074
Reserves	17	(85,655)	(40,937)
Retained earnings		633,999	580,353
Result for the period		58,147	75,420
Shareholders' Equity attributable to the Group		673,565	681,910
Minority interests' capital and reserves		199,188	222,908
Result for the period attributable to minority interests		28,223	19,715
Shareholders' Equity attributable to minority interests		227,411	242,623
Total Shareholders' Equity		**900,976**	**924,533**
Non-current liabilities			
Non-current financial payables	18	1,294,280	1,272,637
relating to related parties		*5,877*	*6,889*
Financial instruments / Derivatives	19	68	-
Employee benefits	20	20,467	21,177
Provisions for risks and charges	21	19,696	18,973
Deferred tax liabilities	22	35,714	42,513
Other non-current liabilities	23	5,191	5,006
relating to related parties		*0*	*0*
Total non-current liabilities		**1,375,416**	**1,360,306**
Current liabilities			
Current financial payables	24	651,563	538,000
relating to related parties		*1,011*	*1,639*
Financial instruments / Derivatives	19	9	16
Current tax liabilities	25	49,708	30,807
Current trade liabilities	26	841,977	762,371
relating to related parties		*4,506*	*2,561*
Other current liabilities	27	145,487	124,688
relating to related parties			*1*
Total current liabilities		**1,688,744**	**1,455,882**
Total liabilities		**3,965,136**	**3,740,721**

Consolidated financial statements as at 31 December 2023

Consolidated income statement

(Euro/000)	Note	**Year 2023**	Year 2022
Revenues	28	5,446,048	5,040,503
relating to related parties		*19,683*	*25,341*
Other revenues and income	29	50,748	49,853
relating to related parties		*286*	*130*
Other revenues and income - Non recurring		0	
Change in inventories of finished and semi-finished goods		15,367	26,364
Capitalisation of internal construction costs		7,255	7,395
Costs for purchases	30	(3,731,845)	(3,488,058)
relating to related parties		*(28,585)*	*(23,707)*
Other operating costs	31	(742,596)	(745,168)
relating to related parties		*(6,702)*	*(8,582)*
Other operating costs - Non recurring		(11,500)	0
Personnel costs	32	(565,687)	(499,560)
Amortization and depreciation	33	(186,044)	(172,421)
Write-downs and provisions	33	(31,973)	(31,955)
Revenues from equity investments	34	5,292	(486)
relating to related parties		*1,380*	259
Financial Income/(Charges)	35	(115,803)	(49,894)
relating to related parties		*(135)*	*282*
Profit from business combination at favourable prices		-	
Result before taxes		**139,262**	**136,573**
Income taxes	36	(52,892)	(41,438)
Total Profit (Loss) for the period		**86,370**	**95,135**
Result attributable to minority interests		28,223	19,715
Result for the period attributable to the Group		**58,147**	**75,420**

Consolidated statement of comprehensive income

(Euro/000)	**Year 2023**	Year 2022
Profit/(Loss) for the period	**86,370**	**95,135**
Items to be reclassified to profit or loss in subsequent periods:		
Profits/(Losses) arising from the translation of the financial statements of foreign companies	(55,562)	16,189
Effective part of profits/(losses) on cash flow hedge instruments	(3,979)	6,482
Tax effect	955	(1,551)
Items not to be reclassified to profit or loss in subsequent periods:		
Valuation of financial assets available for sale	422	67
Actuarial gains/(losses)	(101)	2,400
Tax effect	28	(660)
Comprehensive Income	**28,133**	**118,062**
Result attributable to minority interests	14,396	26,417
Result for the period attributable to the Group	**13,737**	**91,645**

Statement of changes in consolidated shareholders' equity

Euro/000		Allocation of the results for the previous year:		Changes of the period				Allocation of the results for the previous year:		Changes of the period			
	Balance at 31 December 2021	Reserves	Dividends	Other movements	Net profit (loss) for the period	Other Profits/(losses), net of taxes	Balance at 31 December 2022	Reserves	Dividends	Other movements	Net profit (loss) for the period	Other Profits/(losses), net of taxes	Balance at 31 December 2023
Share capital	67,074						67,074						67,074
Nominal value treasury stock in portfolio							0						0
Total Share Capital	**67,074**	**0**	**0**	**0**	**0**	**0**	**67,074**	**0**	**0**	**0**	**0**	**0**	**67,074**
Share premium reserve	78,280						78,280						78,280
Legal reserve	14,749						14,749						14,749
Reserve for IAS adjustments	79,036						79,036						79,036
Reserve for trading treasury stock	0						0						0
Reserve translation differences	(82,101)					10,143	(71,958)		(308)			(42,112)	(114,378)
Merger Deficit	(146,379)						(146,379)						(146,379)
Reserve Actuarial Gain Losses	(3,211)					1,268	(1,943)					(60)	(2,003)
Fair valute reserve	2,483					67	2,550					425	2,975
Cash flow hedge reserve	(19)					4,747	4,728					(2,663)	2,065
Total Reserves	**(57,162)**	**0**	**0**	**0**	**0**	**16,225**	**(40,937)**	**0**	**(308)**	**0**	**0**	**(44,410)**	**(85,655)**
Profits (Losses) carried forward	588,442	23,412		(31,501)			580,353	75,420	(15,559)	(6,215)			633,999
Result attributable to the Group	23,412	(23,412)			75,420		75,420	(75,420)			58,147		58,147
Shareholders' Equity attributable to Group	**621,766**	**0**	**0**	**(31,501)**	**75,420**	**16,225**	**681,910**	**0**	**(15,867)**	**(6,215)**	**58,147**	**(44,410)**	**673,565**
Minority interests' capital and reserves	340,542	42,146	(20,054)	(146,428)		6,702	222,908	19,715	(16,118)	(13,490)		(13,827)	199,188
Result attributable to minority interests	42,146	(42,146)			19,715		19,715	(19,715)			28,223		28,223
Shareholders' Equity attributable to minority interests	**382,688**	**0**	**(20,054)**	**(146,428)**	**19,715**	**6,702**	**242,623**	**0**	**(16,118)**	**(13,490)**	**28,223**	**(13,827)**	**227,411**
Total	**1,004,454**	**0**	**(20,054)**	**(177,929)**	**95,135**	**22,927**	**924,533**	**0**	**(31,985)**	**(19,705)**	**86,370**	**(58,237)**	**900,976**

Consolidated Cash Flow Statement (indirect method)

(Euro/000)	**31.12.2023**	31.12.2022
Net profit before minority interests	**86,370**	**95,135**
Amortization and depreciation	185,316	171,446
Impairment	728	975
Net change in other provisions and non-monetary income items	48,853	48,113
Net change in Staff Severance Provision and other medium/long-term liabilities	(33,414)	(24,298)
Changes in working capital:		
Trade receivables	(43,679)	(42,285)
Inventories	(43,264)	(83,540)
Payables to suppliers	91,146	54,517
(Increase) decrease in other items of the working capital	52,887	(4,421)
Cash flow generated from (absorbed by) operating activities (A)	**344,943**	**215,642**
Investments in tangible assets	(214,654)	(135,042)
Investments in intangible assets	(12,175)	(3,728)
Financial flows for the period for acquisition and disposal of subsidiaries or branches of business (net of cash and cash equivalents acquired)	0	(196,857)
Net equity investments and other non-current financial assets	(27,493)	(11,646)
Cash flow absorbed by investment activities (B)	**(254,322)**	**(347,273)**
Increase (Decrease) medium-long term borrowings	(5,911)	220,836
Increase (Decrease) short term borrowings	141,633	(52,976)
Changes in securities and other financial assets	1,091	(7,540)
Increase (Decrease) financial liabilites for IFRS 16 (right of use)	(121,274)	(24,421)
Cash-flow from distribution of dividends	(31,985)	(20,054)
Capital increase and changes in equity	(10,638)	(40,440)
Cash flow from financing activities (C)	**(27,084)**	**75,405**
Cash Flow of the year (D=A+B+C)	**63,537**	**(56,226)**
Cash and cash equivalents at the beginning of the period (E)	287,265	343,491
Cash and cash equivalents at the end of the period (F=D+E)	**350,802**	**287,265**

Consolidated financial statements at 31 December 2023

Notes to the consolidated financial statements

Form and content of the consolidated financial statements

The consolidated financial statements at 31 December 2023 were prepared in accordance with the accounting standards and measurement criteria laid down by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union according to the procedure referred to in Article 6 of the (EC) Regulation No. 1606/2002 of the European Parliament and Council of 19 July 2002, as adopted by Legislative Decree no. 38 of 28 February 2005, as amended, and resolutions and ordinances promulgated in implementation of Art. 9 of Legislative Decree 38/2005.

The financial statements for the year were authorised for publication by the Board of Directors meeting held on 29 March 2024.

The consolidated financial statements were prepared in accordance with the cost method, with the exception of the following postings in the statement of assets and liabilities:

- land and buildings for which the fair value as at 1 January 2004 was adopted, as "deemed cost" as provided for by IFRS 1;
- derivative contracts entered at the fair value against an entry in the statement of comprehensive income;
- financial assets available for sale entered at the fair value against an entry in the statement of comprehensive income.

For the purposes of comparison, the consolidated financial statements at 31 December 2023 show the figures for the financial year ended at 31 December 2022.

The following classifications have been used:

- Statement of Financial Position for current/non-current items;
- Income Statement by nature;
- Cash flow statement (indirect method).

It is considered that these classifications provide information that better responds to representing the Group's equity, economic and financial situation.

The euro is the Parent Company's functional currency and is used for the presentation of the consolidated financial statements. The schedules contained in these financial statements are shown in thousands of euro. If not otherwise indicated, the schedules contained in these financial statements are shown in thousands of euro.

The accounting policies adopted to prepare these consolidated financial statements are shown in the following points:

Consolidation methods

The consolidation is effected using the line-by-line method that consists of the adoption of all asset and liability items in their entirety. The main consolidation criteria adopted for the application of this method are the following:

- the subsidiary companies are consolidated commencing from the date when control is effectively transferred to the Group, and cease to be consolidated at the date when control is transferred outside the Group;
- where necessary adjustments are made to the financial statements of the subsidiaries to align their accounting policies to those of the Group;
- the assets and liabilities and the income and companies consolidated using the line-by-line method are integrated in the consolidated financial statements; the carrying value of the equity investments is eliminated against the corresponding fraction of shareholders' equity of the subsidiaries, attributing to individual elements of the assets and liabilities their current value at the date of acquisition of control (acquisition method as defined by IFRS 3 "Business combinations"). Any residual difference, if positive, is recorded in the asset item "Goodwill" and if negative in the income statement;
- reciprocal debit and credit and costs and revenues relationships between consolidated companies and the effects of all the transactions of significant relevance exchanged between the latter are eliminated;
- the minority shareholders' portion of shareholders' equity and results for the period are shown separately in the shareholders' equity and in the consolidated income statement. The result of the comprehensive income statement relating to a subsidiary is attributed to the minority shareholders even if this implies that the minority holdings have a negative balance;
- changes in the Parent Company's interest in a subsidiary that does not result in the loss of control are accounted for as capital transactions.

If the Parent Company loses control of a subsidiary, it:

- eliminates the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminates the carrying values of any minority interests in the ex-subsidiary;
- eliminates the accumulated exchange rate differences recorded in the shareholders' equity;
- records the fair value of the consideration received;
- records the fair value of any interest maintained in the ex-subsidiary;
- records each profit or loss in the income statement;
- reclassifies the portion held by the Parent Company of the components previously recorded in the comprehensive income statement, income statement or undistributed profits, as appropriate.

Scope of consolidation

The consolidated financial statements at 31 December 2023 include the financial statements of the Parent Company Cremonini S.p.A. and those of the companies in the which it holds, directly or indirectly, control (including therein the specific purpose entities) excluding immaterial subsidiaries.
Control is obtained when the Group has, or has the right to, variable yields deriving from its relationship with the entity in which it has an investment and, at the same time, it has the capacity to impact on such income by exercising its power over such entities.

Specifically, the Group controls a partially owned company if, and only if, the Group has:

- the power over the entity in which it has an investment (or else holds valid rights that gives it the current capacity to direct the significant activities of such entity);
- recognition or the rights to variable returns deriving from the relationship with the investee entity;
- the capacity of exercising power over the investee entity to impact on the amount of its returns.

Generally, there is a presumption that the majority of the voting rights involves control. Supporting this presumption is that when the Group holds less than the majority of the voting rights (or similar rights), the Group considers all the relevant facts and circumstances to establish if control of the investee entity includes:

- contractual arrangements with other owners with voting rights;
- rights deriving from contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group considers whether or not there is control of a partially owned company if the facts and circumstances indicate that there were changes in one or more of the three relevant elements for the purposes of the definition of control.

Companies that have financial statement values individually and cumulatively immaterial with respect to the Group's consolidated financial statements were excluded from the scope of the consolidation. Specifically, the exclusion regarded the following companies and their subsidiaries:

- Agro-Inwest Sp. z o.o.
- Fratelliditalia SA
- Inalca Food & Beverage (Thailand) Ltd
- INALCA Foods Nig Limited (inactive being cancelled);
- Inalca Russia L.l.c.;
- Italia Alimentari USA Corporation;
- Montagna S.p.A.;
- Montana Farm S.p. z o.o. (in liquidation);
- Società Agricola Transumanza S.r.l.
- The House of Fine Foods (Macau) 1994 Lda;
- The House of Fine Foods Ltd. Hong Kong;
- Vigasio Energy S.r.l.

The equity investments in these Companies were measured at cost.
The complete list of the holdings included in the scope of the consolidation at 31 December 2023, with an indication of the method of consolidation, is shown in Annex 6.
The scope of consolidation has recorded some changes compared to that of the consolidated financial statements of the previous year, as described below. The financial effects of such changes are shown, when significant, in the explanatory notes to the financial statements.

Specifically, with respect to 31 December 2023, the following Companies were included in the scope of the consolidation:

- Cremonagel S.r.l. wholly held by 100% by New Catering S.p.A.;
- Host INNS Pty Limited wholly held by 100% by Fresco Gourmet Pty Ltd.;
- Il Castello di Castelvetro S.r.l. wholly held by 100% by Chef Express S.p.A.;
- Palermo Airport F&B società consortile a r.l. 51% held by Chef Express S.p.A.;
- Poke MXP S.r.l. 51% held by Chef Express S.p.A..

Lastly, the following changes took place in the scope of consolidation with respect to 31 December 2022:

- the increase in the equity investment in Fiorani & C. S.r.l. from 51% to 70%;
- the increase in the equity investment in Inalca Food & Beverage China Holding Ltd from 55% to 100%;
- the increase in the equity investment in Inalca Food & Beverage Cabo Verde Lda from 80% to 100%;
- the increase in the equity investment in Inalca Kinshasa S.a.r.l. from 85% to 97%;
- the increase in the equity investment in La Torre Soc. Agr. Cons. a r.l. from 55% to 56.87%;
- the increase in the equity investment in C&P S.r.l. from 60% to 100%;
- the increase in the equity investment in MARR S.p.A. from 50.72% to 51.17%;
- the increase in the equity investment in Parma France S.a.s. from 51% to 76%.

Changes in accounting standards

The new IFRS and IFRIC standards adopted by the European Union, applicable from 1 January 2022 are reported below with a brief description. The adoption of these revised standards and interpretations has not had any significant impact on the financial statements but has resulted, in some cases, in additional information only. Please also refer to the description in the Directors' Report.

New accounting standards, amendments and interpretations applicable in 2023

The valuation criteria used in preparing the consolidated financial statements at 31 December 2023 do not diverge from those used to draw up the consolidated financial statements for the financial year ended 31 December 2022, with the exception of the new accounting standards, amendments and interpretations applicable as of 1 January 2023, which are described below:

- On 18 May 2017, the IASB issued IFRS 17– *Insurance Contracts*, which is intended to replace IFRS 4 - *Insurance Contracts*. The objective of the new standard is to ensure that an entity provides relevant information that fairly represents the rights and obligations arising from insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also prescribes presentation and disclosure requirements to improve comparability among entities in this industry. The new standard measures an insurance contract based on a General Model, or a simplified version thereof, the Premium Allocation Approach ("PAA"). The main features of the General Model are:
  - estimates and assumptions of future cash flows are always the current ones;
  - the measurement reflects the time value of money;
  - estimates involve extensive use of observable market information;
  - there is a current and explicit measurement of risk;
  - expected profit is deferred, and aggregated into groups of insurance contracts at initial recognition; and,
  - the expected profit is recognised over the contract coverage period while taking into account adjustments resulting from changes in assumptions about the cash flows for each group of contracts.
  - The PAA approach provides for the measurement of the liability for residual coverage for a group of insurance contracts, provided that, upon initial recognition, the entity expects the liability to reasonably represent an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications of applying the PAA approach do not apply to the valuation of liabilities for outstanding claims, which are measured by using the General Model. However, it is not necessary to discount those cash flows if the balance to be paid or collected is expected to occur within one year from the date the claim occurred. An entity must apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held, and also to investment contracts with a discretionary participation feature (DPF). In addition, on 9 December 2021, the IASB published "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information." The amendment is a transition option related to comparative information on financial assets presented at the date of first-time adoption of IFRS 17, and was applied from 1 January 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and to improve the usefulness of comparative information for users of financial statements. The adoption of this standard, and related amendment had no impact on the Cremonini Group's consolidated financial statements.

- The International Accounting Standards Board has published the document on "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)", which clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.
  The main change to deferred tax on assets and liabilities arising from a single transaction (Amendments to IAS 12) is an exemption from initial recognition provided for in IAS 12.15(b), and IAS 12.24. Accordingly, exemption from initial recognition does not apply to transactions in which deductible and taxable temporary differences of equal amounts arise at initial recognition. This is also explained in the newly-inserted paragraph IAS 12.22A. An entity that applies "Deferred tax related to assets and liabilities arising from a single transaction" must also, at the beginning of the first comparative period presented:
  a) recognise the deferred tax asset, if it is probable that taxable income will be realised against which the deductible temporary difference may be utilised, and the deferred tax liability for all deductible and taxable temporary differences associated with: (i) assets consisting of right-of-use, and lease liabilities; and (ii) decommissioning, restoration, and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset; and
  b) recognise the cumulative effect of the first-time adoption of the amendments as an adjustment to the opening balance of retained earnings (or, as the case may be, other component of equity) as of that date.

  The amendments were applied as from 1 January 2023. The application of amendments to IAS 12 had no impact on the consolidated financial statements of Cremonini S.p.A.

- On 12 February 2021, the IASB published two amendments, "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2", and "Definition of Accounting Estimates - Amendments to IAS 8."
  The amendments to IAS 1 and IFRS Practice Statement 2 aim to make disclosure of accounting policies more precise by replacing the requirement to disclose "significant accounting policies" with a requirement to disclose "material accounting policy information." The amendments also provide guidance as to the circumstances in which information is likely to be considered material, and therefore require disclosure.
  The document amends IAS 1 in the following ways:
  - an entity is now required to provide its material accounting policy information rather than its significant accounting policies, several paragraphs have been added to explain how an entity can both identify material accounting policy information, and provide examples of when accounting policy information is likely to be material;
  - the amendments clarify that accounting policy information may be material by its nature, even if the amounts involved are immaterial;
  - the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
  - the amendments clarify that if an entity provides immaterial information about accounting policies, such information shall not obscure material information about accounting policies.

  The aforementioned amendments do not affect the measurement, or presentation of items in the financial statements, but only the disclosure about entities' accounting policies.
  The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input, or measurement technique are changes in accounting estimates, unless they result from the correction of errors from prior periods. These amendments clarify how entities should distinguish between changes in accounting estimates, changes in accounting policies, and corrections of prior-period errors.

- In December 2021, the Organization for Economic Cooperation and Development (OECD) released a draft legislative framework for a global minimum tax to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profits from one jurisdiction to another in order to reduce the global taxation of corporate groups. In March 2022, the OECD published detailed technical guidance on the Pillar Two rules. Stakeholders expressed concerns to the IASB about the potential implications on income tax accounting, and in particular deferred tax accounting, arising from the Pillar Two model rules. The IASB issued Amendments (the Amendments) International Tax Reform - Pillar Two in response to stakeholders' concerns on 23 May 2023. The adoption of this amendment had no impact on the Cremonini Group's financial statements.

Accounting standards, amendments and interpretations applicable to the financial statements for the financial years commencing on a subsequent date

Below are the international standards endorsed by the European Union, but not mandatory for IFRS 2023 financial statements, but which will be mandatory for financial statements for periods beginning on or after 1 January 2024:

- amendments to IAS 1 - Presentation of financial statements:
  - Classification of Liabilities as Current or Non-Current;
  - Classification of Liabilities as Current or Non-Current - deferral of effective date;
  - Non-current Liabilities with Covenants.

- amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);

<u>Amendments to IAS 1</u>
In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity should classify liabilities as current or noncurrent.
These amendments are expected to have a significant impact on many entities with multiple liabilities classified as current, particularly those with loan-related covenants. The amendments are mandatory for financial statements

beginning on or after 1 January 2023.
On 31 October 2022, the IASB published Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how conditions that an entity must meet within 12 months of the reporting date of the financial statements affect the classification of a liability.
The amendments to IAS 1 specify that covenants to be met after the reporting date of the financial statements do not affect the classification of debt as current or non-current at the aforesaid date. Instead, the amendments require a company to provide information about such covenants in the notes to the financial statements. The amendments are effective for financial periods beginning on or after 1 January 2024.
At present, the Company is analysing the standards described above and evaluating whether their adoption will have a significant impact on the Group's financial statements.

Amendments to IFRS 16: Liability in a Sale and Leaseback (amendments to IFRS 16 Leases);
In 2020 the International Accounting Standards Board (Board) published the Exposure Draft on "Lease Liability in a Sale and Leaseback". The document specifies the method used by a seller-lessee to initially measure the right-of-use asset, and lease liability arising from a sale and leaseback transaction, and how the seller-lessor subsequently measures that liability.
In 2021, the Board reviewed the feedback received on the Exposure Draft. At the meeting held in September 2021, the Interpretations Committee discussed the draft, and discussed the direction thereof after considering this feedback. In September 2022, the IASB amended IFRS 16. The amendments add paragraph 102A to IFRS 16. Under this paragraph, the lessee-seller is required to determine "lease payments", or "revised lease payments" so as not to recognise any amount of gain or loss related to the right of use retained by the lessee-seller itself. The paragraph does not prescribe any particular method for achieving this result.

New standards and amendments issued by the IASB but not yet approved by the European Union

Below are the amendments to international standards issued by the IASB, which, however, have not yet completed the relevant endorsement process:

- amendments to IAS 7 – Statement of Cash Flows, and IFRS 7 – Financial instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023);
- amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023).

  It is expected that the amendments to IAS 21 may be endorsed before the planned effective date of 1 January 2025 while for amendments to IAS 7 and IFRS 7, the endorsement process is unlikely to be completed before the planned effective date of 1 January 2024.

Valuation criteria

The valuation criteria used in the drafting of the consolidated financial statements for the period ended 31 December 2023 are the same as those used for the drafting of the consolidated financial statements at 31 December 2022, with the possible exception as reported in the section above. The most significant valuation criteria adopted for the drafting of the consolidated financial statements are indicated below.

Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or production price including any directly-attributable ancillary costs required to make the assets available for use. As allowed by IFRS 1, upon transition to the International Accounting Standards, the Company carried out the valuation at fair value of certain lands and buildings it owned, and used this fair value as the new cost subject to depreciation.
Except as indicated above, revaluations are not allowed, even in application of specific laws. Assets held under finance leases are recognised under property, plant and equipment as offsetting entries to the financial debt to the lessor and depreciated according to the criteria indicated below.
Property, plant and equipment are depreciated systematically on a straight-line basis throughout their useful life, which is the estimated time in which the asset will be used by the company. When the Property, plant and equipment consist of several significant components, each having a different useful life, depreciation is carried out separately for each component. The value to be depreciated is represented by the book value reduced by

the presumable net disposal value at the end of its useful life, if significant or if it can be reliably determined. Land is not depreciated (elements with an indefinite useful life), even if purchased jointly with a building, similarly to property, plant and equipment held for sale which are valued at the lower of the book value and their fair value net of disposal expenses.
Costs for improvements, updating and transformation which add value to the property, plant and equipment are allocated to the balance sheet assets if they meet the capitalisation requirements required by IAS 16.
Any other repair and maintenance costs are recognised in the income statement when they are incurred.
The recoverability of the book value of intangible fixed assets is verified by adopting the criteria indicated under "Impairment of assets".

Depreciation reflects the economic and technical deterioration of the asset and begins when the asset becomes available for use. It is calculated according to the linear model of the asset's estimated useful life.

The rates applied are:

- Buildings	2% - 5%
- Plant and equipment	7.50% - 20%
- Industrial and trade equipment	15% - 25%
- Other assets:	
- Electronic office equipment	20%
- Office furniture and equipment	10% - 15%
- Vehicles and internal means of transport	20%
- Automobiles	25%
- Other minor assets	10%-40%

The residual book value, the useful life and the depreciation criteria are revised at each reporting date and adjusted on a prospective basis, if necessary.
An asset is eliminated from the balance sheet at the time of sale or when the future economic benefits expected from its use or disposal no longer apply. Any losses or profits (calculated as the difference between net proceeds of the sale and book value) are included in the income statement upon said elimination.

Goodwill and other intangible assets

Intangible assets refer to assets without an identifiable physical consistency, which are controlled by the company and able to produce future economic benefits, as well as goodwill when purchased against payment of consideration.
Identifiability is defined with reference to the possibility of separating the intangible asset acquired from goodwill; this requirement is usually satisfied when: the intangible asset essentially consists of a legal or contractual right, or the asset can be separated, that is, it can be sold, transferred, rented or exchanged autonomously from or as an integral part of other assets. Control means the company's ability to use the future economic benefits arising from the asset and the possibility of limiting access to the asset by others.
Intangible assets that are acquired separately are initially recognised at cost, determined according to the criteria indicated for property, plant and equipment, while those acquired through business combinations are stated at fair value at the date of acquisition. Revaluations are not allowed, even in application of specific laws.
Intangible assets with a definite useful life are systematically amortised throughout their useful life, which is the estimated period in which the assets will be used by the company; the recoverability of their book value is verified by adopting the criteria indicated under "Impairment of assets".
Goodwill and other intangible assets with an indefinite useful life, where present, are not amortised; the recoverability of their book value is verified at least annually and in any case whenever events take place that could indicate impairment. Regarding goodwill, verification takes place at the lowest aggregate level on the basis of which the company Management assesses, directly or indirectly, the return on the investment including goodwill (cash generating unit). Write-downs are not used for reversing an impairment loss.

Goodwill is considered as having an indefinite useful life and is therefore not related to the period of the contractual license. The management has decided to use this accounting treatment since:

- the licence price initially paid is related to the value of the turnover of the business purchased and is independent with regard to the remaining contractual period;
- in the past, on expiry of the contract, the Group was always able to renew the licenses;
- the redefining of contractual relationships that occurred in the past resulted from voluntary agreements. From the conclusion of these transactions, the Group, besides having solidified trade relationships with the companies, has also obtained extensions to the contractual terms. In these cases, as in the previous, the goodwill eventually paid has not shown an impairment.

When goodwill is directly correlated to a contract the award and/or renewal of which is traditionally subject to tendering or to any other form of similar awarding, this goodwill is regarded as having a definite useful life and is amortised over the term of the concession.

Other intangible assets are amortised according to the following criteria:

- Industrial patents and intellectual property rights	5 years
- Concessions, licences, trademarks and similar rights	5 years / 20 years
- Other	5 years / duration of the contract

The amortisation period and the amortisation criteria of intangible assets with a definite useful life are reviewed at least upon each closing date and adjusted prospectively if necessary.

Right of use

The right of use is stated at cost, net of accumulated amortisation and impairment losses and as adjusted to take account of any possible restatement of lease liabilities.

The cost of this asset includes:

a) the amount of the initial measurement of the lease liability;
b) lease payments due on or before the effective date, net of lease incentives received;
c) initial direct costs sustained by the lessee; and
d) the estimated costs that the Group, as lessee, is to incur for dismantling and removing the underlying asset and restoring the site at which it is installed or for restoring the underlying asset to the condition laid down in the lease terms and conditions. The lessee falls under the obligation to pay these costs on the effective date or as a result of the use of the underlying asset during a certain period.

The lessee must recognise the costs referred to in paragraph 24, letter d), as a part of the cost of the right-of-use asset when it assumes the obligation to pay these costs. The obligations relating to the aforesaid costs accounted for by applying this Standard or IAS 2 are recognised and measured by applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
Right of use is amortised from the effective date until the end of the right-of-use asset's useful life or, if before, at the end of the term of the lease.
Recoverability of book value is measured adopting the criteria set out in "Impairment of non-financial assets."

Equity investments in associated and other companies

An associated company is a company upon which the Group exerts a significant influence. Significant influence means the power to participate in the financial and operating policies of the investee while not having control or joint control over it.
Investments in associates are measured by using the net equity method and investments in other companies are measured at fair value, as indicated in Annex 5 and the notes that follow.
With the net equity method, the investment in an associate is initially recognized at cost. The carrying value of the investment is increased or decreased to recognize the investor's share of the profits and losses pertaining to the subsidiary after the date of acquisition. The goodwill of the subsidiary is included in the carrying value of the investment and is subjected neither to amortization, nor to individual assessment of impairment. The consolidated income statement for the year reflects the share attributable to the Group as the subsidiary's result for the year. Any change in the other components of the comprehensive income statement related to these

subsidiaries is presented as part of the Group's comprehensive income statement. In addition, in the event that an associated company detects a change with a direct effect on shareholders' equity, the Group recognises its share, where applicable, in the statement of changes in net equity. The unrealized gains and losses deriving from transactions between the Group and its associates or joint ventures are eliminated to the extent of the investment in the associates or joint ventures.
The recoverability of their carrying value is verified by adopting the criteria indicated in the section on "impairment of non-financial assets" as regards investments in associated companies and in the section on "impairment of financial assets" as regards investments in other companies.
When losing significant influence over an associated company or joint control over a joint venture, the Group assesses and recognises the residual shareholding at fair value. The difference between the carrying value of the equity investment on the date that significant influence or joint control is lost and the fair value of the residual shareholding and of the consideration received must be recognised in the income statement.

Inventories

Inventories are entered at the lower of purchase or production cost, calculated by the FIFO method and the presumed realisable value in consideration of the market trend. The acquisition cost includes all the costs incurred to bring each asset to the warehousing location. The manufacturing costs of finished and semi-finished products include the costs which are directly imputable and a portion of the indirect costs which are reasonably imputable to the products based on normal plant operation.

Biological assets

Biological assets, which are essentially raised cattle at Group companies which are active in this business, are measured at their fair value net of raising costs and the future cost of sales.

Cash and cash equivalents

The item relating to cash and cash equivalents includes cash, current bank accounts, demand deposits and other high-liquidity short-term financial investments, which are easily converted into cash and are subject to an insignificant risk of value fluctuation, except for exchange risk.

Receivables and other short-term assets

Trade receivables and other short-term assets are initially recognised at their nominal value, which is representative of their fair value at the reporting date and subsequently valued at their amortised cost, net of any write-downs. Upon recognition, the face value of the receivable consists of its fair value at the reporting date. Due to the short duration of trade receivables, they are not discounted as the effect of the discounting of cash flows is irrelevant, therefore application of the amortised cost does not produce significant effects. The bad debt provision on that date represents the difference between the book value of the receivables and the cash flows reasonably expected from collection thereof. According to its policy choice the Group classifies the write-down of receivables among "Amortisation, depreciation and write-downs".

Financial assets

In line with IFRS 9, financial assets are initially recognised at amortised cost value or fair value, plus any transaction costs that are directly attributable to the acquisition, except for financial assets recognised at fair value through profit or loss. The Group's financial assets include cash and short-term deposits, trade receivables, other short-term receivables, loans, unlisted financial instruments and derivatives.
The subsequent measurement of financial assets depends on their classification as follows:

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. After initial recognition, these financial assets are subsequently measured at amortised cost by using the effective interest rate (EIR) method, less impairment losses. Amortised cost is calculated considering discounts, purchase bonuses, fees or costs (if any) that are an integral part of the effective interest rate. Amortisation at effective interest rate is recognised as a financial income in the income statement. Impairment losses are recognised as financial costs in the income statement.

Derivatives

After their initial recognition, derivatives are measured at fair value once again and are accounted for as financial assets when fair value is positive.
Profits or losses (if any) arising from changes in the fair value of derivatives are recognised directly through profit or loss, except for the effective portion of cash flow hedges, which is recognised among other comprehensive income and subsequently reclassified in the statement of profit/(loss) for the year when the hedging instrument affects profit or loss.

As regards instruments that are classified as cash flow hedge and qualify as such, fair value changes are recognised, limited to the effective portion only, in a specific equity reserve stated as "Cash flow hedge reserve" through comprehensive income. This reserve is subsequently taken to profit or loss at the time the hedged underlying affects profit or loss. Fair value changes attributable to the ineffective portion are immediately recognised through profit or loss for the period. If the occurrence of the underlying transaction is no longer considered to be highly probable, or when the hedging relationship can no longer be demonstrated, the corresponding portion of the "Cash flow hedge reserve" is immediately taken to profit or loss.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets), as required by IFRS 9, is derecognised when:
- the rights to receive cash flows from the asset have been extinguished;
- the Group has transferred the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay to a third party and (a) has substantially transferred all the risks and rewards of ownership of the financial asset or (b) has not transferred or substantially retained all the risks and rewards of the asset, but has transferred the related control.

In the cases in which the Group has transferred the rights to receive cash flows from an asset and has not transferred nor substantially retained all the risks and rewards or has not lost control of the asset, the asset is recognised in the Group's financial statements to the extent of the latter's residual involvement in the asset itself. In this case the Group also recognises an associated liability. The asset transferred and the associated liabilities are measured in such a way as to reflect the rights and obligations that the Group has retained.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is eliminated from the balance sheet when:

- the rights to receive cash flows from the asset have been extinguished;
- the right to receive cash flows from the assets is maintained, but a contractual obligation has been undertaken to pay them in full and without delay to a third party;
- the Group has transferred the right to receive cash flows from the asset and (a) has essentially transferred all the risks and benefits of ownership of the financial asset or (b) it did not transfer or essentially retain all the risks and benefits of the asset, but transferred control of the asset.

In the cases in which the Group transferred the right to receive cash flows from an asset and did not transfer nor essentially maintain all the risks and benefits or did not lose control of the asset, the asset is recognised in the Group balance sheet to the extent of the latter's residual involvement in the asset itself. In this case, the Group also recognises an associated liability. The asset which is transferred and the associated liabilities are valued so as to reflect the rights and obligations that the Group has retained. Residual involvement which for example takes the form of a guarantee on a transferred asset, is valued at the lower of the asset's initial book value and the maximum value of the consideration that the Group may be required to pay.

Impairment of financial assets

The Group verifies on each balance sheet date whether a financial asset or group of financial assets has become impaired. A financial asset or group of financial assets is considered to have undergone impairment if, and only if, there is objective evidence of impairment as a result of one or several events that took place since the initial recognition (when a "loss event" occurs) and this loss event has an impact that can be reliably estimated on the estimated future cash flows of the financial assets or the group of financial assets. Proof of impairment can be given by indicators such as financial difficulties, inability to fulfil obligations, insolvency with regard to the payment of interest or significant payments, which the debtors or a group of debtors are going through; the probability that the debtor will be bankrupt or become subject to another form of financial reorganisation, or where observable information indicates that there exists a measurable decrease in estimated future cash flows, such as a change in the economic environment or the terms and conditions of the obligations.
For financial assets recognised at amortised cost, the Group has first of all assessed whether there is objective evidence of impairment for each financial asset that is individually significant, or collectively significant for those financial assets that are not significant individually. If the Group determines that there is no evidence of impairment for a financial asset, it includes the asset in a group of financial assets with credit risk characteristics that are similar and assesses it collectively for the purpose of verifying the impairment. Assets that are not evaluated individually for a write-down and for which impairment has been recognised or continues to be recognised, are not evaluated on a collective basis for impairment. If there is objective evidence of impairment, the amount of the loss is measured as a difference between the book value of the asset and the current value of the estimated future cash flows (excluding credit losses expected in the future that have not yet occurred).
The present value of cash flows is discounted at the initial effective interest rate of the financial asset. If a loan has a variable interest rate, the discount rate for the measurement of any possible impairment loss is the current effective rate of interest.
The book value of the asset is reduced directly and the amount of the loss is recognised in the income statement. Interest income continues to be estimated on reduced book value and is calculated applying the rate of interest used to discount future cash flows for the purposes of measuring impairment losses. Interest income is recognised as a part of financial income in the income statement. Loans and related provisions are written off when there are no realistic prospects of future recovery and when all the guarantees have been enforced or have been transferred to the Group. If in subsequent years the amount of the write-down is estimated to have increased or decreased as a consequence of an event that took place after the write-down was recognised, the previous write-down must be increased or decreased by adjusting the provision. If a future reversal is recovered at a later time, the recovered amount is credited to the income statement as a reduction in financial costs.

For available for sale financial assets, the Group measures on each balance sheet reference date whether there is objective evidence that an asset or a group of assets has become impaired.
In the case of instruments representative of capital classified as available for sale, the objective evidence should include a significant or prolonged reduction below its cost in the fair value of the instrument. The 'Significance concept' is measured with respect to the historical cost of the instrument and the 'prolonged concept' (the duration of the) period in which the fair value was below the historical cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value - any loss for impairment on that financial asset previously recorded in the income statement is deducted. The impairment of instruments representing capital may not be reinstated and recognised in the income statement; the increases in their fair value following the impairment are reported directly in the other components of the comprehensive income statement.

Impairment of non-financial assets

On each balance sheet closing date, the Group assesses whether there are any indicators of impairment of non-financial assets.
When events take place that indicate a reduction in the value of an asset or in cases where annual verification of impairment is required, recoverability is verified by comparing the book value with the relevant recoverable value, the latter being the higher of fair value, net of disposal expenses, and value in use.
If there is no binding selling agreement, fair value is estimated on the basis of the values expressed by an active market, recent transactions or on the basis of the best available information in order to reflect the amount that the company could obtain from the sale of the asset.

Value in use is determined by discounting the expected cash flows from use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life. Cash flows are determined on the basis of reasonable and documented assumptions which represent the best estimate of future economic conditions that will take place in the remaining useful life of the asset, with greater weight given to indications from outside the company. Discounting takes place at a rate that takes into account the risk inherent in the business area.
Valuation takes place for each individual asset or for the smallest identifiable group of assets that generates autonomously incoming cash flows from continuing use (cash generating unit). When the reasons for the write-downs cease to exist, the assets, except for goodwill, are revalued and the adjustment is allocated to the income statement as a write-back (reversal of an impairment loss). The write-back is made at the lower between recoverable value and gross book value of previous write-downs, decreased by the amortisation rate at which they would have been recognised if the write-down had not taken place.
Goodwill is checked for impairment at least once a year (at 31 December) and, more frequently when circumstances imply that the carrying value could have fallen.
The impairment of goodwill is calculated by assessing the recoverable value of the relevant cash generating unit (or group of cash generating units). Where the recoverable value of the cash generating unit is less than the carrying value of the cash generating unit to which the goodwill is allocated, an impairment is recognised.
The impairment of the goodwill value cannot be restated in future financial years.

Share capital

The costs for the issuing of shares or options are classified in shareholders' equity (net of the physical benefit connected to them) as a deduction of profits deriving from the issuing of these instruments.
For buybacks of treasury shares, the price paid, including any directly attributable ancillary expenses, is deducted from the Group shareholders' equity until the time of elimination, reissuing or sale of the shares. When treasury shares are resold or reissued, the price collected, net of any directly attributable ancillary expenses and the relevant tax effect, is recognised as Group shareholders' equity.

Earnings per share

Basic and diluted

Basic earnings per share are calculated by dividing the Group's net profit by the weighted average of the ordinary shares outstanding during the financial year, excluding treasury shares.
For the purpose of the calculation of diluted earnings per share, the weighted average of outstanding shares is modified assuming the conversion of all the potential shares having a dilution effect, while the Group's net profit is adjusted to take account of the effects, net of tax, of the conversion.

Financial liabilities

Financial liabilities that fall within the scope of application of IAS 39 are classified as financial liabilities at fair value recognised in the income statement, or as financial payables or derivatives designated as hedging instruments, as the case may be. The Group's financial liabilities include trade payables and other payables, loans and derivative financial instruments. The Group determines the classification of its financial liabilities at the time of initial recognition.
Financial liabilities are initially carried at fair value, which is equal to the consideration received on the settlement date to which are added, in the case of financial payables, directly attributable transaction costs.
Subsequently, non-derivative financial liabilities are measured on the basis of the depreciated cost criterion using the effective interest rate method.
Amortised cost is calculated by recognising every discount or premium on the acquisition and the fees and costs that are an integral part of the effective interest rate. Amortisation at the actual interest rate is included among financial expenses in the income statement.
Profits and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when the obligation underlying the liability has been extinguished, cancelled or fulfilled. When an extinguished financial liability has been replaced by another from the same lender, at terms and conditions that are essentially different, or the conditions attached to a liability in existence are essentially modified, this exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, with a consequent recognition in the income statement of any differences between book values.

Employee benefits

Employee Severance Indemnity is part of what IAS 19 defines as defined benefit plans, as part of benefits after employment termination. The accounting treatment provided for these types of remuneration requires an actuarial calculation that makes it possible to project into the future the amount of the already accrued employee severance indemnity and discount it to take into account the time that will elapse prior to actual payment. The actuarial calculation considers some variables such as average permanence of employees, level of inflation and expected interest rates. Liabilities are measured by independent actuaries. Following the amendments to IAS 19, which were applicable for the financial years commencing on or after 1 January 2013, the profits and losses from the actuarial calculation of defined benefit plans are recognised in the comprehensive income statement entirely in the period they refer to.
These actuarial profits and losses are classified directly in retained earnings and are not reclassified in the income statement in subsequent reporting periods. Past service cost is recognised on the earliest of the following dates:
- date on which an amendment or reduction of the plan takes place;
- date on which the Group recognises the related restructuring costs.

The Group recognises the following changes in the net obligations for defined benefit plans in the statement of profit/(loss) for the reporting period by nature:

- costs for work provided, including costs for current and past work provided, profits and losses on non-routine reductions and extinctions; and
- net interest income or interest expenses.

The asset or liability relating to defined benefits includes the present value of the defined benefit obligation after the fair value of the asset servicing the plan is deducted.
Finally, it should be noted that, following the 2007 reform of the national legislation that governs it, for companies with more than 50 employees, the employee severance indemnity accrued from 1 January 2007 is to be considered a defined contribution plan, the payments of which are recognised directly in the income statement, as a cost, when they are incurred. Employee severance indemnity accrued up to 31 December 2006 remains as a defined benefit plan, without future contributions. Therefore, its measurement is made by independent actuaries based only on the average expected residual working life of the employees, without considering the remuneration earned by them during a predetermined service period. Employee severance indemnity "accrued" prior to 1 January 2007 therefore undergoes a change in calculation due to the fact that the previously required actuarial assumptions which are connected to salary increases no longer apply. In particular, the liability connected to "accrued employee severance indemnity" is assessed for actuarial purposes as at 1 January 2007 without an application of pro-rata (years of service already served/total years of service) since the total benefits of the employees to 31 December 2006 can be considered as almost completely accrued (except for revaluation) in application of paragraph 67 (b) of IAS 19. It follows that, for the purposes of this calculation, "current service costs" relating to future work of the employees are to be considered as null as they consist of contributions to a supplementary retirement benefit plan of the INPS Treasury Fund.

Provisions for risks and charges

Provisions for risks and charges are costs and expenses of a definite nature that are certain or likely to be incurred but which at the end of the year could not be quantified or timed. Provisions are recognised when:

(i) the existence of an actual, legal or implicit obligation deriving from a past event is probable;

(ii) it is probable that the fulfilment of an obligation will be onerous;
(iii) the amount of the obligation can be reliably estimated.

Provisions are recognised at the amount representing the best estimate of the total that the company would reasonably pay to settle the obligation, or transfer it to third parties at year-end. When the financial effect of time is significant and the payment dates of the obligations are estimated reliably, the provision is discounted; the increase of the provision linked to the passing of time is allocated to income statement under "Financial income (expenses)". The supplementary client indemnity provisions have been set aside on the basis of reasonable estimates, as have other provisions for risks and charges, taking into consideration the available elements for the probable future liability.

Income taxes

The taxes for the period represent the sum of current and deferred taxes.

Current taxes are determined on the basis of a realistic forecast of the charges to be settled in application of applicable tax laws or which have been essentially approved on the period closing date in the various countries in which the Group operates. The relevant payable is recorded net of any deferred tax assets, withholdings made and tax credits which can be offset, under the item "Tax payables". In the event of a receivable, the amount is recorded under "Receivables from others" of current assets.
Deferred tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities recognised in the balance sheet and the corresponding amounts recognised for tax purposes.

Deferred tax liabilities are recognised against all temporary taxable differences, with the following exceptions:

- the deferred tax liabilities originate from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not have any effects either on balance sheet profits or the profit and loss calculated for tax purposes;
- the reversal of taxable temporary differences, associated with equity investments in Subsidiaries, associated companies and joint ventures, can be controlled and it is probable that this will not take place in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for tax credits and losses which are unused and carried forward, to the extent that there will be adequate future tax profits that could make possible the use of deductible temporary differences and tax credits and losses carried, except if:

- deferred tax assets connected to deductible temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction itself, does not affect either balance sheet results or profit or loss for tax purposes;
- taxable temporary differences associated with equity investments in Subsidiaries, associated companies and joint ventures and deferred tax assets are recognised only to the extent that temporary deductible differences will be reversed in the foreseeable future and there are adequate tax profits against which the temporary differences can be used.

Recognition of deferred tax assets takes place when their recovery is probable. The value of deferred tax assets is re-examined on each closing date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available. Deferred tax assets and deferred tax liabilities are classified among non-current assets and liabilities and are netted if they refer to taxes that can be offset. The balance of the netting, if it is an asset, is recognised under the item "Deferred tax assets"; if it is a liability it is recognised under the item "Deferred tax liabilities". When the results of transactions are recognised directly in equity, current taxes, deferred tax assets and deferred tax liabilities are also recognised under equity or in the statement of comprehensive income consistently with the recognition of the element to which they refer.
Deferred tax assets or deferred tax liabilities are calculated on the basis of the tax rate that is expected to be applied in the year in which these assets will be realised or these liabilities will be extinguished.

Pillar II – Global minimum tax

With regard to the provisions laid down in Directive (EU) 2022/2523 approved by the Council of the European

Union in December 2022, and implemented by the Italian Government on 28 December 2023, the Cremonini Group carried out a preliminary assessment on the data pertaining to the 2022 and 2023 tax period, by also using the information acquired when preparing the Country by Country Report pertaining to the 2022 tax year, in order to assess any potential impact on the financial statements resulting from the application of the above regulations.
For this purpose, the guidelines published by the OECD within the scope of application of "Pillar II" regulations in accordance with IAS 12 - Income Taxes, were also taken into account.

Based on the analysis carried out so far, no critical issues have emerged, which are such that the above regulations in the area of Global Minimum Tax are likely to have a significant impact on the Cremonini Group's consolidated financial statements during 2024.

Criteria for converting foreign currency items and translation of financial statements in foreign currency

Transactions and balances

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated to the functional currency at the exchange rate at the date of the financial statements.
Exchange rate differences are recognised in the income statement, including the exchange rate differences realised when settlement is made of the receivables and payables in foreign currency, which are recognised in the income statement, except for monetary elements that constitute part of the hedge of a net investment in a foreign operation. These differences are initially recognised in the statement of comprehensive income until the disposal of the net investment, and only then will they be recognised in the income statement. Taxes and tax receivables attributable to the exchange rate differences on the monetary elements must also be recognised in the statement of comprehensive income.
Non-monetary items valued at their historical cost in a foreign currency are converted using the exchange rate applicable on the initial recognition date of the transaction. Non-monetary items recognised at fair value in a foreign currency are converted using the exchange rate applicable on the date that value was determined. Profit and loss from the reconversion of non-monetary items is handled in line with the recognition of profits and losses relating to changes in fair value of these items (conversion differences on items the fair value of which is recognised in the statement of comprehensive income or the income statement are recognised in the comprehensive income statement or the income statement, respectively).

Group companies

The Cremonini Group's consolidated financial statements are prepared in euro, which is the Parent Company's functional currency and that used for presentation.
The balances included in the financial statements of each of the Group's companies are recorded in the currency of the primary economic environment where the company operates (functional currency).
The rules for translation of the financial statements expressed in foreign currencies into the presentation currency are the following:

- assets and liabilities included in the financial statements, even if only for comparative purposes, are translated at the exchange rate at the year-end;
- the costs and revenues, charges and income, included in the financial statements, even if only for comparative purposes, are translated at the average exchange rate of the period presented;
- the components of the shareholders' equity, excluding the profit for the period, are translated at historic exchange rates;
- the "translation reserve" includes both the exchange rate differences generated from the translation of the magnitudes at a different rate from that of the year-end, and those generated from the translation of the opening shareholders' equities at an exchange rate different from that of the year-end;
- on disposal of a foreign operation, the part of the comprehensive income statement referring to such foreign operation is recognised in the income statement.

The above provisions do not fall within the scope of application of IAS 29 – *Financial Reporting in*

Hyperinflationary Economies, which requires appropriately restated amounts in the balance sheet and income statement to be translated into the European reporting currency at the exchange rate prevailing on the closing date of the financial period.

The exchange rates utilised for the translation into euro of the financial statements of foreign subsidiaries that do not use the European currency (euro) were the following:

Currency	Year-end exchange rate		Average exchange rates	
(amount of currency for 1 Euro)	**2023**	2022	**2023**	2022
Dollars (USA)	1.10500	1.06660	1.08127	1.05305
Dinars (Algeria)	148.26570	146.50490	146.93543	149.64522
Readjustado Kwanza (Angola)	920.40200	541.19800	746.20721	486.73244
New Metical (Mozambique)	70.59000	68.25000	69.14024	67.37327
Renminbi (China)	7.85090	7.35820	7.66002	7.07880
Roubles (Russia)	99.19190	75.65530	92.24060	72.52590
Pounds (United Kingdom)	0.86905	0.88693	0.86979	0.85276
Zlovty (Poland)	4.33950	4.68080	4.54197	4.68611

Business combinations

Business combinations are accounted for using the acquisition method (IFRS 3R). Acquisition cost is determined as the sum of the consideration transferred, measured at fair value on the acquisition date, and the amount of any minority shareholdings acquired. For each business combination, any minority shareholdings in the acquired company must be measured at fair value or in proportion to the share of the minority shareholdings in the identifiable net assets of the acquired company. Acquisition costs are charged to and classified among administrative costs.
If the business combination takes place in multiple phases, the fair value of the previously held equity investment is recalculated at fair value on the acquisition date, with recognition in the income statement of any profit or loss resulting thereof.
Any potential consideration is recognised by the purchaser at fair value on the acquisition date. Change in fair value of the potential consideration classified as a financial asset or liability, will be recognised pursuant to IFRS 9, in the income statement or other comprehensive income components. If it does not fall within the scope of application of IAS 39, it will be accounted for based on IAS 37 or the most appropriate IFRS.
If the potential consideration is classified in shareholders' equity, its value is not recalculated until its extinction is accounted for against shareholders' equity.
Goodwill is initially measured at the cost that emerges as excess of the sum of consideration paid and amount recognised for minority interests, against identifiable net assets acquired and liabilities assumed by the Group. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the differences are recognised in the income statement.
After initial recognition, goodwill is carried at cost less any accumulated impairment losses. For the purposes of verifying impairment, goodwill acquired in a business combination must, on the acquisition date, be allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entities are assigned to this unit or not.
If goodwill is allocated to a cash generating unit and the entity disposes of part of the assets of that unit, the goodwill associated to the assets disposed of must be included in the assets' book value when the profit or loss arising from the disposal is determined. Goodwill associated with a disposed asset must be determined on the basis of the relative values of the disposed asset and the part of the cash generating unit which is maintained.

Recognition of revenues

Revenues from the sale of products are recognised at the time that all the risks and expenses deriving from ownership of the assets are transferred, this coinciding with the delivery or shipment thereof.
Revenues from services are recognised on the basis of their degree of completion.
Income of a financial nature is recognised on an accruals basis. For all financial instruments measured at amortised cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Dividends

Dividends are recognised in the income statement at the date on which the right to receive them arises, i.e. when, based on locally applicable laws, the shareholders are entitled to receive payment, a date which normally coincides with the approval date by the shareholders' meeting, or authorisation by the local monetary authority which approves expatriation thereof.

Recognition of costs

Costs are recognised when they refer to goods and services which are acquired and/or received during the reporting period.
Rents payable for operating leases are allocated to the income statement according to the accruals principle.
Finance lease payments are allocated, as to the principal amount, to reduction of the financial debt, and as to interest to the income statement.
Expenses of a financial nature and services are recognised on an accruals basis. For all financial instruments measured at amortised cost, interest income is recognised using the actual interest rate, which is the rate that exactly discounts future payments and collections, estimated on the basis of the expected life of the financial instrument.

Segment Information

A segment is defined as an area of activity or geographic area in which the Group's operations take place, characterised by conditions and risks that are different from those of other segments. In particular, the sectors of a business represent the Group's primary sectors identified as follows: Production, Distribution, Catering and Centralised Activities. Geographical areas (secondary sectors) have been identified in Italy, the European Union and the Non-EU countries.
Key summary data by segment of activity are shown below:

(Euro/000)	**Year 2023**	Year 2022	Change total value	Change %
Production				
Net revenues	2,783,728	2,650,372	133,356	5.03
Intercompany revenues	*206,390*	199,472		
Total revenues	2,990,118	2,849,844	140,274	4.92
Gross operating margin	235,569	223,614	11,955	5.35
Amortization, depreciation and write-downs	(83,090)	(81,978)	(1,112)	1.36
Operating profit (loss)	152,479	141,636	10,843	7.66
Distribution				
Net revenues	1,976,750	1,843,668	133,082	7.22
Intercompany revenues	*108,751*	86,842		
Total revenues	2,085,501	1,930,510	154,991	8.03
Gross operating margin	122,912	81,760	41,152	50.33
Amortization, depreciation and write-downs	(38,020)	(35,693)	(2,327)	6.52
Operating profit (loss)	84,892	46,067	38,825	84.28
Catering				
Net revenues	779,334	636,135	143,199	22.51
Intercompany revenues	*459*	(313)		
Total revenues	779,793	635,822	143,971	22.64
Gross operating margin	123,005	88,364	34,641	39.20
Amortization, depreciation and write-downs	(91,014)	(82,700)	(8,314)	10.05
Operating profit (loss)	31,991	5,664	26,327	n/a
Centralized activities				
Net revenues	2,246	2,221	25	1.13
Intercompany revenues	*13,986*	11,739		
Total revenues	16,232	13,960	2,272	16.28
Gross operating margin	(2,196)	(2,009)	(187)	n/a
Amortization, depreciation and write-downs	(2,910)	(4,005)	1,095	n/a
Operating profit (loss)	(5,106)	(6,014)	908	n/a
Consolidation adjustment				
Total revenues	*(329,586)*	*(297,740)*		
Gross operating margin	*0*	*0*		
Amortization, depreciation and write-downs	*0*	*0*		
Operating profit (loss)	*0*	*0*		
Total				
Total revenues	5,542,058	5,132,396	409,662	7.98
Gross operating margin	479,290	391,729	87,561	22.35
Amortization, depreciation and write-downs	(215,034)	(204,376)	(10,658)	5.21
Operating profit (loss)	264,256	187,353	76,903	41.05

Breakdown of revenues from sales and services by geographic area

Year 2023 - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1,653,699	60.1	1,830,995	95.2	654,637	85.0	1,771	100.0	4,141,102	76.0
European Union	444,152	16.1	69,829	3.7	28,214	3.7	0	0.0	542,195	10.0
Extra-EU countries	653,897	23.8	21,961	1.1	86,893	11.3	0	0.0	762,751	14.0
Total	2,751,748	100.0	1,922,785	100.0	769,744	100.0	1,771	100.0	5,446,048	100.0

Year 2022 - (Euro/000)	Production	%	Distribution	%	Catering	%	Other	%	Total	%
Italy	1,566,624	59.9	1,705,647	95.1	537,959	85.9	1,924	100.0	3,812,154	75.6
European Union	396,597	15.1	56,865	3.2	81,276	13.0	0	0.0	534,738	10.6
Extra-EU countries	655,879	25.0	30,701	1.7	7,031	1.1	0	0.0	693,611	13.8
Total	2,619,100	100.0	1,793,213	100.0	626,266	100.0	1,924	100.0	5,040,503	100.0

Consolidated balance sheet broken down by business sector

As at 31 December 2023 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	35,276	162,377	55,313	7	0	252,973
Tangible assets	883,826	173,257	646,816	78,969	0	1,782,868
Equity investments and other financial assets	47,866	19,478	2,790	1,129	0	71,263
Total fixed assets	**966,968**	**355,112**	**704,919**	**80,105**	**0**	**2,107,104**
Trade net working capital						
- Trade receivables	262,966	346,628	29,248	14,961	(42,465)	611,338
- Inventories	437,468	202,833	18,196	17	450	658,964
- Trade payables	(343,984)	(319,594)	(172,339)	(11,784)	47,213	(800,488)
Total trade net working capital	**356,450**	**229,867**	**(124,895)**	**3,194**	**5,198**	**469,814**
Other current assets	65,267	27,398	58,139	21,134	(25,940)	145,998
Other current liabilities	(87,970)	(32,934)	(68,413)	(22,626)	20,742	(191,201)
Net working capital	**333,747**	**224,331**	**(135,169)**	**1,702**	**0**	**424,611**
Staff Severance Indemnity Provision and other m/l-term provisions	**(52,866)**	**(12,563)**	**(6,161)**	**(4,287)**	**0**	**(75,877)**
Net invested capital	**1,247,849**	**566,880**	**563,589**	**77,520**	**0**	**2,455,838**

As at 31 December 2022 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Intercompany revenues	Total
Intangible assets	34,093	162,362	49,725	15		246,195
Tangible assets	836,893	153,260	589,999	79,339		1,659,491
Equity investments and other financial assets	38,490	2,617	4,672	1,158		46,937
Total fixed assets	**909,476**	**318,239**	**644,396**	**80,512**	**0**	**1,952,623**
Trade net working capital						
- Trade receivables	277,940	351,767	27,762	16,754	(63,097)	611,126
- Inventories	421,271	209,527	16,117	27	370	647,312
- Trade payables	(346,865)	(331,457)	(94,035)	(11,960)	64,035	(720,282)
Total trade and net working capital	**352,346**	**229,837**	**(50,156)**	**4,821**	**1,308**	**538,156**
Other current assets	62,344	31,108	53,920	30,349	(21,712)	156,009
Other current liabilities	(76,023)	(18,791)	(58,162)	(19,892)	20,404	(152,464)
Net working capital	**338,667**	**242,154**	**(54,398)**	**15,278**	**0**	**541,701**
Staff Severance Indemnity Provision and other m/l-term provisions	**(57,390)**	**(13,368)**	**(7,537)**	**(4,368)**		**(82,663)**
Net invested capital	**1,190,753**	**547,025**	**582,461**	**91,422**	**0**	**2,411,661**

Net consolidated debt broken down by sector

As at 31 December 2023 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(328,032)	(117,660)	(106,513)	(36,651)	(588,856)
- due between 1 and 5 years	(453,108)	(197,398)	(138,128)	(20,503)	(809,137)
- due beyond 5 years	(14,702)	(59,979)	(31,725)	0	(106,406)
Total payables to banks, bonds and other financial institutions	**(795,842)**	**(375,037)**	**(276,366)**	**(57,154)**	**(1,504,399)**
Liquidity					
- cash and cash equivalents	77,729	223,405	28,534	21,134	350,802
- other financial assets	19,607	2	444	0	20,053
Total liquidity	**97,336**	**223,407**	**28,978**	**21,134**	**370,855**
Securitization and internal treasury current accounts	**(603)**	**9,818**	**(5,834)**	**(3,381)**	**0**
Total net debt before operating leases	**(699,109)**	**(141,812)**	**(253,222)**	**(39,401)**	**(1,133,544)**
Financial liabilities for operating leases					
- within 12 months	(8,719)	(11,826)	(23,222)	0	(43,767)
- between 1 and 5 years	(27,902)	(43,440)	(224,605)	0	(295,947)
- beyond 5 years	0	(26,376)	(55,227)	0	(81,603)
Operating lease effects on net debt	**(36,621)**	**(81,642)**	**(303,054)**	**0**	**(421,317)**
Total net debt	**(735,730)**	**(223,454)**	**(556,276)**	**(39,401)**	**(1,554,861)**

As at 31 December 2022 (Euro/000)	Production	Distribution	Catering	Holding and centralized	Total
Payables to banks, bonds and other financial institutions					
- due within 12 months	(209,610)	(120,248)	(92,775)	(27,612)	(450,245)
- due between 1 and 5 years	(431,851)	(131,151)	(154,668)	(28,680)	(746,350)
- due beyond 5 years	(50,464)	(87,977)	(36,595)	0	(175,036)
Total payables to banks, bonds and other financial institutions	**(691,925)**	**(339,376)**	**(284,038)**	**(56,292)**	**(1,371,631)**
Liquidity					
- cash and cash equivalents	55,094	191,664	29,811	10,696	287,265
- other financial assets	20,895	7	242	-	21,144
Total liquidity	**75,989**	**191,671**	**30,053**	**10,696**	**308,409**
Securitization and internal treasury current accounts	**(11,973)**	**9,404**	**3,767**	**(1,198)**	**0**
Total net debt before operating leases	**(627,909)**	**(138,301)**	**(250,218)**	**(46,794)**	**(1,063,222)**
Financial liabilities for operating leases					
- within 12 months	(7,975)	(10,813)	(78,479)	0	(97,267)
- between 1 and 5 years	(15,796)	(38,359)	(188,622)	0	(242,777)
- beyond 5 years	0	(30,077)	(53,785)	0	(83,862)
Operating lease effects on net debt	**(23,771)**	**(79,249)**	**(320,886)**	**0**	**(423,906)**
Total net debt	**(651,680)**	**(217,550)**	**(571,104)**	**(46,794)**	**(1,487,128)**

Major assumptions adopted by Management and discretionary valuations

The application of generally accepted accounting principles to the preparation of financial statements and interim financial reports requires that the management make accounting assumptions based on complex and/or subjective judgements, estimates based on past experience and assumptions which are considered reasonable and realistic based on the information which is known at the time the estimate is made. The use of these accounting assumptions influences the carrying value of assets and liabilities and the disclosures on contingent assets and liabilities as at the balance sheet date, as well as the amount of revenues and costs in the reporting period. The actual results may differ from the estimated ones due to the uncertainty that characterises the assumptions and conditions on which the estimates are based. Below are accounting assumptions made during the drafting of the financial statements and interim reports, which are critical because they are based on highly subjective assumptions and estimates with regard to issues which by their very nature are uncertain. Changes in the conditions on which the adopted judgements, assumptions and estimates are based may have a significant

impact on subsequent results.
Below are the main estimates and assumptions adopted by the Management for the preparation of these annual financial statements; any changes thereto, which cannot be anticipated at this time, may affect the Group's income and equity.

- Estimates adopted for the measurement of asset impairment

For the purpose of verifying any impairment of goodwill recognised in the accounts, the Group has adopted the methodology described in the paragraph "Impairment of assets".
The recoverable value was calculated based on the calculation of the value in use.
The cash flows of cash generating units attributable to each unit of goodwill/consolidation difference were taken from the Budget for 2023 and from estimates by the Company Management for the subsequent years using constant rates of growth greater than the scheduled inflation rates. The weighted average cost of capital (WACC) was used as the discount rate, in the amount of:

- 7.50% for the valuation of the goodwill of Chef Express S.p.A.;
- 7.50% for the valuation of the goodwill of INALCA S.p.A.;
- 8.41% for the valuation of the goodwill of MARR S.p.A.

Any impairments of assets were measured (impairment tests on goodwill) annually as at 31 December 2023.

- Estimates used in the actuarial calculation for determining defined benefit - Post-employment benefit plans

The measurement of the post-employment benefits liability was carried out by an independent actuary based on the following assumptions:

- discounting rate, which is different for each Group company, is a function of the duration of the plan (3.17% for terms exceeding 10 years, 3.08% for terms of between 7 and 10 years, 2.95% or terms of between 5 and 7 years);
- the anticipated inflation rate is 2.00%;
- the anticipated annual rate of increase in post-employment benefits is 3.0%;
- annual rate of salary increase is different for each Group Company;
- the annual rate of frequency of post-employment benefits advances is anticipated as 3.0%;
- the turnover of employees was 6.5%;

- Estimates adopted in the actuarial calculation of Provisions for supplementary clientele severance indemnity

Provisions for supplementary clientele severance indemnity liabilities were valued by an independent actuary using the following assumptions:

- the voluntary turnover rate is 13% for MARR S.p.A., 11% for Italia Alimentari S.p.A., 5% for New Catering S.r.l.;
- the company turnover rate is 2% for MARR S.p.A., 4% for Italia Alimentari S.p.A. and 7% for New Catering S.r.l.;
- a discount rate of 2.95%.

Deferred taxes

Deferred tax assets are recognised against all tax losses carried forward, in the amount adequate future taxable profits against which these losses may be used are likely. Directors are required to use their discretion in their measurement of the amount of deferred tax assets which can be recognised. They must estimate the likely time and amount of future taxable profits and a planning strategy of future taxes.

- Others

The following financial statement elements are affected by estimates and assumptions made by Management:

- inventory obsolescence

- depreciation and amortization
- valuation of other assets.

Financial risk management

The main risks identified, monitored and actively managed by the Cremonini Group are the following:

- Market risk: arising from the Group's exposure to interest rate and exchange rate fluctuations and to price volatility of the products and services sold;
- Credit risk: arising from the possibility of insolvency of a debtor counterparty;
- Liquidity risk: arising from the lack of financial resources with which to cover short-term financial commitments.

The Cremonini Group uses derivative financial instruments to hedge the exposure to exchange and interest rate risks. Nevertheless, in the cases where the derivative financial instruments do not meet all the conditions provided for the accounting treatment of the hedging derivative financial instruments (hedge accounting), these are booked at the fair value with a contra entry to the income statement.

Market risk

Market risk consists in the possibility of changes in exchange rates, interest rates or the prices of products adversely affecting the value of assets, liabilities or estimated cash flows.

Exchange Rate Risk

The Cremonini Group, operating internationally, is structurally exposed to changes in exchange rates that affect the financial flows that originate from operations and loan transactions in currencies other than the European currency (euro).
The Group reports transactions settled mainly in US Dollars, Russian Roubles, Angolan Kwanza; the Group is exposed to other currencies such as Algerian dinars, pounds Sterling, Mozambican Metical, Australian Dollar, Canadian Dollar, Cape Verde Escudo, Thailand Bath, Hong Kong Dollar, Malaysian Ringgit, Chinese Renminbi, Kazakh Tenge and Polish Zloty.

The exchange rate changes have affected:

- the financial result, as an effect of the significantly different costs and revenues in foreign currencies with respect to the time when the price conditions were defined, and as an effect of the translation of trade or financial receivables and payables denominated in foreign currencies;
- the financial result and shareholders' equity of the consolidated financial statements, as an effect of the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the euro.

The risk deriving from the formation of the income for the financial year in a foreign currency or the translation of the assets and liabilities of the companies that prepare their financial statements in a foreign currency other than the euro is not as a norm hedged, except for a specific different valuation.

Sensitivity analysis

At 31 December 2023, the effects of an appreciation or depreciation of the euro of 5% against the foreign currencies in which the Group operates are shown in the following table:

Effects on the pre-tax result:

(Euro/000)	Euro 5% Appreciation	Euro 5% Depreciation
US - Dollars	(226)	250
GB - Pounds	(14)	16
Angola - Readjusted Kwanza	(61)	68
Russia - Roubles	(429)	474

Interest rate risk

The Cremonini Group, as is evident from the net debt, is exposed to the risk of fluctuation in interest rates that affect the market value of financial assets and liabilities, and the amount of financial charges.
At Group level, the medium/long-term loans and finance leases, at 31 December 2023 are, almost entirely, stipulated with variable interest rates exposing the Group to the risk of a change in future cash flows while the fixed rate loans expose the Group to the risk of a change of the fair value of the loans themselves.

Sensitivity analysis

As at 31 December 2023 a hypothetic increase of 1% of the EURIBOR, as with all the other variables, would have determined a higher pre-tax charge (and therefore a corresponding reduction of the shareholders' equity) of about Euro 10,345 thousand on an annual basis (a higher pre-tax charge of about Euro 8,812 thousand at 31 December 2022).

Price risk

The reduction of the prices of the products and services sold generally leads to a reduction in the operating results and vice versa. The Group, which operates worldwide, is exposed to the fluctuations of prices that are also affected by the normal seasonality that characterises the individual sectors. These risks are managed directly by the individual Group Company through the diversification of the sources of procurement and through the following-up of the stability of the margins implemented with an optimal prices policy.

Credit risk

The credit risk represents the Group's exposure to potential losses deriving from the counter party's failure to meet obligations assumed and is evaluated both in commercial terms, i.e., correlated to the customer typologies and to the contractual terms and concentration of the sales, and in financial terms connected to the typology of the counter parties used in financial transactions.
The Group's operating practices allow control of the credit risk, through a procedure that monitors the merit classes of the customers that request deferment of payments, thus limiting sales of products and/or services to customers without an adequate level of credit line and guarantees. The monitoring of the customer is based on collection of data and information on new customers and supervision of the evolution of individual credit positions. Furthermore, the receivables balance is monitored during the financial year to ensure that the delinquent positions are not significant.
The credit risk is also mitigated by the fact that there are no major expositions due to a concentration of positions, in view of the multiple numbers of customers and particularly distributed turnover. With regard to the financial counterparty risk deriving from the use of liquidity, the Group implements policies that limit the loan exposure with the individual financial institutions.
Management of trade credit is the responsibility of each Group company based on formalised valuation

procedures for commercial partners' credit lines, including the recovery of receivables and management of the disputes. This procedure permits the definition of those rules and operational mechanisms that ensure the generation of a payments flow such as to guarantee Cremonini S.p.A. customer solvability and the profitability of the relationship.
At the reference date of the financial statements, the maximum exposure to the credit risk is equal to the value of each category of the receivables indicated below:

(Euro/000)	**31.12.2023**	31.12.2022
Current trade receivables	612,407	610,141
Other non-current assets	38,348	33,896
Other current assets	75,051	78,050
Total	**725,806**	**722,087**

The fair value of the above categories is not indicated as the carrying value represents a reasonable approximation. The value of the Trade receivables, Other non-current assets and Other current asset items are classifiable as "Level 3" financial assets, or rather those where the inputs are not based on observable market data.
Please refer to point 12 of the explanatory notes to the financial statements for information regarding the maximum exposure to credit risk.

Liquidity risk

The liquidity risk represents the risk that, due to the incapacity of raising new funds or liquidate assets in the market, the company cannot meet its payment obligations, determining an impact on the economic result in the case where the company is obliged to sustain additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that places the company's activities at risk.

The Group systematically respects the maturities of its commitments, a conduct which allows to operate in the market with the necessary flexibility and reliability for the purpose of maintaining a correct balance between the supply and use of financial resources.
The Group manages the liquidity risk through prudent control of the necessary cash and cash equivalents for the normal conduct of operations and availability of credit lines that guarantee a satisfying level of resources sufficient to cover any financial necessities. These controls mainly take place through the constant monitoring of the receipts and payments flows of all the Group companies, pursuing the maintenance of a balance in terms of duration and composition of the payables. This specifically allows the monitoring of the resources flows generated and absorbed by normal operations. With regard to management of the resources absorbed by the investment activities, it is generally preferred to find sources through specific medium/long-term loans.

The table below analyses the financial liabilities and derivative financial liabilities on the basis of the contractual maturities as at the date of the financial statements. It is noted that the amounts indicated do not reflect the carrying values (with the exception of the balances within 12 months, for which the book balances reflect reasonable estimates of the financial flows, given the insignificance of the discounting effect) as they are not discounted. The financial flows from variable rate loans were estimated utilising the average rate of indebtedness at the reference date of the financial statements.

(Euro/000)	Within 12 months	1-5 years	Over 5 years	Total
At 31 December 2023				
Financial payables	651,563	1,106,271	188,009	1,945,843
Financial instruments / Derivatives	3,064	58	-	3,122
Trade Liabilities	841,977	-	-	841,977
	1,496,604	**1,106,329**	**188,009**	**2,790,942**
At 31 December 2022				
Financial payables	538,000	1,010,641	261,996	1,810,637
Financial instruments / Derivatives	6,078	1,015	-	7,093
Trade Liabilities	762,371	-	-	762,371
	1,306,449	**1,011,656**	**261,996**	**2,580,101**

Classes of financial instruments

The following elements are recognised in conformity with the accounting standards relating to financial instruments:

Balance Sheet Assets 2023	**Financial assets at amortised cost**	**Assets at FVPL**	**Assets at FVOCI**	**Total**
Financial assets held for sale	0	-	-	**-**
Financial instruments / Derivatives	0	-	126	**126**
Non-current financial receivables	1,141	-	-	**1,141**
Other non-current receivable items	38,348	-	-	**38,348**
Current financial receivables	40,624	-	-	**40,624**
Current trade receivables	612,407	-	-	**612,407**
Current tax receivables	64,837	-	-	**64,837**
Current financial assets held for sale	7,261	-	-	**7,261**
Current derivative financial instruments	1	-	3,072	**3,073**
Cash and cash equivalents	350,802	-	-	**350,802**
Other current receivable items	75,051	-	-	**75,051**
Total	**1,190,472**	**-**	**3,198**	**1,193,670**
Balance Sheet Assets 2022				
Financial assets held for sale	-	-	-	**-**
Financial instruments / Derivatives	-	-	1,015	**1,015**
Non-current financial receivables	18,046	-	-	**18,046**
Other non-current receivable items	33,896	-	-	**33,896**
Current financial receivables	15,307	-	-	**15,307**
Current trade receivables	610,141	-	-	**610,141**
Current tax receivables	65,831	-	-	**65,831**
Current financial assets held for sale	322	-	-	**322**
Current derivative financial instruments	-	-	6,094	**6,094**
Cash and cash equivalents	287,265	-	-	**287,265**
Other current receivable items	78,050	-	-	**78,050**
Total	**1,108,858**	**-**	**7,109**	**1,115,967**

Balance Sheet Liabilities 2023	**Liabilities at amortised cost**	**Liabilities at FVPL**	**Liabilities at OCI**	**Total**
Non-current financial payables	1,294,280	-	-	**1,294,280**
Non-current derivative financial instruments	68	-	-	**68**
Current financial payables	651,563	-	-	**651,563**
Derivative financial instruments	(7)	-	16	**9**
Total	**1,945,904**	**-**	**16**	**1,945,920**
Balance Sheet Liabilities 2022				
Non-current financial payables	1,272,637	-	-	**1,272,637**
Non-current derivative financial instruments	-	-	-	**-**
Current financial payables	538,000	-	-	**538,000**
Derivative financial instruments	-	-	16	**16**
Total	**1,810,637**	**-**	**16**	**1,810,653**

In conformity with the requirements of the changes introduced to IFRS 13, we indicate that the derivative financial instruments, constituting hedging contracts on exchange and interest rates, are classifiable as “Level 2” financial assets, as the input having a significant effect on the fair value recorded are figures directly observable on the market[1].
Similarly, non-current borrowings, whose recognition at fair value is reported in paragraph 18 of these explanatory notes, can also be classified as “Level 2” financial assets, since the inputs that affect their fair value are market data that can be observed directly.

With regard to the “Other current and non-current assets” items, you are referred to the indications in paragraphs 9 and 16 of these explanatory notes.

Capital management policy

The Company's primary aim, regard capital management, is to obtain an appropriate level of entity in relation to debt, with the purpose of maintaining equity solidity and achieve a functional debt/equity ratio for the purpose of adequate management of the financial leverage.

For the purpose of reaching these objectives, the company, in addition to the pursuit of satisfactory economic results and the generation of cash flows, can intervene on the dividends policy and configuration of the Company's capital.

The main indicators that the Company uses for capital management are:

1) R.O.S. (Return On Sales);
2) R.O.I. (Return On Investment);
3) R.O.A.C.E. (Return On Average Capital Employed);
4) R.O.E. (Return On Equity);
5) Net Debt / Equity;
6) Net Debt / EBITDA.

Information included in the Directors' Report

With respect to the nature of the Group's business activities, the events of significance occurring after the end of the financial year, relationships with Group companies and related companies together with other information relating to the different business sectors in which the Group operates, please refer to the Directors' Report.

[1] The Company identifies “Level 1” financial assets and liabilities as being those whose inputs having a significant effect on measured fair value are prices quoted in an active market for similar assets and liabilities and “Level 3” assets and liabilities as being those whose inputs are not based on observable market data.

Details of the main items of the consolidated statement of financial position

ASSETS

Non-current assets

Specific statements have been prepared for the categories of non-current assets (intangible, tangible assets and rights of use) which have been attached respectively in annexes 3, 4 and 5, which indicate for each item the historic cost, previous amortization and depreciation, changes over the period and final balances.

For a better comprehension of the following tables it is noted that in the column "Changes in the scope of the consolidation" the effects are shown of the entry into the scope of consolidation of the subsidiaries Cremonagel S.r.l., Host Inns Pty, Il Castello di Castelvetro S.r.l., Palermo Airport F & B s.c.a.r.l., Poke Mxp S.r.l.

1. Tangible assets

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Hyperinflation effect	Other	Amortization	**Balance at 31.12.2023**
Land and buildings	1,210,951	-	152,248	(2,273)		73,396	(109,373)	1,324,949
Plant and machinery	190,988	-	55,362	(1,342)		61,408	(46,982)	259,434
Industrial and business equipment	13,862	-	6,205	(211)		386	(4,424)	15,818
Other assets	73,240	-	22,918	(891)		6,320	(19,519)	82,068
Fixed assets under construction and advances	170,450	-	92,388	(3,655)		(158,584)		100,599
Total	**1,659,491**	**-**	**329,121**	**(8,372)**	**-**	**(17,074)**	**(180,298)**	**1,782,868**

It should be noted that tangible assets also include those acquired under finance leases and those in use under commercial leases, accounted for in accordance with IFRS 16.

The table below shows the breakdown of balances and changes for the entire 2023 year.

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Hyperinflation effect	Other	Amortization	**Balance at 31.12.2023**
Owned tangible fixed assets and finance leases	1,321,476	-	213,984	(7,262)	-	(21,256)	(116,958)	1,389,984
Rights of use - commercial lease	338,015	-	115,137	(1,110)	-	4,182	(63,340)	392,884
Total	**1,659,491**	**-**	**329,121**	**(8,372)**	**-**	**(17,074)**	**(180,298)**	**1,782,868**

Below are the changes in 2023, without considering the rights of use from commercial leases:

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2023**
Land and buildings	877,865	-	42,688	(1,171)	69,421	(48,484)	940,319
Plant and machinery	189,732	-	52,561	(1,342)	61,384	(46,049)	256,286
Industrial and business equipment	12,589	-	6,081	(211)	188	(4,135)	14,512
Other assets	70,840	-	20,266	(883)	6,335	(18,290)	78,268
Fixed assets under construction and advances	170,450	-	92,388	(3,655)	(158,584)	-	100,599
Total	**1,321,476**	**-**	**213,984**	**(7,262)**	**(21,256)**	**(116,958)**	**1,389,984**

The following is an analysis of the main changes that were reported in owned property, plant and equipment and finance leases during the year.

Land and buildings

The item under examination, net of depreciation for the period, increased by Euro 110.9 million compared to 2022 as a result of:

- acquisitions for Euro 42.7 million;
- decreases for Euro 1.1 million;
- a negative exchange rate effect for Euro 24.0 million;
- reclassification from fixed assets under construction for Euro 93.3 million.

All the sectors have made property acquisitions, in particular: the Production Sector for Euro 21.5 milliion, the Catering Sector for Euro 17.8 million, the Distribution Sector for Euro 2.4 million, and the Centralized activities Sector for Euro 1.0 million.

In detail:

<u>Production:</u>

The increases in the Sector, which amounted to Euro 21.5 million, specifically concerned the subsidiary Italia Alimentari S.p.A. for Euro 8.0 million related to streamlining production lines, and increasing production capacity at all its industrial sites, and Società Agricola Corticella S.r.l. for Euro 3.4 million for renovation of buildings (stables), as well as INALCA S.p.A. for Euro 3.8 million for improvements on production plants.

<u>Catering:</u>

The additions, which amounted to Euro 17.8 million, were made by Roadhouse S.p.A. for the acquisition involving the new outlets under finance lease, as well as by Chef Express S.p.A. for the refurbishment of some sales outlets operated under concession, mainly at railway stations and airports.

<u>Distribution:</u>

The increases related to MARR S.p.A. for improvements on some owned buildings, specifically the head office in Santarcangelo di Romagna (RN), and for the construction of the new distirbution center in Bottanuco (BG).

<u>Centralized activities:</u>

The increase in the year, amounting to Euro 1 million, related for Euro 790 thousand to works for the refurbishment of the company-owned buildings located in Rome and at the Castelvetro di Modena premises (Modena). Land and buildings are encumbered by mortgages, against the only existing medium-to long-term loan, for an amount of Euro 74 million.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress" and the changes deriving from exchange rate effects, which negatively impacted by Euro 24.0 million in the year (already mentioned above).

At 31 December 2023 there were sixty-eight financial leases. Shown below are the summarized figures of the transactions:

Property	Inception date	Term in years	No. of lease payments	Value of leased asset	Initial payment on signing	Payment	Interest rate	Final option	Payments for the period*	Residual value
				Euro/mln	Euro/000	Euro/000		Euro/000	Euro/000	Euro/mln
Padova	29/02/2008	18	71 quart.	3.4	339	64	Euribor	339	260	0.8
Trezzano	10/09/2008	18	215 mont.	3.6	332	16	Euribor	252	270	0.9
Rozzano	24/09/2008	18	215 mont.	3.2	316	20	Euribor	316	227	0.9
Corsico	12/08/2009	18	215 mont.	3.5	355	15	Euribor	315	231	1.0
Vicenza	09/10/2009	18	215 mont.	2.6	260	10	Euribor	215	173	0.7
Modena Sud	16/09/2010	18	215 mont.	4.4	437	21	Euribor	437	293	1.6
Voghera	02/12/2010	18	215 mont.	1.5	147	7	Euribor	147	98	0.6
Mirabilandia	01/07/2011	18	215 mont.	2.4	237	12	Euribor	237	165	1.0
Parma	23/12/2011	18	215 mont.	3.6	360	21	Euribor	360	317	1.9
Macerata	01/05/2012	18	215 mont.	1.5	156	8	Euribor	147	116	0.7
Capriate	31/10/2012	18	215 mont.	2.3	465	10	Euribor	465	139	1.0
Mestre	19/12/2012	13	155 mont.	2.5	265	18	Euribor	234	226	0.7
Cinisello Balsamo	12/07/2013	13	155 mont.	3.5	680	25	Euribor	307	287	1.0
Capriate Opere	06/12/2013	16	186 mont.	2.4	844	16	Euribor	-	141	0.0
Bellinzago Lombardo	28/07/2014	12	143 mont.	1.7	212	14	Euribor	170	155	0.7
Gallarate	01/08/2014	12	143 mont.	2.4	224	16	Euribor	224	233	0.7
Carpi	01/08/2014	12	48 quart.	1.9	180	43	Euribor	180	184	0.6
Pavia	01/02/2015	12	143 mont.	1.7	168	12	Euribor	168	155	0.5
Dalmine	23/03/2015	12	143 mont.	2.4	241	16	Euribor	241	226	1.0
Treviso Silea	29/05/2015	12	143 mont.	3.2	320	23	Euribor	32	312	1.0
Lainate Casello	29/05/2015	12	143 mont.	2.3	275	15	Euribor	231	211	1.0
Senigallia	11/06/2015	12	143 mont.	1.5	148	9	Euribor	148	136	0.6
Lainate Sempione	31/07/2015	12	143 mont.	2.1	244	17	Euribor	244	210	1.0
Rovato	05/08/2015	12	143 mont.	2.3	267	18	Euribor	267	213	1.0
Pioltello	20/11/2015	12	143 mont.	2.6	297	19	Euribor	297	239	1.1
Cernusco Lombardone	21/12/2015	12	143 mont.	1.5	170	10	Euribor	154	144	0.7
Como Lipomo	15/02/2016	12	143 mont.	1.7	276	18	Euribor	276	209	1.0
Gravellona Toce	15/03/2016	12	143 mont.	1.3	174	8	Euribor	131	120	0.6
Olgiate Comasco	05/04/2016	12	143 mont.	2.0	257	16	Euribor	257	201	1.1
Collegno	02/08/2016	12	143 mont.	1.4	266	17	Euribor	266	208	1.2
Cornaredo	05/08/2016	12	143 mont.	1.5	197	9	Euribor	147	132	0.8
Fidenza	29/09/2016	12	143 mont.	1.8	240	10	Euribor	177	158	0.9
Curtatone	29/09/2016	12	143 mont.	1.2	148	7	Euribor	119	108	0.6
Tradate	19/10/2016	12	143 mont.	2.4	500	14	Euribor	243	202	1.1
Ancona	26/01/2017	12	143 mont.	2.3	253	14	Euribor	227	208	1.1
Calavera Cernusco	03/02/2017	12	143 mont.	2.1	220	14	Euribor	220	192	1.2
Lainate Sempione Opere	11/05/2017	12	138 mont.	0.1	-	1	Euribor	-	9	0.0
Modena Victoria	08/06/2017	12	143 mont.	1.9	200	11	Euribor	187	169	1.0
Montano Lucino	26/07/2017	12	143 mont.	2.1	225	12	Euribor	187	188	1.1
Lido di Camaiore	10/11/2017	12	143 mont.	2.3	234	14	Euribor	234	214	1.2
Vigevano	08/03/2018	12	143 mont.	2.0	230	14	Euribor	230	184	1.1
Baranzate	29/03/2018	12	143 mont.	3.2	287	19	Euribor	29	287	1.9
Saronno	10/04/2018	12	143 mont.	1.9	210	13	Euribor	210	175	1.1
Ferrara Sud	29/05/2018	12	143 mont.	2.5	250	15	Euribor	193	235	1.4
Aosta	17/10/2018	12	143 mont.	1.5	175	11	Euribor	147	136	0.9
Sesto Fiorentino	12/11/2018	12	143 mont.	4.3	500	31	Euribor	431	402	2.9
Segrate	01/12/2018	12	143 mont.	3.6	536	20	Euribor	257	313	1.9
Bussolengo	17/12/2018	12	143 mont.	2.3	230	14	Euribor	234	228	1.6
Erba	17/12/2018	12	143 mont.	2.3	235	14	Euribor	231	229	1.6
Belluno	19/12/2018	12	143 mont.	1.7	270	10	Euribor	170	112	1.0
Assago Calavera	27/02/2019	12	143 mont.	2.7	280	16	Euribor	271	259	1.7

Continued

* Values inclusive of indexation differences.

a) the first 107 instalments amount to Euro 15,800, and the subsequent 79 amount to Euro 3,200

Property	Inception date	Term in years	No. of lease payments	Value of leased asset	Initial payment on signing	Payment	Interest rate	Final option	Payments for the period*	Residual value
				Euro/mln	Euro/000	Euro/000		Euro/000	Euro/000	Euro/mln
Continued										
Padova ovest	05/04/2019	12	143 mont.	2.8	278	17	Euribor	277	275	1.9
Monza	08/04/2019	12	47 quart..	2.5	272	51	Fixed	253	191	1.7
Noventa	01/07/2019	12	143 mont.	2.2	220	13	Euribor	217	210	1.4
Bologna Stalingrado	31/07/2019	12	143 mont.	3.4	400	20	Euribor	335	315	2.1
Cremona	24/10/2019	12	143 mont.	2.2	220	13	Euribor	220	212	1.4
Trieste	24/10/2019	12	143 mont.	2.8	305	18	Euribor	28	253	1.8
Bologna Casalecchio	28/11/2019	12	143 mont.	2.9	584	16	Euribor	292	241	2.0
Bologna Casalecchio Calavera	28/11/2019	12	143 mont.	2.5	509	14	Euribor	254	211	1.8
Arezzo	05/05/2020	12	143 mont.	2.5	248	15	Euribor	248	174	2.1
Agrate	24/07/2020	12	143 mont.	4.3	425	25	Euribor	425	374	3.6
Perugia	25/09/2020	12	143 mont.	1.6	190	10	Euribor	162	162	1.2
Parma Ovest	13/10/2020	12	143 mont.	2.0	250	12	Euribor	199	196	1.5
Seregno Calavera	17/11/2020	12	143 mont.	2.3	257	14	Euribor	234	230	1.8
Pisa	25/02/2021	12	143 mont.	2.4	270	14	Euribor	234	229	1.8
Peschiera	25/02/2021	12	143 mont.	2.2	260	14	Euribor	229	224	1.7
Viterbo	06/05/2022	12	143 mont.	2.1	213	13	Euribor	213	229	1.7
Vimodrone	06/06/2023	12	143 mont.	1.9	190	16	Euribor	190	100	1.7

* Values inclusive of indexation differences.

Plant and machinery

The main increases for 2023 were made in the sectors:

- Production (for a total of Euro 41.0 million) by:
  - Italia Alimentari S.p.A. (Euro 19.2 million) for the improvement of efficiency of production lines, and of productivity in the areas of production and slicing of cold cuts at all manufacturing sites;
  - INALCA S.p.A. (Euro 9.9 million) for non-routine maintenance work at the main factories; specifically, we must note the installation of new silos for the storage of food flours, the installation of a new grinding system for hamburgers, and a palletising/depalletising system for the canned meat department at Castelvetro plant; the expansion of cold storage, and the redoing of flooring, and shelving, as well as the installation of a new boiler for steam production at Ospedaletto Lodigiano plant; the completion of the new cogeneration and absorber plant at Rieti plant;

- Catering (for a total of Euro 7.7 million) by:
  - Roadhouse S.p.A. (Euro 3.9 million) for the purchase of plant and equipment for the new opened stores;
  - Chef Express S.p.A. (Euro 2.8 million) for improvements on the plants of the airport and railway catering premises operated by the Company.

- Distribution (for a total of Euro 3.2 million), almost exclusively attributable to investments relating to the works executed at some branches of the Parent Company MARR S.p.A. Among these were the completion of the distribution platform in Bottanuco (BG), and modernization and revamping interventions at various branches.

The other movements refer to both reclassification of works that were previously recorded under the item "non-current assets in progress", and changes deriving from foreign exchange losses (Euro 2.2 million).

Other assets

The main investments that justify the increase with respect to 31 December 2022 involved various sectors. In detail the higher increases can be ascribed to:

- Roadhouse S.p.A. for fitting-out new restaurants (Euro 4.4 million);
- Chef Express S.p.A. (Euro 4.6 million) for the acquisition of furniture and fittings;
- MARR S.p.A. for the purchase of furniture, electronic machinery and cars (Euro 2.0 million);
- INALCA S.p.A. (Euro 18.2 million) mainly for the purchases of vehicles, electronic machinery, means of in-house transport.

Fixed assets under construction and advances

Below are the most significant increases broken down by Sector:

Production for Euro 53.6 million, incurred by:

- Castelfrigo LV S.r.l. (Euro 18.2 million), for works still in progress related to the project for the exploitation of processing residues through the production of high value-added products;
- Zaklady Miesne Sochocin Sp. z o.o. (Euro 11.9 million), for the completion of the new slaughtering plant in Sochocin, in Poland, which started its operations at the beginning of 2023;
- Società Agricola Corticella S.r.l. (Euro 7.9 million), for the refurbishment of some sheds;
- Italia Alimentari S.p.A. (Euro 6.7 million), mainly involving works for upgrading in the areas of production, not yet completed or usable for production purposes.

Catering for Euro 21.0 million, incurred by:

- Chef Express S.p.A. (Euro 18.0 million), for investments both on new stores not yet open to the public, and on departments of stores under renovation, at which, as of the reporting date of these financial statements, the Company did not conduct any business, as well as for the refurbishment of various station buffets and motorway service stations;
- Roadhouse S.p.A. (Euro 2.9 million), for works at the new outlets not yet opened to the public.

Distribution showed increases for Euro 17.6 million, fully attributable to MARR S.p.A., and related to the progress of works for the construction of the new distribution centre in Bottanuco (Bergamo), which is expected to become operational in the second quarter of 2024.

There are mortgages, secured by non-current tangible assets, for amounts of about Euro 1.5 million against loans obtained.

Rights of use from commercial leases

At 31 December 2023, rights of use from commercial leases were broken down as follows:

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2023**
Land and buildings - Right of use	333,086	-	109,560	(1,102)	3,975	(60,889)	384,630
Plant and machinery - Right of use	1,256	-	2,801	-	24	(933)	3,148
Industr. and business equipm.- Right of use	1,273	-	124	-	198	(289)	1,306
Other assets - Right of use	2,400	-	2,652	(8)	(15)	(1,229)	3,800
Total	**338,015**	**-**	**115,137**	**(1,110)**	**4,182**	**(63,340)**	**392,884**

Analysis by sector of the rights of use from commercial leases is reported below:

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Production	35,613	22,870	12,743
Distribution	77,239	75,368	1,871
Catering	280,032	239,777	40,255
Holding company and services	-	-	-
Total	**392,884**	**338,015**	**54,869**

2. Goodwill

Goodwill is not amortized with the exclusion of that with a defined useful life, the amortization of which is correlated to the term of the concession; recoverability of the related book value is verified at least annually and anyway when events occur that presuppose impairment.
The verification is carried out at the level of the smallest aggregate on the basis of which corporate management measures, directly or indirectly, the return on the investment that includes the goodwill (cash generating unit – "CGU"); for the main hypotheses utilized for the determination of recoverable value you are referred to that shown in the paragraph "Major assumptions adopted by Management and discretionary valuations".

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Other	Amortization/ Impairment	**Balance at 31.12.2023**
Production	20,877	294	763		30		21,964
Distribution	158,995						158,995
Catering	44,675		195		537	(728)	44,679
Holding company and services	0						0
Total	**224,547**	**294**	**958**	**0**	**567**	**(728)**	**225,638**

No indicators of impairment were identified during the year, except for some residual values that affected the Catering sector.

The directors assessed the recoverability of the value recorded in the financial statements as goodwill by preparing an impairment test for each CGU, identified equal to each sector in which the group operates, as described in the note on the "Segment Information".

Specifically, with regard to the Catering and Production CGU, the estimated value in use of the CGU for the purpose of impairment test was based on discounting its cash flows, determined on the basis of economic and financial forecasts made by management.

The expected future cash flows include a normalised value ("terminal value") used to estimate future results beyond the explicitly considered time frame related to the period 2024-2028. The terminal value was determined by using a long-term growth rate ("g rate") of 2%.
Expected future cash flows were discounted at a Weighted Average Cost of Capital ("WACC") rate equal to 7.5%.

The above evaluations did not reveal any evidence that would require a value adjustment to goodwill recorded in the financial statements as of 31 December 2023 for the Catering and Production business segment: in fact, the difference between the value in use determined as described above, and the net carrying amount of the two CGUs to which the goodwill is allocated, was found to be significant, and, therefore, no change in the assumptions used can be reasonably assumed, which could lead to an impairment loss.

With regard to the Distribution CGU, on the other hand, the market capitalization value was compared with the net invested capital of the CGU, as adjusted by the net financial position. The analysis showed a significant positive difference, and no changes were reported, which would show reasonably foreseeable impairment losses.

3. Other intangible assets

(Euro/000)	Balance at 31.12.2022	Change in consolidation area	Purchases	Decreases	Other	Amortization	**Balance at 31.12.2023**
Patents and intellectual property rights	3,723	45	2,316	(18)	506	(2,189)	4,383
Development costs	532	0	1,011	0	0	(350)	1,193
Concessions, licences, trademarks and similar rights	13,869	0	702	(31)	143	(1,874)	12,809
Fixed assets under development and advances	1,624	0	6,489	(24)	(594)	0	7,495
Other intangible assets	1,900	1	127	(17)	47	(603)	1,455
Total	**21,648**	**46**	**10,645**	**(90)**	**102**	**(5,016)**	**27,335**

The item "Patents and intellectual property rights" mainly includes the purchases and implementation of software and company applications. The acquisitions for the year refer to Chef Express S.p.A., MARR S.p.A. and INALCA S.p.A.

Additions to "Fixed assets under development and advances", amounting to Euro 6.5 million, mainly concern the Catering sector, and are attributable to work in progress executed on assets owned by third parties which, when completed, will be allocated to the relevant asset category.

4. Investments valued at equity

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Investments valued at equity			
- Subsidiaries	8,977	1,326	7,651
- Associated companies	10,444	16,484	(6,040)
Total Investments valued at equity	**19,421**	**17,810**	**1,611**

The main changes that took place during the financial year, detailed in annex 5, are commented below. Annex 6 also shows the list and figures required by Art. 2427.5 of the Italian Civil Code.

Equity investments in subsidiaries

The increase in the balance compared to 31 December 2022, equal to Euro 7,651 thousand, was due to obtaining control over Agro-Inwest Sp. z o.o. (formerly 50% owned), which entailed an increase in the item for a total amount of Euro 6,499 thousand (of which an amount of Euro 2,772 thousand for the acquisition of an additional 5% quota, and an amount of Euro 3,727 thousand arising from the reclassification of the quota which was then already held, previously classified under "Equity investments in associated companies").

During the year, control was also obtained over Montagna S.p.A., previously held at 19.40%, and now held at 51.22%, which resulted in an increase in the balance by a total of Euro 1,300 thousand (of which an amount of Euro 810 thousand for the purchase of the incremental stake, and an amount of Euro 490 thousand arising from the reclassification of the value previously recognized under "Other companies").

Finally, we must note the acquisition of the total stakes of The House of Fine Foods Ltd. (Hong Kong), and The House of Fine Foods (Macau) 1994 Ltd., whose purchase price amounted to Euro 418 and Euro 118 thousand, respectively.

Equity investments in associated companies

The item, which amounted to Euro 10,444 thousand, showed a decrease of Euro 6,041 thousand compared to Euro 16,485 thousand at 31 December 2022. This decrease was mainly due to:

- the aforementioned reclassification of the investment in Agro-Inwest Sp. z o.o. (Euro 3,727 thousand) to subsidiaries;

- the sale of the investment in Time Vending S.r.l., as already commented on in the Directors' report to which reference should be made, the carrying amount of which was equal to Euro 639 thousand;
- write-downs of some equity investments, including Biorg S.r.l. for Euro 1,229 thousand, and Zaino IF&B Co. Ltd for Euro 443 thousand.

5. Investments in other companies

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Investments in other companies	**21,579**	**16,248**	**5,331**

The balance at 31 December 2023, equal to Euro 21,579 thousand, showed an increase of Euro 5,331 thousand compared to Euro 16,248 thousand at 31 December 2022. This increase was mainly due to the subscription to the capital increase in the listed company B.F. Holding S.p.A., which entailed an increased carrying amount of the investment by Euro 7,398 thousand. As at 31 December 2023, the investee was realigned with the market value, recording an impairment of Euro 1,335 thousand allocated to the specific net equity reserve set aside to include the changes in the fair value of financial instruments.

6. Non-current financial receivables

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Receivables from unconsolidated subsidiaries	-	-	-
Receivables from associated companies			
- Frigomacello S.r.l.	729	1,139	(410)
- Società Agricola Marchesina S.r.l.	400	-	400
Loans to third parties	12	16,907	(16,895)
Total	**1,141**	**18,046**	**(16,905)**

As at 31 December 2023, they amounted to Euro 1,141 thousand compared to Euro 18,046 thousand in 2022. The decrease in the balance was entirely attributable to the Production business segment, and related to the reclassification, among current items, concerning the loan disbursed to Montagna S.p.A., over which control was acquired during 2023.

7. Deferred tax assets

The amount of these taxes mainly refers to the tax effect (IRES and IRAP) calculated on the taxed provisions, write-downs of non-current financial assets fiscally deductible in subsequent financial years and write-downs of non-current intangible assets**.**

8. Other non-current assets

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Receivables from customers	3,585	5,092	(1,507)
Provision for bad debts	0	0	0
Tax assets	20,723	5,143	15,580
Other receivables	11,732	20,671	(8,939)
Accrued income and prepaid expenses	2,308	2,990	(682)
Total	**38,348**	**33,896**	**4,452**

Non-current "Receivables from customers", which totalled Euro 3,585 thousand are entirely attributable to the subsidiary MARR S.p.A. and concern agreements and deferments in payment defined with the customers. Their decrease has been due to the reimbursements carried out during the year.

"Tax assets", which amounted to Euro 20,723 thousand, included tax credits received as a form of payment from some customers of subsidiary MARR S.p.A., whose use is allowed beyond 12 months. A portion, amounting to Euro 6,162 thousand, of these tax receivables, which will be used during 2024, has been classified under "Current tax assets."

"Other receivables" were attributable to the Production business segment for Euro 7,687 thousand, and to the Catering business segment for Euro 3,000 thousand. The decrease in the item compared to the previous year was due to the Distribution business segment, and mainly concerned the short-term classification of the installments of advances to suppliers on fishing campaigns, in line with contractually stipulated due dates.

"Accrued income and prepaid expenses" are connected with long-term promotional contributions paid to the customers for Euro 1,470 thousand.

Current assets

9. Inventories

(Euro/000)	31.12.2023	31.12.2022	Difference
Raw materials, secondary materials and consumables	118,968	116,179	2,789
Work in progress and semi-finished goods	11,997	11,859	138
Finished goods and goods for resale	437,412	435,372	2,040
Advances	19,090	17,659	1,431
Provision for write-down of inventories	(2,033)	(2,615)	582
Total	**585,434**	**578,454**	**6,980**

The increase compared to the previous year is mainly attributable to the Production business segment (for Euro 11.5 million), partially offset by a reduction in inventories recorded in the Distribution business segment (-Euro 6.7 million).

10. Biological assets

(Euro/000)	31.12.2023	31.12.2022	Difference
Biological assets	73,530	68,858	4,672
Total	**73,530**	**68,858**	**4,672**

This item relates to the valuation of accretion of cattle owned by the subsidiaries Società Agricola Corticella S.r.l., Cremovit S.r.l., Parma Serv S.r.l., La Torre Società Agricola Cons. a r.l., Agrosakmara Llc. and Parma France S.a.s., as carried out in accordance with IAS 41.

These assets, which amounted to Euro 73.5 million at 31 December 2023, showed an increase of Euro 4.7 million compared to Euro 68.9 million in 2021, mainly due to an increase in the value of animals on the farm at subsidiary Parma France.

The number of cattle held by the Group's agricultural companies was on the rise, the breakdown and changes of which compared to the previous year are as follows:

Number of cattle	31.12.2023	31.12.2022	Difference
Veals	38,247	35,431	2,816
Bullocks	17,497	8,991	8,506
Heifers	16,712	6,448	10,264
Total	**72,456**	**50,870**	**21,586**

11. Current financial receivables

(Euro/000)	31.12.2023	31.12.2022	Difference
Receivables from parent companies	**7**	**-**	**7**
Receivables from subsidiaries	**23,471**	**2,519**	**20,952**
Agro-Invest Sp.z o.o.	5,207	-	5,207
Fratelliditalia S.A.	837	837	-
Inalca Food & Beverage Thailand	587	713	(126)
Inalca Russia LLc	2	2	-
Montagna S.p.A.	15,699	-	15,699
Società Agricola Transumanza S.r.l.	1,139	967	172
Receivables from associated companies	**9,444**	**7,703**	**1,741**
A.G.M. S.r.l.	220	493	(273)
Agro-Invest Sp.z o.o.	-	3,041	(3,041)
Farm Service S.r.l.	111	111	-
Società Agricola Cà Bianca S.r.l.	165	246	(81)
Società Agricola Castello di Godego S.r.l.	-	-	-
Società Agricola Marchesina S.r.l.	8,948	3,812	5,136
Other financial receivables	**7,702**	**5,085**	**2,617**
Treasury receivables from minorities	7,702	5,085	2,617
Total	**40,624**	**15,307**	**25,317**

The increase in the balance was mainly due to the loans granted to Agro-Invest Sp.zo.o., Fratelliditalia S.A. and Società Agricola Marchesina S.r.l.

12. Current trade receivables

Trade receivables are broken down as follows:

(Euro/000)	31.12.2023	31.12.2022	Difference
Trade receivables	**605,707**	**601,952**	**3,755**
Due within 12 months	672,867	672,202	665
Provision for bad debts	(67,160)	(70,250)	3,090
Receivables from parent companies	**-**	**5**	**(5)**
Cremofin S.r.l.	-	5	(5)
Receivables from unconsolidated subsidiaries	**3,442**	**3,338**	**104**
Agro-Invest Sp.z o.o.	23	-	23
Corte Buona LLC	297	234	63
Fratelliditalia S.A.	2,020	2,050	(30)
Inalca F&B Thailand	413	420	(7)
Inalca Russia LLc	4	5	(1)
Italia Alimentari USA Corporation	685	513	172
Società Agricola Transumanza S.r.l.	-	116	(116)
Provision for bad debts	-	-	-
Receivables from associated companies	**3,258**	**4,846**	**(1,588)**
A.G.M. S.r.l.	-	-	-
Farm Service S.r.l.	64	644	(580)
Frimo s.a.m	7	-	7
Jolanda De Colò S.p.A.	-	2	(2)
Società Agricola Castello di Marchesina S.r.l.	2,600	2,474	126
Time Vending S.r.l.	-	30	(30)
Unitea S.r.l.	121	1,297	(1,176)
Zaino IF&B Co. Ltd	466	399	67
Bad debts provision	-	-	-
Total	**612,407**	**610,141**	**2,266**

The Group's credit risk is primarily attributable to the amount of trade receivables. The amounts disclosed in the financial statements are net of provisions for bad debts, estimated by the Group management based on historical experience and their measurement in the current economic context.

At 31 December 2023, the composition of the overdue (current and non-current) receivables from customers is the following:

(Euro/000)	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Amount	Bad Debt Prov.	Amount	Bad Debt Prov.
Trade receivables not overdue	442,362	(1,683)	413,236	(3,733)
Overdue up to 30 days	80,902	(386)	75,748	(293)
Overdue from 31 to 60 days	30,602	(231)	33,657	(81)
Overdue from 61 to 90 days	17,268	(263)	19,271	(40)
Overdue from 91 to 120 days	82,849	(46,316)	82,979	(48,983)
Overdue over 120 days	22,469	(18,281)	52,403	(17,120)
Total	**676,452**	**(67,160)**	**677,294**	**(70,250)**

The fair value of the categories shown above is not given as the carrying value represents a reasonable approximation.

The change in the bad debt provision was the following:

(Euro/000)	31.12.2023	31.12.2022	Difference
Initial balance	(70,250)	(60,680)	(9,570)
Change in consolidation area	0	(1,010)	1,010
Utilized during the year	20,192	15,450	4,742
Other movements	136	25	111
Exchange differences effect	756	(812)	1,568
Accruals during the year	(17,994)	(23,223)	5,229
Final balance	**(67,160)**	**(70,250)**	**3,090**

13. Current tax assets

(Euro/000)	31.12.2023	31.12.2022	Difference
Receivables for advance on direct taxes	3,050	5,354	(2,304)
Receivables for withholdings	653	103	550
VAT credit	41,862	38,184	3,678
Receivables from other taxes requested for reimbursement	860	1,010	(150)
Other sundry receivables	18,415	21,183	(2,768)
Bad debts provision	(3)	(3)	-
Total	**64,837**	**65,831**	**(994)**

The item "Other sundry receivables" mainly includes tax receivables for:

- tax credits received as a form of payment from some customers of subsidiary MARR S.p.A.;
- renovation and energy saving works pursuant to article 1, paragraph 349 of Law no. 296 of 27 December 2006;
- activities supporting culture (the so-called "Art Bonus") provided for by Law no. 106 of 29 July 2014;
- investments made that can be subsidized for the purposes of the tax credit for "Research and Development" under article 1, paragraph 35 of Law no. 190 of 23 December 2014 (Stability Law 2015);
- purchase of energy and gas envisaged in Article 6 of Decree Law 115/2022 ("Energy Bonus"), and
- investments in new capital goods referred to in Laws no. 160/2019 and 178/2020 ("Stability Law 2020-2021");

The decrease from the previous year is largely related to the use of tax credits in offsetting other taxes.

14. Cash and cash equivalents

(Euro/000)	31.12.2023	31.12.2022	Difference
Cash	25,543	22,439	3,104
Checks	0	38	(38)
Bank and postal accounts	325,259	264,788	60,471
Total	**350,802**	**287,265**	**63,537**

The balance represents the cash and cash equivalents and the existence of money and notes in circulation at the year-end. You are referred to the cash flow statement for the evolution of the cash and cash equivalents, while please refer to item 24 "Current financial payables" of the explanatory notes to the consolidated financial statements for the composition of the Net Debt.
Below is a breakdown of the balance by sector:

(Euro/000)	31.12.2023	31.12.2022	Difference
Production Sector	77,729	55,094	22,635
Distribution Sector	223,405	191,664	31,741
Catering Sector	28,534	29,811	(1,277)
Centralized Activities Sector	21,134	10,696	10,438
Total	**350,802**	**287,265**	**63,537**

15. Other current assets

(Euro/000)	31.12.2023	31.12.2022	Difference
Accrued income and prepaid expenses	9,503	10,795	(1,292)
Other receivables			
Advances to suppliers	41,488	42,090	(602)
Receivables from insurance companies	3,964	1,965	1,999
Receivables for contributions to be collected	-	-	-
Receivables from social security institutions	2,726	2,159	567
Receivables from agents	2,096	2,196	(100)
Receivables from employees	413	350	63
Down payments	243	107	136
Guarantee deposits	2,121	836	1,285
Other sundry receivables	18,214	21,050	(2,836)
Provision for bad debts	(5,718)	(3,498)	(2,220)
Total	**75,050**	**78,050**	**(3,000)**

The "Accrued income and prepaid expenses" item mainly is composed of costs incurred for the awarding of catering services in motorway areas in concession. These costs, attributable to a form of rent prepaid, are accordingly recovered over the term of the various concessions.

The item "Advances to suppliers" relates to Euro 30.4 million for the Distribution sector and Euro 7.1 million for Production. Both amounts are associated with the typical procurement methods; these include in particular payments made to overseas suppliers for the purchase of goods under the F.O.B. clause.

"Receivables from insurance companies", totalling Euro 3,964 thousand, refer to the receivable of Euro 2,090 thousand that the subsidiary MARR S.p.A. claims from the insurance company in relation to the compensation for damage suffered following the fire that occurred at the MARR branch in Sanremo a Taggia (Imperia) on 12 November 2022.
The residual amount of Euro 1,860 thousand is, instead, related to the receivable of Euro 1,350 thousand that the subsidiary New Catering S.r.l. claims from the insurance company in relation to the compensation for damage suffered by the operating unit in Forlì as a result of the floods that affected the Emilia Romagna Region in May 2023. For both claims, expert's reports preparatory to refunds are in the process of being completed, but at present there is no uncertainty as to whether an amount is due, and how much is due .

"Other sundry receivables", equal to Euro 18.2 million (Euro 21.1 million in 2022), showed a decrease of Euro 2.8 million, mainly as a result of the settlement of the dispute, mentioned on more than one occasion, with the Revenue Agency, in which the subsidiaries INALCA S.p.A. and Gescar S.r.l. had long been involved. The receivable of Euro 5.8 million claimed from the Tax Office, recorded by INALCA S.p.A. in 2022 following the payment of one third of the amount of the tax bill received, was used to offset the items defined as part of the procedure for the settlement of this litigation.

The main significant items under "Other sundry receivables" are reported below:

- receivables of about Euro 2.9 million for contributions and charges paid for building works on a plot of land at Ospedaletto (INALCA S.p.A.);
- energy certificate receivables of Euro 1.2 million (INALCA S.p.A.);
- AGEA (Agriculture Disbursements Agency) agricultural grants yet to be received of Euro 2.2 million (Cremovit S.r.l. , Società Agricola Corticella S.r.l., and La Torre Soc. Agricola consortile a r.l.);
- receivables from banks for the collection of electronic payments of Euro 2.9 million (Chef Express S.p.A., and Roadhouse S.p.A.);
- prepayments for opening new premises of the "Roadhouse Restaurant" brand chain and receivables from delivery companies.

The "Provision for bad debts" from others refers to receivables of Euro 5,257 thousand from sales engineers of subsidiary MARR S.p.A., as well as receivables from suppliers and agents.

LIABILITIES

Shareholders' Equity

As regards the changes within the Shareholders' Equity, please refer to the financial statements.

16. Share capital and reserves

The share capital amounts to Euro 67,073,931.60 and represents 128,988,330 ordinary shares of the Parent Company Cremonini S.p.A., fully subscribed and paid-up, with normal rights and a par value of Euro 0.52 each. At 30 June 2023 the Parent Company did not hold any treasury stock.

17. Reserves

Share premium reserve

The share premium reserve was made up of the premium paid by the shareholders under the IPO during 1998. The amount of the reserve of Euro 78,280 thousand did not change compared to 31 December 2022.

Legal reserve

The legal reserve of Euro 14,749 thousand remained unchanged during the half-year, having reached the limit set out by Article 2430 of the Italian Civil Code.

Reserve for transition to IAS

The reserve for transition to IAS was set up following the first-time adoption of the International Accounting Standards.

Cash flow hedge reserve

With the adoption of IAS 39, the change in the fair value of derivative contracts designated as effective hedging instruments is accounted for in the balance sheet against an entry in the statement of comprehensive income. These contracts were entered into to hedge exposure to the risk of interest rate fluctuations on floating-rate mortgages and to hedge its foreign currency exposure and the item is stated net of the effect.

Valuation reserve

This reserve recognises the fair value changes of financial instruments represented by "investments in other companies". During the period the reserve recorded changes to include the market valuation of the investments in B.F. Holding S.p.A. and Banco BPM S.p.A.

Basic earnings per share

Basic earnings per share at 31 December 2023 amounted to Euro 0.4508 (Euro 0.5847 at 31 December 2022), and were calculated on the basis of net profit of Euro 58,147 thousand divided by the weighted average number of ordinary shares in 2023 equal to 128,988,330. There is no difference between basic and diluted earnings per share.

Diluted earnings per share

There is no difference between basic and diluted earnings per share.

The reconciliation between the shareholders' equity of the Parent Company and the corresponding consolidated figures is the following:

(Euro/000)	Financial year as at 31.12.2023		
	Capital stock and reserves	Profit/(loss)	Shareholders' equity
Parent Company's shareholders' equity and profit/(loss) for the year	**317,301**	**8,531**	**325,832**
Elimination of carrying value of consolidated subsidiaries:			
- Pro rata subsidiary profits (losses)	0	67,366	67,366
- Difference between the carrying value and pro rata shareholder's equity, net of the effects of intra-Group transactions	181,521	0	181,521
- Investments write-up/write-down	(13,182)	13,182	-
- Dividends	30,548	(30,548)	-
- Consolidation differences	104,912	0	104,912
Elimination of the effects of commercial transactions between Group companies	(6,631)	332	(6,299)
Adjustment of the financial statement of the consolidated companies in accordance with the Group principles and shareholders' equity valuation of investments	949	(716)	233
Total adjustments	*298,117*	*49,616*	*347,733*
Group's share of net equity and profit/(loss)	**615,418**	**58,147**	**673,565**
Minorities' share of net equity and profit/(loss)	199,188	28,223	227,411
Consolidated financial statements shareholders' equity and profit/(loss) for the year	**814,606**	**86,370**	**900,976**

Non-current liabilities

18. Non-current financial payables

(Euro/000)	31.12.2023	31.12.2022	Difference
Due between 1 and 5 years			
Payables to banks	714,646	692,868	21,778
Payables to other financial institutions	95,677	74,996	20,681
Financial payables for operating leases	295,947	242,778	53,169
Total payables due between 1 and 5 years	**1,106,270**	**1,010,642**	**95,628**
Due beyond 5 years			
Payables to banks	14,702	61,513	(46,811)
Payables to other financial institutions	91,705	116,620	(24,915)
Financial payables for operating leases	81,603	83,862	(2,259)
Total payables due beyond 5 years	**188,010**	**261,995**	**(73,985)**
Total	**1,294,280**	**1,272,637**	**21,643**

Shown below is a breakdown of payables to banks:

(Euro/000)	Current portion	Between 1 and 5 years	Beyond 5 years	Balance at 31.12.2023
Overdraft	26,337	253		26,590
Advances - Imports	40,480			40,480
Advances - Exports	13,400			13,400
Advances on invoices Italy	72,594			72,594
Advances subj. to collection	16,853			16,853
Hot Money	72,049			72,049
Mortgages	288,062	715,951	14,702	1,018,715
Others	2,576			2,576
Amortized cost	(261)	(1,558)		(1,819)
Total	**532,090**	**714,646**	**14,702**	**1,261,438**

Please refer to the Directors' Report for a careful examination of the net debt and its components, both current and non-current.

Payables to other financial institutions detailed in the following table mainly refer to payables deriving from the booking, in accordance with the financial methodology, of the lease contracts and the Senior Unsecured Notes issued by subsidiary MARR S.p.A., due on 29 July 2031, reserved for a US institutional investor (Pricoa Private Capital, a Company in The Prudential Insurance Company of America Group).

Below is a breakdown of payables to Other financial institutions:

Other financial institutions (Euroo/000)	Interest rate	Expiry date	Current	Non current	**Balance at 31.12.2023**
Leasing					
Agrate	Euribor + spread	23/07/2032	274	3,325	**3,599**
Ancona	"	25/01/2029	151	962	**1,113**
Aosta	"	16/10/2030	95	811	**906**
Arezzo	"	04/05/2032	157	1,970	**2,127**
Assago Calavera	"	26/02/2031	179	1,553	**1,732**
Baranzate	"	28/03/2030	213	1,674	**1,887**
Bellinzago Lombardo	"	27/07/2026	15	641	**656**
Belluno	"	18/12/2030	104	897	**1,001**
Bologna Casalecchio	"	27/11/2031	145	1,864	**2,009**
Bologna Casalecchio Calavera	"	27/11/2031	126	1,626	**1,752**
Bologna Stalingrado	"	30/07/2031	217	1,926	**2,143**
Bussolengo	"	16/12/2030	149	1,414	**1,563**
Capriate	"	30/10/2030	71	897	**968**
Capriate Opere	"	05/12/2029	0	1	**1**
Carpi	"	31/07/2026	151	458	**609**
Calavera Cernusco	"	02/02/2029	136	1,046	**1,182**
Cernusco Lombardone	"	20/12/2027	105	603	**708**
Cinisello Balsamo	"	11/07/2026	224	778	**1,002**
Collegno	"	01/08/2028	254	919	**1,173**
Como Lipomo	"	14/02/2028	152	892	**1,044**
Cornaredo	"	04/08/2028	95	673	**768**
Corsico	"	11/08/2027	183	810	**993**
Cremona	"	23/10/2031	145	1,299	**1,444**
Curtatone	"	28/09/2028	78	501	**579**
Dalmine	"	22/03/2027	169	815	**984**
Erba	"	16/12/2030	151	1,408	**1,559**
Ferrara sud	"	28/05/2030	169	1,254	**1,423**
Fidenza	"	28/09/2028	114	762	**876**
Gallarate	"	31/07/2026	195	553	**748**
Gravellona Toce	"	14/03/2028	87	520	**607**
Lainate Casello	"	28/05/2027	156	842	**998**
Lainate Sempione	"	30/07/2027	154	892	**1,046**
Lainate Sempione Opere	"	10/05/2029	7	29	**36**
Lido di Camaiore	"	09/11/2029	158	1,022	**1,180**
Macerata	"	30/04/2030	76	605	**681**
Mestre	"	18/12/2025	180	562	**742**
Mirabilandia	"	30/06/2029	117	863	**980**
Modena Sud	"	15/09/2028	223	1,369	**1,592**
Modena Victoria	"	07/06/2029	125	832	**957**
Montano Lucino	"	25/07/2029	138	967	**1,105**
Monza	Fixed	07/04/2031	166	1,491	**1,657**
Noventa	Euribor + spread	30/06/2031	143	1,253	**1,396**
Olgiate Comasco	"	04/04/2028	246	845	**1,091**
Padova	"	28/02/2026	219	576	**795**
Padova ovest	"	04/04/2031	180	1,699	**1,879**
Parma	"	22/12/2029	222	1,650	**1,872**
Parma ovest	"	13/10/2032	125	1,365	**1,490**
Pavia	"	31/01/2027	108	440	**548**
Perugia	"	24/09/2032	103	1,127	**1,230**
Peschiera	"	25/02/2021	143	1,601	**1,744**

follows

Other financial institutions (Euroo/000)	Interest rate	Expiry date	Current	Non current	Balance at 31.12.2023
Continues					
Pioltello	"	19/11/2027	178	942	**1,120**
Pisa	"	24/02/2033	147	1,637	**1,784**
Rovato	"	04/08/2027	156	843	**999**
Rozzano	"	23/09/2026	199	672	**871**
Saronno	"	09/04/2030	121	1,024	**1,145**
Segrate	"	30/11/2030	224	1,703	**1,927**
Senigallia	"	10/06/2027	104	504	**608**
Seregno Calavera	"	16/11/2032	147	1,643	**1,790**
Sesto Fiorentino	"	11/11/2030	282	2,624	**2,906**
Tradate	"	18/10/2028	143	988	**1,131**
Treviso Silea	"	28/05/2027	256	697	**953**
Trezzano	"	09/09/2026	232	643	**875**
Trieste	"	23/10/2031	170	1,679	**1,849**
Vicenza	"	08/10/2027	136	608	**744**
Vigevano	"	07/03/2030	134	986	**1,120**
Vimodrone	"	05/06/2035	92	1,574	**1,666**
Viterbo	"	05/05/2034	133	1,575	**1,708**
Voghera	"	01/12/2028	74	479	**553**
Other minor leasings	"		760	1,705	**2,465**
Bond Private Placement	Fixed	29/07/1931	676	99,904	**100,580**
Due to Factoring companies	Euribor + spread		55,701	220	**55,921**
Other Relationships	"		7,929	11,850	**19,779**
Total			**75,287**	**187,382**	**262,669**

19. Derivatives

(Euro/000)	**31.12.2023**	31.12.2022	Difference
	IRS	Exchange Rates	Total
Non-current assets	126	-	126
Current assets	3,071	2	3,073
Non-current liabilities	(68)	-	(68)
Current liabilities	(8)	(1)	(9)
Total	**3,121**	**1**	**3,122**

(Euro/000)	**31.12.2023**	31.12.2022	Difference
	IRS	Exchange Rates	Total
Non-current assets	1,015	-	1,015
Current assets	6,087	7	6,094
Non-current liabilities	-	-	-
Current liabilities	(13)	(3)	(16)
Total	**7,089**	**4**	**7,093**

The Group uses financial instruments offered by the market (including so-called "derivatives") solely with a view to optimizing debt cost and hedging interest and exchange rate fluctuations.

Several interest rate swap contracts were existing at 31 December 2023, through which the variable EURIBOR rate was replaced with a fixed rate. The measurement of these contracts resulted in the recognition of a total asset of Euro 3,121 thousand (an asset of Euro 7,089 thousand at 31 December 2022).

The measurement of the hedging contracts for exchange rate risks instead resulted in the recognition of a current asset of Euro 1 thousand (against an asset of Euro 4 thousand at 31 December 2022).

20. Employee benefits

(Euro/000)	31.12.2023	31.12.2022	Difference
Staff Severance Provision	20,451	21,166	(715)
Other benefits	16	11	5
Total	**20,467**	**21,177**	**(710)**

Staff Severance Provision

(Euro/000)	31.12.2023	31.12.2022	Difference
Opening balance	21,166	24,541	(3,375)
Effect of the change in consolidation area	58	59	(1)
Use for the financial year	(2,769)	(2,453)	(316)
Financial year provision	1,846	1,354	492
Actuarial (gain) losses	150	(2,390)	2,540
Other changes	-	55	(55)
Closing balance	**20,451**	**21,166**	(715)

In addition to the portion accrued in the period, net of decreases, the change in respect of last year is related to the increase of Group employees following the change in the scope of consolidation.

It is noted that the allocation for the period includes actuarial loss totalling Euro 150 thousand booked, net of the theoretical tax effect, in the appropriate shareholders' equity reserve as provided in IAS 19 (see the information reported for changes in Shareholders' Equity).

With reference to the significant actuarial assumptions (such as indicated in the paragraph "Main accounting judgements estimates and assumption adopted by the Management" and discretional measurements"), the table below shows the effects on the final liabilities deriving from the possible changes to them.

(Euro/000)	Turnover rate +1%	Turnover rate -1%	Inflation rate + 0.25%	Inflation rate - 0.25%	Discount rate + 0.25%	Discount rate - 0.25%
Effect on the final liability	18,929	18,873	19,092	18,716	18,632	19,180

It is also noted that the contribution (service cost) expected for next year is about Euro 1,075 thousand; the future payments expected for the next year can be estimated as a total of Euro 11.2 million.

21. Provisions for risks and charges

(Euro/000)	31.12.2023	31.12.2022	Difference
Provisions for taxes	485	747	(262)
Labour disputes	993	2,076	(1,083)
Minor lawsuits and disputes	1,905	894	1,011
Supplementary clientele severance indemnity	7,908	7,948	(40)
Provision for losses on equity investments	345	345	-
Provision for future risks and losses	8,060	6,963	1,097
Total	**19,696**	**18,973**	**723**

The item "Labour disputes" includes the sums allocated against contingent liabilities deriving from disputes with employees.

In accordance with IAS 37, the supplementary clientele severance indemnity was allocated, based on a reasonable estimate, by taking into account available evidence, of the probable future liability associated with the future termination of relationships with agents in service at 31 December 2023.

The provision for future risks and losses was allocated mainly against probable liabilities connected to some legal disputes in progress, and its decrease was linked to the settlement of some of the pending disputes.

As regards the tax disputes pending between MARR S.p.A. and the Customs Agency (which arose in 2007 in relation to the payment of preferential customs duties on certain imports of seafood products and for which, despite the rejection of the appeals submitted by the Company, the first-instance courts established that the company was actually entirely extraneous to the claimed irregularities, as they were attributable exclusively to its suppliers) by judgment no. 110 of 2020 issued by Tuscany Regional Tax Board on 19 April 2021, the courts on the merits ruled in favour of the Company, confirming in full what the Supreme Court of Cassation had already ruled under order no. 15358/19 of 16 April 2019.

Contingent liabilities

In relation to litigation in court arising from three INPS (Italian Social Security Institute) inspection reports (served on 5 March, 1 April and 23 April 2021) due to the solidarity obligation under Article 29 of Legislative Decree 276/2003, raising objections concerning omitted payments of contributions and/or undue setoffs against contractors which have ceased to operate for MARR S.p.A, it is believed that no significant loss may arise for MARR S.p.A. This evaluation is supported by the significantly positive outcome of the first-instance proceedings concerning the first report, and by the progress of the pending cases for the remaining two reports, as attested by their legal counsels acting as attorneys for litigation purposes.

22. Deferred tax liabilities

As at 31 December 2023, this item amounted to Euro 35,714 thousand mainly and derived from the effect consequent to application of the international accounting standards (among which is the revaluation of the real estate), different tax treatment of leasing and the effects deriving from the consolidating entries, instalments of capital gains and other miscellaneous items.

23. Other non-current liabilities

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Accrued expenses and deferred income	373	710	(337)
Payables for acquisition of equity investments	0	500	(500)
Non - current tax liabilities	117	608	(491)
Payables to Social Security Institutions	0	28	(28)
Other payables	4,701	3,160	1,541
Total	**5,191**	**5,006**	**185**

"Accrued expenses and deferred income" include, almost entirely, the amount due beyond 12 months of deferred interest income from customers of MARR S.p.A.

Instead, "Other payables" fully relate to security deposits paid by the transporters of subsidiary MARR S.p.A.

Current liabilities

24. Current financial payables

(Euro/000)	31.12.2023	31.12.2022	Difference
Payables to controlling companies	**-**	**6**	**(6)**
Cremofin S.r.l.	-	6	(6)
Time Vending S.r.l.	-	-	-
Other payables			
Payables to banks	532,090	382,259	149,831
Payables to other financial institutions	75,287	57,527	17,760
Financial payables for operating leases	43,767	97,266	(53,499)
Other payables	419	149	270
Closing balance	**651,563**	**538,000**	**113,563**

The breakdown of the items "Payables to banks" and "Payables to other financial institutions" is outlined in paragraph 18 above.

Net Debt

The net debt and details of its main components is shown below.

(Euro/000)	31.12.2023	31.12.2022
A. Cash	350,802	287,265
B. Cash equivalents	0	0
C. Other current financial assets	20,053	21,144
D. Liquidity (A) + (B) + (C)	**370,855**	**308,409**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	225,768	392,719
F. Current portion of non-current financial debt	406,855	154,793
G. Current financial indebtedness (E + F)	**632,623**	**547,512**
H. Net current financial indebtedness (G - D)	**261,768**	**239,103**
I. Non-current financial debt (excluding current portion and debt instruments)	1,193,189	1,148,151
J. Debt instruments	99,904	99,874
K. Non-current trade and other payables	0	0
L. Non-current financial indebtedness (I + J + K)	**1,293,093**	**1,248,025**
M. Total financial indebtedness (H + L).	**1,554,861**	**1,487,128**

Some medium/long-term loan agreements provide for financial covenants on the happening of which the bank reserve the right to terminate the loan. The covenants of the loan agreements outstanding at 31 December 2023 are shown in the tables below and have all been complied with, except for the Net Debt/EBITDA ratio calculated on the local financial statements of Zaklady Miesne Soch. S.p. z o.o., whose non-compliance is a consequence of the delayed start-up of the new production plant, which did not allow the planned level of EBITDA to be achieved. In connection with the above, a specific waiver was obtained from the financing institution.

Covenants on loan agreements with Italian Companies

Credit institution	Recipient of the loan	Expiry date	Residual payable in Euro/000	Net Debt/ Equity	Net Debt/ EBITDA	EBITDA/ Net financial expenses	30 June	31 December
Production								
BNL S.p.A. (a)	INALCA S.p.A	09/10/2024	6,000	< 2.0	< 4	-		✓
BNL S.p.A. (a)	Inalca F&B S.r.l.	09/10/2024	2,000	< 2.0	< 4	-		✓
Banca Intesa Sanpaolo S.p.A. (a)	INALCA S.p.A	24/09/2025	34,637	< 2.0	< 4	> 5.0		✓
BPER Banca S.p.A. (a)	INALCA S.p.A	28/10/2025	9,900	< 2.0	< 4	-		✓
UniCredit S.p.A. (a)		19/05/2026	50,000	< 2,0	< 4	-		✓
ICCREA and other institutions(Pool)	INALCA S.p.A	30/06/2026	12,566	< 2.0	< 4	-		✓
Rabobank (a)	INALCA S.p.A	24/03/2027	42,000	< 2.0	< 4	-		✓
ING BANK N.V. (a)	INALCA S.p.A	26/05/2027	38,182	< 2.0	< 4	-		✓
Rabobank (a)	INALCA S.p.A	04/06/2027	55,417	< 2.0	< 4	-		✓
Banco BPM S.p.A. (a)	INALCA S.p.A	04/06/2027	35,000	< 2.0	< 4	-		✓
Crédit Agricole Italia S.p.A. and Crédit Agricole Corporate & Investment Bank	INALCA S.p.A	14/12/2027	40,000	-	< 3,5	> 4.0		✓
Banca Intesa Sanpaolo S.p.A. and other institutions (Pool) (a)	INALCA S.p.A	28/11/2028	136,000	< 2.0	< 4	-		✓
Banca Monte dei Paschi di Siena S.p.A.	INALCA S.p.A	30/11/1931	38,940	< 2.0	< 4	-		✓
Distribution								
Creval S.p.A. (b)	MARR S.p.A.	05/01/2024	1,261	< = 2.0	< = 3.5			✓
Banca Popolare dell'Emilia Romagna (b)	MARR S.p.A.	25/10/2025	5,035	< = 2.0	< = 4.0			✓
Crédit Agricole Cariparma (b)	MARR S.p.A.	09/04/2026	4,253	< = 2.0	< = 4.0			✓
Unicredit	MARR S.p.A.	29/06/2026	29,940	< = 2.0	< = 3.5	> = 4.0		✓
Banca Intesa Sanpaolo S.p.A. (b)	MARR S.p.A.	15/06/2027	24,907	< = 2.0	< = 3.5	> = 4.0	✓	✓
Cassa di Risparmio di Bolzano	MARR S.p.A.	30/06/2027	8,849	< = 2.0	< = 4.0			✓
Crédit Agricole Cariparma (b)	MARR S.p.A.	28/06/2028	11,408	< = 2.0	< = 3.5			✓
BNL S.p.A. - Rabobank (b)	MARR S.p.A.	01/07/2028	59,803	< = 1.5	< = 3.5	> = 4.0		✓
BNL S.p.A. (b)	MARR S.p.A.	22/11/2028	29,957	< = 1.5	< = 3.5	> = 4.0	✓	✓
PRICOA Private placement (b)	MARR S.p.A.	29/07/2031	99,884	< = 1.5	< = 3.5	> = 4.0	✓	✓
Catering								
CREDEM_Credito Emiliano (c)	Roadhouse S.p.A.	01/04/2024	620	< = 2.75	< = 4.0			✓
CREDEM_Credito Emiliano (c)	Chef Express S.p.A.	01/04/2024	516	< = 2.75	< = 4.0			✓
Syndicated loan Banco BPM S.p.A.- BPER Banca S.p.A. - Intesa Sanpaolo S.p.A. (c)	Chef Express S.p.A.	30/06/2027	87,500	< = 2.0	< = 3.75			✓
Banca Nazionale del Lavoro	Chef Express S.p.A.	29/09/2026	15,000	< = 2.0	< = 4.0			✓
Banca Monte dei Paschi di Siena	Chef Express S.p.A.	30/06/2027	5,000	< = 2.0	< = 3.75			✓
Centralized activities								
Banca Intesa Sanpaolo S.p.A. (c)	Cremonini S.p.A.	30/06/2027	28,778	< = 2.0	< = 3.75			✓

(a) covenants calculated on the consolidated financial statements of INALCA S.p.A., net of the effects of adoption of IFRS 16
(b) covenants calculated on the consolidated financial statements of MARR S.p.A., net of the effects of adoption of IFRS 16
(c) covenants calculated on the consolidated financial statements of Cremonini S.p.A., net of the effects of adoption of IFRS 16

Covenants on loan agreements with Russian Companies

Credit institution	Recipient of the loan	Expiry date	Residual payable in Euro/000	Net Debt/ EBITDA (d)	Net Income/ Revenues (d)	Net Debt/ EBITDA (e)	EBITDA/ Interest (e)	EBIT/ Revenues (e)	30 June	31 December
Production										
Sberbank	Marr Russia L.l.c.	14/10/2024	26,119	< 4.0	> 0	< 4.9	> 2.4	> 0.025		✓
Sberbank	Orenbeef L.l.c.	14/10/2024	6,049	-	-	< 4.9	> 2.4	> 0.025		✓
Sberbank	Agrosakmara L.l.c.	19/10/2024	4,537	-	-	< 4.9	> 2.4	> 0.025		✓
Sberbank	Kaskad L.l.c.	18/06/2028	10,404	< 4.0	> 0	< 4.9	> 2.4	> 0.025		✓

(d) covenants calculated on the financial statements of Marr Russia L.l.c. (quarterly verified)
(e) covenants calculated on the consolidated financial statements of Kaskad (annually verified)
(*) the euro value is shown at the Euro/RUR exchange rate on 31/12/2023

Covenants on loan agreements with Polish Companies

Credit institution	Recipient of the loan	Expiry date	Residual payable in Euro/000 (*)	Net Debt/ Equity	Net Debt/ EBITDA	Free Cash Flow/ Total Net Debt Service	Tangible Net worth/ Total Assets	DSCR	30 June	31 December
Production										
ING BANK N.V.	Zaklady Miesne Soch. S.p.z o.o.	31/12/2026	26,220	< 2.0 (f)	< 4.0 (f)	-	> 30% (g)	> 1.25 (g)(**)		✓

(f) covenants calculated on the consolidated financial statements of INALCA S.p.A.
(g) covenant calculated on the local financial statements of Zaklady Miesne Sochocin S.p. z o.o.
(*) the euro value is shown at the euro /PLN exchange rate on 31/12/2023
(**) DSCR>1.25 from 2023, similarly for DSCR forecasts for subsequent years

25. Current tax liabilities

(Euro/000)	**31.12.2023**	31.12.2022	Difference
VAT	5,332	3,900	1,432
IRAP	3,490	1,058	2,432
IRES	13,926	3,523	10,403
Withholding taxes	13,605	12,279	1,326
Substitute taxes and other taxes payable	13,355	10,047	3,308
Total	**49,708**	**30,807**	**18,901**

IRAP and IRES payables relate to 2023 financial year taxes not yet paid at the year-end.

26. Current trade liabilities

(Euro/000)	31.12.2023	31.12.2022	Difference
Payables to Suppliers	**837,555**	**760,224**	**77,331**
Payables to unconsolidated subsidiaries	**35**	**47**	**(12)**
Società Agricola Transumanza S.r.l.	35	29	6
Zaino IF&B Co. Ltd	-	18	(18)
Payables to associated companies	**4,387**	**2,100**	**2,287**
AGM S.r.l.	4	129	(125)
Farm Service S.r.l.	-	14	(14)
Frimo SAM	-	(7)	7
Jolanda De Colò S.p.A.	32	-	32
Società Agricola Marchesina S.r.l.	3,809	1,112	2,697
Time Vending S.r.l.	-	1	(1)
Unitea S.r.l.	536	851	(315)
Zaino IF&B Co. Ltd	6	-	6
Total	**841,977**	**762,371**	**79,606**

Current trade payables refer primarily to balances deriving from commercial operations and the amount payable to Trade Agents.

27. Other current liabilities

(Euro/000)	31.12.2023	31.12.2022	Difference
Accrued expenses and deferred income	22,053	17,219	4,834
Inps/Inail/Scau	19,125	16,911	2,214
Inpdai/Previndai/Fasi/Besusso	187	185	2
Enasarco/FIRR	1,168	1,039	129
Payables to other social security institutions	5,725	4,665	1,060
Other payables			
Advances and other payables to customers	4,654	4,108	546
Payables for employee remuneration	74,265	65,752	8,513
Payables for acquisition of equity investments	4,950	3,700	1,250
Guarantee deposits and down payments received	105	96	9
Payables to directors and statutory auditors	857	699	158
Payables to agents	191	180	11
Other minor payables	12,207	10,134	2,073
Total	**145,487**	**124,688**	**20,799**

The item "Accrued expenses and deferred income" includes the liability connected to the retention programme involving customers of "Roadhouse Club". This programme, valid throughout Italy, provides for the accumulation of points and the accrual of credits utilizable in the Roadhouse restaurants participating in the initiative. The liability amounted to about Euro 3,099 thousand at 31 December 2023.

The payable to employees includes the current remuneration yet to be paid as at 31 December 2023 and the allocations relating to deferred remuneration. The increase compared to 31 December 2022 is linked to a higher number of employees as a result of the acquisitions and the changes in the scope of consolidation.

"Payables for acquisition of equity investments" consisted of the residual debt relating to the earn-out totalling Euro 2.2 million, which was envisaged in the agreement for the purchase of assets of Antonio Verrini S.r.l., as well as the debt of Euro 2.7 million envisaged for the acquisition of an additional quota of 19% in the subsidiary Fiorani & C. S.r.l.

Guarantees, sureties and commitments

(Euro/000)	31.12.2023	31.12.2022	Difference
Direct guarantees – sureties			
- other companies	256,630	179,112	77,518
	256,630	**179,112**	**77,518**
Direct guarantees – letter of comfort			
- associated companies	21,843	32,354	(10,511)
	21,843	**32,354**	**(10,511)**
Other risks and commitments	14,496	15,113	(617)
Total guarantees, sureties and commitments	**292,969**	**226,579**	**66,390**

Direct guarantees - sureties

These guarantees include both the guarantees given directly by the companies, both in the interests of Group companies to banks for loans or credit lines, and those guarantees for which the Parent Company is jointly liable, given by banks or insurance companies, for a variety of commercial transactions, for Group VAT set-offs, for participation in tenders, etc..

Other companies – It should be noted that, with reference to guarantees to "Other companies", this is the classification normally given to guarantees given directly to third parties by Group companies, but exclusively in their own interests. Such guarantees are rarely given in the interests of third-party companies and even in such a case, in the context of transactions effected for the benefit of Group companies. In particular, this item includes the following (in thousands of euro):

Company to which the guarantee is provided (Euro/000)	Beneficiary	Amount	Reason
Revenue Agency/VAT Office Modena	Cremonini S.p.A. and other subsidiaries	133,718	VAT for offsetting.
Highways and Oil Companies	Cremonini S.p.A. subsidiaries	29,230	As security for the good performance of contracts (services, maintainance).
Ferrovie dello Stato and operating companies (Grandi Stazioni, Cento Stazioni, Fer Servizi, Trenitalia, etc)	Cremonini S.p.A. and other subsidiaries	14,281	As security for concessions for on-board catering services, station buffets and operation of storage facilities.
Public Agencies (Ministries, Municipalities, Hospital Trusts, etc.)	Cremonini S.p.A. subsidiaries	33,444	Released for the proper performance of long-term contracts.
Airports	Cremonini S.p.A. subsidiaries	19,674	As security for the good performance of contracts.
Other minor items	Cremonini S.p.A. and other subsidiaries	26,283	Administration of rented properties, energy supplies, credit cards, good performance of contracts, etc.
Total		**256,630**	

Direct guarantees – comfort letters

The letters of comfort solely regard the guarantees provided to the lending institutions for the granting of loans or credit lines.

Indirect guarantees – credit mandates

The credit mandates relate to bank overdrafts and endorsement credits of subsidiaries guaranteed by credit lines granted by banks to the Group companies.

Other risks and commitments

Details of "Other risks and commitments", for commitments of Group companies, are shown below (in thousands of Euros):

Description (Euro/000)	Company to which the risk or commitment refers	Amount
Commitments for real estate purchases	Roadhouse S.p.A.	1,750
Letters of credit for goods purchases	Marr S.p.A. - As.Ca. S.p.A.	12,602
Other sundry	Italia Alimentari S.p.A.	144
Total		**14,496**

"Commitments for real estate purchases" regard preliminary contracts to buy real estate relating to the development of Roadhouse S.p.A. restaurant chain.
The item "Letters of credit for goods purchases" relates to letters of credit, issued by some banks, to guarantee obligations to our foreign suppliers.
The "Other sundry" item regards third party consignment goods at the Italia Alimentari S.p.A. warehouses.

Details of the main items of the consolidated income statement

Segment information

With regard to the content of business segment performance, please refer to the specific comments included in the Directors' Report.

28. Revenues

Revenues are broken down as follows:

(Euro/000)	31.12.2023	31.12.2022	Difference
Revenues from sales - Finished goods	2,280,912	2,146,227	134,685
Revenues from sales - Goods for resale	2,503,627	2,350,434	153,193
Revenues from sales - Oil	18,793	18,436	357
Revenues from sales - Others	81,177	73,248	7,929
Revenues from services	505,926	398,582	107,344
Advisory services to third parties	3,298	2,023	1,275
Rent income	1,265	1,376	(111)
Other revenues from ordinary activities	51,050	50,177	873
Total	**5,446,048**	**5,040,503**	**405,545**

For an analysis of the performance of revenues from sales, please refer to what has already been stated in the Directors' Report.
Below is a breakdown of revenues by geographical area:

(Euro/000)	31.12.2023	31.12.2022	Difference
Italy	4,141,102	3,812,154	328,948
European Union	542,195	534,738	7,457
Non-EU countries	762,751	693,611	69,140
Total	**5,446,048**	**5,040,503**	**405,545**

As regards the revenues trend, you are referred to the details in the Directors' Report.

29. Other revenues and income

The other revenues and income can be broken-down as follows:

(Euro/000)	31.12.2023	31.12.2022	Difference
Contributions by suppliers and others	1,632	1,012	620
Operating grants	8,638	8,510	128
Other sundry revenues and income *(detailed below)*	40,478	40,331	147
Total	**50,748**	**49,853**	**895**

The item "Contributions from suppliers and others" mainly includes the contributions obtained for various titles from the suppliers for commercial promotion of their products at customers/retail outlets of the Distribution sector. It should be borne in mind that a part of the suppliers' contributions is recognised as a reduction in goods purchasing costs in line with previous years.

Other sundry revenues and income

(Euro/000)	31.12.2023	31.12.2022	Difference
Rent income	1,932	472	1,460
Insurance reimbursements	6,342	3,732	2,610
Capital gains on disposal of capital goods	1,330	4,049	(2,719)
Other cost reimbursements	3,688	3,783	(95)
Services, consultancy and other minor revenues	27,186	28,295	(1,109)
Total	**40,478**	**40,331**	**147**

Below is the breakdown of "Other sundry revenues and income" by sector:

(Euro/000)	31.12.2023	31.12.2022	Difference
Production Sector	22,284	22,211	73
Distribution Sector	8,446	8,228	218
Catering Sector	9,342	9,620	(278)
Centralized activities Sector	406	272	134
Total	**40,478**	**40,331**	**147**

30. Costs for purchases

(Euro/000)	31.12.2023	31.12.2022	Difference
Costs for purchases - Raw materials	(1,631,565)	(1,539,117)	(92,448)
Costs for purchases - Goods for resale	(1,812,440)	(1,691,803)	(120,637)
Costs for purchases - Secondary materials, consumables, semi-finished goods, packages	(169,702)	(177,199)	7,497
Costs for purchases - Finished goods	(59,543)	(52,225)	(7,318)
Costs for purchases - Oil	(18,381)	(17,997)	(384)
Costs for purchases - Stationery and printed paper	(2,811)	(2,538)	(273)
Changes in inventories of raw materials, secondary materials, consum. and goods for resale	25,378	47,754	(22,376)
Other costs for purchases	(62,781)	(54,933)	(7,848)
Total	**(3,731,845)**	**(3,488,058)**	**(243,787)**

You are referred to the Directors' Report and the marginality analysis, subdivided by individual business sectors, for a careful examination of the purchases cost trend.

"Costs for purchases – Goods for resale" is stated net of both the bonuses granted by suppliers upon the achievement of certain turnover and purchase volume targets, as well as grants received from suppliers for promotional and marketing activities carried out by the Group.

"Costs for purchases - Oil" are related to the sale of fuel in the motorway service stations and refer to the corresponding "Revenues from oil sales", an item attributable entirely to the Catering sector.

31. Other operating costs

Below is the breakdown of each item.

(Euro/000)	31.12.2023	31.12.2022	Difference
Costs for services	(663,490)	(678,109)	14,619
Costs for leases and rentals	(47,056)	(36,623)	(10,433)
Other operating charges	(32,050)	(30,436)	(1,614)
Other operating charges - non recurring	(11,500)	0	(11,500)
Total	**(754,096)**	**(745,168)**	**(8,928)**

Costs for services

(Euro/000)	31.12.2023	31.12.2022	Difference
Energy consumption and utilities	(88,166)	(131,873)	43,707
Maintenance and repairs	(40,759)	(34,813)	(5,946)
Transport on sales	(155,495)	(147,236)	(8,259)
Commissions, commercial and distribution services	(139,044)	(126,599)	(12,445)
Third-party services and outsourcing	(30,367)	(40,443)	10,076
Purchasing services	(29,826)	(32,671)	2,845
Other technical and general services	(179,833)	(164,474)	(15,359)
Total	**(663,490)**	**(678,109)**	**14,619**

Costs for services showed an overall reduction of about Euro 14.6 million in 2023 compared to 2022, mainly due to the decrease occurred in the cost of Energy, which had heavily hit the previous year.

"Transport on sales" and "Commissions, commercial and distribution services", on the other hand, showed an increase due to higher sales volumes actually achieved in 2023 compared to those of the previous year. In terms of logistics costs, particularly transport and in-house handling, the increase in tariffs was mitigated by efficiency improvement policies.

Costs for leases and rentals

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Lease of business premises, royalties and others	(29,687)	(21,965)	(7,722)
Costs for leases	75	(27)	102
Leases and rentals related to real and personal property	(17,444)	(14,631)	(2,813)
Total	**(47,056)**	**(36,623)**	**(10,433)**

Costs for leases and rentals totalled Euro 47.1 million and their increase compared to the previous year was attributable to the Catering Sector and was due to a rise in lease rentals, the calculation of which is connected with the performance of revenues, and therefore do not fall within the scope of application of the accounting standard IFRS 16.

Other operating charges

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Losses on receivables	279	(48)	327
Indirect taxes and duties	(12,747)	(12,185)	(562)
Indirect taxes and duties - non recurring	(11,500)	0	(11,500)
Capital losses on disposal of assets	(642)	(2,625)	1,983
Contributions and membership fees	(4,294)	(3,055)	(1,239)
Other minor costs	(14,646)	(12,523)	(2,123)
Total	**(43,550)**	**(30,436)**	**(13,114)**

"Other minor costs" include the amounts for various costs, non-deductible expenses, fines, and corporate costs, in addition to contingent liabilities.

As shown in the income statement, non-recurring charges of Euro 11.5 million were incurred in connection with the aforementioned tax concession settlement of tax disputes, which involved subsidiaries INALCA S.p.A. and Ges.Car. S.r.l.

32. Personnel costs

(Euro/000)	31.12.2023	31.12.2022	Difference
Salaries and wages	(405,002)	(348,805)	(56,197)
Social security contributions	(109,587)	(94,650)	(14,937)
Staff Severance Provision	(21,668)	(19,901)	(1,767)
Pension and similar provisions	(80)	(9)	(71)
Other personnel costs	(29,350)	(36,195)	6,845
Total	**(565,687)**	**(499,560)**	**(66,127)**

This item includes all the personnel costs, including holiday accruals and additional monthly pay as well as the related welfare charges, allocation for employee leaving indemnities and other contractually envisaged costs. The increase compared to the previous year is the direct consequence of higher business volumes due to the different situation that characterised the 2023 financial year compared to 2022.
The increase in personnel costs is attributable for Euro 36.7 million to the Catering Sector, for Euro 27.6 million to the Production Sector, and for Euro 2.0 million to the Distribution sector.

In the Catering sector, the increase was due to the further development of existing operations, and the opening of new stores. Specifically, the subsidiaries that mostly contributed to the increase in costs were the Italian companies Chef Express S.p.A., Roadhouse S.p.A. and the UK company Momentun Services Ltd.

As at 31 December 2023 the Group employees amounted to 17,183 compared to 15,155 at 31 December 2022, showing a total increase of 2,028 units. The employees in the Catering, Production and Distribution Sectors increased by 1,302, 667 and 53 units, respectively.

The breakdown by category and average number of employees in 2023 is shown in the following schedule:

	Factory staff	Office staff	Managers	**Total**
Employees as at 31.12.2022	12,134	2,874	147	15,155
Employees as at 31.12.2023	**13,826**	**3,215**	**142**	**17,183**
Increases (decreases)	1,692	341	(5)	2,028
Average no. of employees during year 2023	**13,419**	**3,084**	**143**	**16,646**

33. Amortization, depreciation and write-downs

(Euro/000)	31.12.2023	31.12.2022	Difference
Depreciation of tangible assets	(116,958)	(109,825)	(7,133)
Amortization of intangible assets	(5,018)	(4,734)	(284)
Amortization and impairment of goodwill	(728)	(975)	247
Depreciation of assets under operating leases	(63,340)	(56,887)	(6,453)
Other write-downs of fixed assets	(2)	(2,031)	2,029
Write-downs and provisions	(31,971)	(29,924)	(2,047)
Total	**(218,017)**	**(204,376)**	**(13,641)**

For more details on the items reported above, please refer to the related movement of tangible and intangible assets shown in Annexes 3 and 4.
"Write-downs and provisions" mainly include write-downs of receivables of Euro 20.5 million, and provisions for disputes and litigation of Euro 4.7 million, including a non-recurring provision of Euro 3.0 million for the tax concession settlement of pending disputes of subsidiary Ges.Car. S.r.l., as mentioned above.

34. Income from equity investments

Income from equity investments, which amounted to Euro 5.3 million in 2023, includes a capital gain of Euro 6.3 million from the sale of the quota in Time Vending S.r.l. (previously 50% owned by subsidiary Chef Express S.r.l.) to IVS Group S.A., partly offset by write-downs made on equity investments in associated companies.

35. Financial (Income)/Charges

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Net exchange rate differences	(14,715)	2,302	(17,017)
Income (Charges) from management of derivatives	2,815	3	2,812
Net financial Income (Charges)	(73,115)	(24,950)	(48,165)
Net financial Income (Charges) on operating leases	(30,788)	(27,249)	(3,539)
Total	**(115,803)**	**(49,894)**	**(65,909)**

Exchange rate differences

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Realized exchange rate gains	3,994	12,760	(8,766)
Realized exchange rate losses	(18,048)	(7,519)	(10,529)
Unrealized exchange rate gains	4,682	3,627	1,055
Unrealized exchange rate losses	(5,403)	(6,295)	892
Realized income from management of exchange rate derivatives	82	93	(11)
Estimated income from management of exchange rate derivatives	3	-	3
Realized charges from management of exchange rate derivatives	(24)	(361)	337
Estimated charges from management of exchange rate derivatives	(1)	(3)	2
Total	**(14,715)**	**2,302**	**(17,017)**

The net exchange rate valuation differences refer to the valuation of balances in the statement of assets and liabilities in foreign currencies to the existing exchange rates at the end of the financial year.
The sector that is most affected by the changes in currency trends is the Production sector, which recorded total charges of Euro 14,225 thousand in 2023. The Distribution and Catering Sectors reported final charges of Euro 470 thousand, and Euro 15 thousand, respectively.

Income (Charges) from management of derivatives

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Realized Income from management of derivatives	2,816	312	2,504
Realized Charges from management of derivatives	(12)	(557)	545
Estimated Income from management of derivatives	11	248	(237)
Estimated Charges from management of derivatives	-	-	-
Total	**2,815**	**3**	**308**

Net financial Income (Charges)

(Euro/000)	**31.12.2023**	31.12.2022	Difference
Financial Income (Charges) due to controlling companies (a)	**0**	**(4)**	**4**
Financial Income (Charges) due to associated companies (b)	**0**	**(4)**	**4**
Financial income from third parties			
- Bank interest receivable	2,846	1,361	1,485
- Other financial income	2,492	3,368	(876)
Total financial income from third parties (c)	**5,338**	**4,729**	**609**
Financial charges			
- Interest payable on loans	(38,762)	(15,098)	(23,664)
- Interest payable on factoring	(10,893)	(3,587)	(7,306)
- Interest payable on current accounts and others	(20,776)	(5,411)	(15,365)
- Other bank charges	(2,113)	(2,460)	347
- Other sundry charges	(5,909)	(3,119)	(2,790)
Total financial charges (d)	**(78,453)**	**(29,675)**	**(48,778)**
Total interest expense from operating leases (e)	**(30,788)**	**(27,249)**	**(3,539)**
Total net financial Income (Charges) (a+b+c+d+e)	**(103,903)**	**(52,199)**	**(51,704)**

The increase in net financial charges compared to 31 December 2022 was mainly due to the rises reported in EURIBOR.
It should be noted that Interest payable from operating leases, arising from the adoption of IFRS 16, includes Euro 78 thousand related to lease agreements attributable to MARR S.p.A.'s business with the related company Le Cupole di Castelvetro (MO), for the lease of an industrial property located in Rimini.

36. Income taxes

(Euro/000)	**31.12.2023**	31.12.2022	Difference
IRES / direct taxes on corporate income	(34,304)	(21,582)	(12,722)
IRAP	(12,274)	(7,574)	(4,700)
Foreign company taxes	(9,049)	(12,780)	3,731
Net deferred tax assets/liabilities	2,735	498	2,237
Total	**(52,892)**	**(41,438)**	**(11,454)**

"IRAP" includes a non-recurring provision of Euro 819 thousand arising from the tax concession settlement of pending disputes of subsidiary INALCA S.p.A., as mentioned above.

37. Other gains/losses

The value of other gains/losses shown in the consolidated statement of comprehensive income consists of the effects generated and reversed during the period with renard to the following cases:

- hedging interest rate swap contracts through which the variable EURIBOR rate was replaced with a fixed rate;
- changes related to the fair value measurement of investments in other companies;
- conversion of financial statements of foreign companies expressed in currencies other than the Euro.

These gains/losses were accounted for in equità, and shown in the consolidated statement of comprehensive income, in accordance with IFRS.

Information required by Law no. 124/2017

In accordance with the above rules, the list below shows the subsidises, grants, places of profit and financial benefits of any kind obtained from Public Authorities and similar entities, with the particulars of the paying entity, the beneficiary, the amounts received and the type of benefit:

Beneficiary	Granter	Reason	Amount (Euro/000)
Production			
Castelfrigo L.V. S.r.l.	Revenue Agency / MEF	Energy and Gas bonus	175
Cremovit S.r.l.	AGREA	EU livestock / slaughtering premiums	77
Ges.Car. S.r.l.	INPS	Reduced social security contributions for Southern Italy companies	122
Ges.Car. S.r.l.	UnionCamere Lombardia	Continuous training	15
Guardamiglio S.r.l.	INPS	Reduced social security contributions for Southern Italy companies	508
INALCA S.p.A.	INPS	Reduced social security contributions for Southern Italy companies	150
INALCA S.p.A.	GSE	GRIN incentive payment management agreement	1,652
INALCA S.p.A.	European Union	Reduced social security contributions for Southern Italy companies	40
INALCA S.p.A.	Revenue Agency / MEF	Energy and Gas bonus	4,496
INALCA S.p.A.	Fondimpresa	Staff training	61
Italia Alimentari S.p.A.	Revenue Agency / MEF	Advertising investment tax credit	9
Italia Alimentari S.p.A.	INPS	Reduced social security contributions for Southern Italy companies	34
Italia Alimentari S.p.A.	CSEA	Energy-intensive companies	571
Italia Alimentari S.p.A.	Revenue Agency / MEF	Energy and Gas bonus	1,285
Macello di Parma S.r.l.	Revenue Agency / MEF	Energy and Gas bonus	56
Parma Serv S.r.l.	SIAN	CAP grants	686
Realbeef S.r.l.	INPS	Reduced social security contributions for Southern Italy companies	298
Realbeef S.r.l.	Revenue Agency / MEF	Energy and Gas bonus	241
Società Agricola Corticella S.r.l.	AGREA	EU livestock premiums	2,307
Società Agricola Corticella S.r.l.	GSE	Grants for energy sales	371
Società Agricola Corticella S.r.l.	Revenue Agency / MEF	Tax credit for diesel of agricultural vehicles	16
Società Agricola Corticella S.r.l.	Revenue Agency / MEF	Energy and Gas bonus	15
Tecno-Star Due S.r.l.	Revenue Agency / MEF	Energy and Gas bonus	6
Tecno-Star Due S.r.l.	Emilia Romagna Region	Employment subsidies	3
Distribution			
Antonio Verrini S.r.l.	MEF / Revenue Agency	Energy and Gas bonus	81
Frigor Carni S.r.l.	MEF / Revenue Agency	Energy and Gas bonus	11
Frigor Carni S.r.l.	INPS	Reduced social security contributions for Southern Italy companies	84
MARR S.p.A.	MEF / Revenue Agency	Energy and Gas bonus	2,714
MARR S.p.A.	INPS	Reduced social security contributions for Southern Italy companies	345
New Catering S.r.l.	MEF / Revenue Agency		192
Catering			
C&P S.r.l.	MEF / Revenue Agency	Energy and Gas bonus	59
Chef Express S.p.A.	MEF / Revenue Agency	Energy and Gas bonus	857
Roadhouse Grill Roma S.r.l.	MEF / Revenue Agency	Energy and Gas bonus	69
Roadhouse S.p.A.	MEF / Revenue Agency	Energy and Gas bonus	879
Centralized activities			
Cremonini S.p.A.	MEF / Revenue Agency	Energy and Gas bonus	43

Other information

Pursuant to the law the total fees due to the directors, members of the Board of Statutory Auditors and independent auditors, where applicable, are noted below:

- Directors/Statutory Auditors: Euro 7,984 thousand;
- Independent auditors of parent company: Euro 83 thousand;
- Independent auditors of subsidiaries: Euro 1,105 thousand.

Subsequent events

As already noted in the Directors' Report on operations, the following events occurred after the end of the financial year:

Parent Company

- On 7 March 2024, as part of the reorganization of the Cremonini Group's real estate assets resolved upon during 2023, the demerger took place by assigning the properties owned by the parent company Cremonini S.p.A. to the newly-established company Cremonini Immobiliare S.r.l. pursuant to Article 2506.1 of the Italian Civil Code. The transaction, carried out on a continuity of values basis, resulted in the replacement of the portion of assets assigned to the newly-established Cremonini Immobiliare S.r.l. in the Parent Company's financial statements, with the 100% investment in the latter's quota capital.

Production

In the Production sector we must note:

- during January 2024, through the subscription of a capital increase, control was acquired over Sama S.r.l., a company that owns a slaughterhouse in Sicily. The subsidiary Società Agricola Transumanza S.r.l., which will be responsible for the development of breeding activities in Sicily, has recently started the refurbishment of barns acquired by Sama S.r.l. itself;

- again in January 2024, ownership was acquired for the plant located in Pace del Mela (ME), previously held under lease by Sama S.r.l.;

- following the approval of the ranking list for the projects of supply chain, and district contracts for the agri-food sector in relation to NRRP grants, work commenced on the formalities for obtaining grants and financing for the benefit of the Group companies involved in the "Inalca Nord" project;

- during March 2024, the change in the company name of Zaklady Miesne Sochocin Sp. z o.o. to Inalca Poland Sp.z o.o. was notified to the Polish authorities.

Distribution

In the Distribution sector we must note:

- on 31 January 2024 the dissolution and winding-up of MARR Foodservice Iberica S.A. were finalized with the registration of the deed of dissolution with the Register of Companies of Madrid, and subsequent cancellation of the company;

- on 23 February 2024, the Board of Directors of MARR S.p.A. approved, pursuant to Article 2505, paragraph 2, of the Italian Civil Code, the merger of the wholly-owned company AS.CA. S.p.A. by incorporation into the parent company MARR S.p.A.;

- on 13 March 2024 the Board of Directors of MARR S.p.A. approved the consolidated financial statements, the sustainability report, and the draft separate financial statements for 2023, which will be submitted to the Shareholders' Meeting convened on 19 April;

- on the same date, the Board of Directors of MARR S.p.A. also set out the proposal for the distribution of a gross dividend of Euro 0.60 per share with "ex-dividend date" (no. 19) on 20 May 2024, record date on 21 May, and payment on 22 May.

Catering

In the Catering sector we must note:

- in January 2024, Chef Express S.p.A. contributed the shares of IVS Group S.A., which had been acquired in 2023 against a capital increase in IVS Partecipazioni S.p.A. for a total amount of Euro 6,800,000 through the issuance of 5,292,687 shares, reserved for Chef Express S.p.A.;

- in March 2024, there was the acquisition of the remaining 40% of the quotas of the subsidiary C&P S.r.l., as a result of which Chef Express S.p.A. became its Sole Quotaholder;

- new contracts were signed for the operation of catering outlets at Fiumicino Airport, and the Colceresa Sud service area, and the opening of a second ''Alice Pizza''-branded store at Malpensa International Airport;

- at subsidiary Roadhouse S.p.A., there was the opening of an additional ''Roadhouse Restaurant''-branded store in Milan, a new ''Calavera Restaurant''-branded store at La GrandeMela Shopping Center in Sona (VR), three new outlets under the ''Billy Tacos'' brand, and the first franchise outlet under the ''Fradiavolo'' brand. In addition, two ''Roadhouse Restaurant''-branded stores, and two ''Billy Tacos''-branded stores were closed, thus reaching 298 outlets, of which 295 are operated directly by companies belonging to the sector;

- there was the start-up of subsidiary Railrest S.A.'s operation of an information kiosk inside Brussels station;

- with regard to the British subsidiaries Bagel Nash Limited and Bagel Factory Limited, lease agreements were signed for five additional new stores: at Baker Street Underground Station, Clapham Junction Station in London, and the NEC National Exhibition Centre in Birmingham, the second largest one in Europe, as well as at Liverpool Shopping Center, and Kensington Arcade in London. These stores are expected to open in spring 2024.

* * * * * *

Castelvetro di Modena, 29 March 2024

THE CHAIRMAN

OF THE BOARD OF DIRECTORS

(Luigi Cremonini)

Annexes

These annexes contain information additional to that reported in the notes to the consolidated financial statements, and form an integral part thereof:

Annex 1 - Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2023;

Annex 2 - Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2023;

Annex 3 - Statement of changes in tangible assets for the financial statements ended 31 December 2023;

Annex 4 - Statement of changes in other intangible assets for the financial statements ended 31 December 2023;

Annex 5 - List of equity investments classified under equity-accounted financial assets as at 31 December 2023 and others;

Annex 6 - List of equity investments in subsidiaries and associated companies as at 31 December 2023 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation.

Annex 7 - List of consolidated companies broken down by sector.

Annex 1

Breakdown of receivables and payables from/to subsidiaries, associated, controlling and related companies as at 31 December 2023

(Euro/000)	Trade		Other		**Total**	
	Receivables	Payables	Receivables	Payables	**Receivables**	**Payables**
Subsidiaries:						
Agro-Invest Sp. zo.o.	23	-	5,207	-	**5,230**	**-**
Corte Buona LLC	297	-		-	**297**	**-**
Fratelliditalia S.A.	2,020	-	837	-	**2,857**	**-**
Inalca Food & Beverage (Thailand) Ltd	413	-	587	-	**1,000**	**-**
Inalca Russia LLC	4	-	2	-	**6**	**-**
Italia Alimentari USA Corporation	685	-		-	**685**	**-**
Montagna S.p.A.	-	-	15,699	-	**15,699**	**-**
Società Agricola Transumanza S.r.l.	-	35	1,139	-	**1,139**	**35**
Total subsidiaries	**3,442**	**35**	**23,471**	**-**	**26,913**	**35**
Associated companies:						
A.G.M. S.r.l.	-	4	220	-	**220**	**4**
Farm Service S.r.l.	64	-	111	-	**175**	**-**
Frigomacello S.r.l.	-	-	729	-	**729**	**-**
Frimo SAM	7	-	-	-	**7**	**-**
Jolanda da Colò S.p.A.	-	32	-	-	**-**	**32**
Società Agricola Cà Bianca S.r.l.	-	-	165	-	**165**	**-**
Società Agricola Marchesina S.r.l.	2,600	3,808	9,348	-	**11,948**	**3,808**
Time Vending S.r.l.	-	-	-	-	**-**	**-**
Unitea S.r.l.	121	536	-	-	**121**	**536**
Zaino IF&B Co. Ltd	466	6	-	-	**466**	**6**
Total associated companies	**3,258**	**4,386**	**10,573**	**-**	**13,831**	**4,386**
Related and controlling companies:						
Cremofin S.r.l.	-	-	7	-	**7**	**-**
Importadora Italiana del Sureste s.a. de c.v.	-	-	1	-	**1**	**-**
Le Cupole S.r.l.	-	-	3	2,374	**3**	**2,374**
LLc Soyuz	1	-	-	-	**1**	**-**
Scalo - Servizi calabresi di logistica - S.n.c. dei F.lli Viscomi	4	85		2,486	**4**	**2,571**
UniEffebi	11	-	-	-	**11**	**-**
Verrini Holding S.r.l.	-	-	-	2,028	**-**	**2,028**
Total related companies	**16**	**85**	**11**	**6,888**	**27**	**6,973**

Annex 2

Breakdown of revenues and costs from/to subsidiaries, associated, controlling and related companies for 2023

(Euro/000)	Trade		Other		**Total**	
	Revenues	Costs	Revenues	Costs	**Revenues**	**Costs**
Subsidiaries:						
Agro-Invest Sp. zo.o.	-	8,924	206	-	**206**	**8,924**
Corte Buona LLC	111	-	-	-	**111**	**-**
Italia Alimentari USA Corporation	-	-	-	-	**-**	**-**
Montagna S.p.A.	135	4,258	802	-	**937**	**4,258**
Sara S.r.l. (wound-up)	-	-	16	-	**16**	**-**
Società Agricola Transumanza S.r.l.	-	9	23	-	**23**	**9**
Total subsidiaries	**246**	**13,191**	**1,047**	**-**	**1,293**	**13,191**
Associated companies:						
A.G.M. S.r.l.	-	105	-	-	**-**	**105**
Farm Service S.r.l.	2,991	3	-	-	**2,991**	**3**
Jolanda De Colò S.p.A.	928	29	-	-	**928**	**29**
Società Agricola Marchesina S.r.l.	12,855	16,931	414	-	**13,269**	**16,931**
Time Vending S.r.l.	-	-	242	-	**242**	**-**
Unitea S.r.l.	2,635	2,929	-		**2,635**	**2,929**
Total associated companies	**19,409**	**19,997**	**656**	**-**	**20,065**	**19,997**
Controlling companies						
Cremofin S.r.l.	-	-	12	-	**12**	**-**
Total controlling companies	**-**	**-**	**12**	**-**	**12**	**-**
Related companies:						
Hera Ambiente Servizi industriali S.r.l.	-	135	-	-	**-**	**135**
Le Cupole S.r.l.	-	-	-	78	**-**	**78**
LLc Soyuz	28	-	-	-	**28**	**-**
Scalo - Servizi calabresi di logistica - S.n.c. dei F.lli Viscomi	-	74	32	76	**32**	**150**
St.Corus LTD	-	1,881	-	-	**-**	**1,881**
Verrini Holding S.r.l.	-	9	-	62	**-**	**71**
Total related companies	**28**	**2,099**	**32**	**216**	**60**	**2,315**

Annex 3

Statement of changes in tangible assets for the financial statements ended 31 December 2023

(Euro/000)	Opening position			Changes over the period							Closing position		
	Initial cost	Depreciation provision	Balance at 31.12.2022	Net effects of the change in consolidation area	Acquisitions	Net decreases	(Impairment) Reversal of an impairment	Reclassif./ Other changes	Exchange Differences	Depreciation	Initial cost	Depreciation provision	Balance at 31.12.2023
Land and buildings	1,815,266	(604,315)	1,210,951	0	152,248	(2,273)	(836)	98,929	(24,697)	(109,373)	2,009,290	(684,341)	1,324,949
Plant and machinery	740,256	(549,268)	190,988	0	55,362	(1,342)	0	63,565	(2,157)	(46,982)	840,195	(580,761)	259,434
Industrial and business equipment	65,498	(51,636)	13,862	0	6,205	(211)	0	495	(109)	(4,424)	69,905	(54,087)	15,818
Other assets	217,078	(143,838)	73,240	0	22,918	(891)	(37)	7,862	(1,505)	(19,519)	235,606	(153,538)	82,068
Fixed assets under construction and advances	170,450	0	170,450	0	92,388	(3,655)	(316)	(165,767)	7,499		100,599	0	100,599
Total	**3,008,548**	**(1,349,057)**	**1,659,491**	**0**	**329,121**	**(8,372)**	**(1,189)**	**5,084**	**(20,969)**	**(180,298)**	**3,255,595**	**(1,472,727)**	**1,782,868**

Annex 4

Statement of changes in intangible assets for the financial statements ended 31 December 2023

(Euro/000)	Opening position			Changes over the period						Closing position		
	Initial cost	Amortization provision	Balance at 31.12.2022	Net effects change in consolidation area	Acquisitions	Net decreases	Reclass. Other changes	Exchange Differences	Amortiz.	Initial cost	Amortization provision	Balance at 31.12.2023
Patents and intellectual property rights	29,021	(25,298)	3,723	45	2,316	(18)	500	6	(2,189)	31,379	(26,996)	4,383
Development costs	1,337	(805)	532		1,011				(350)	2,348	(1,155)	1,193
Concessions, licences, trademarks and similar rights	27,783	(13,914)	13,869		702	(31)	301	(158)	(1,874)	27,828	(15,019)	12,809
Fixed assets under development and advances	1,624		1,624		6,489	(24)	(587)	(7)		7,495		7,495
Other intangible assets	7,734	(5,834)	1,900	1	127	(17)	47		(603)	8,118	(6,663)	1,455
Total	**67,499**	**(45,851)**	**21,648**	**46**	**10,645**	**(90)**	**261**	**(159)**	**(5,016)**	**77,168**	**(49,833)**	**27,335**

Annex 5

List of equity investments classified under equity-accounted financial assets as at 31 December 2023 and others

(Euro/000) Company name	%	Initial value	Purchases or subscriptions	Disposals	(Write-downs) Revaluations	Other Changes	%	Final value	Notes
Subsidiaries:									
Agro-Invest Sp. z o.o.			2,772	-	-	3,727	55.00	6,499	(d)
Cremonagel S.r.l.			10	-	-	(10)	-	-	(a)
Fratelliditalia S.A. de C.V.	80.00	-	-	-	-	-	80.00	-	
Host INNS Pty Limited	100.00	740	-	-	-	(740)	-	-	(a)
Il Castello di Castelvetro S.r.l.			100	-	-	(100)	-	-	(a)
Inalca Food & Beverage (Thailand) Ltd	100.00	-	-	-	-	-	100.00	-	
Inalca Foods Nig Limited (in liquid.)	57.00	-	-	-	-	-	57.00	-	
Inalca Russia L.l.c.	100.00	2	-	-	-	(1)	100.00	1	
Italia Alimentari USA Corporation	100.00	500	92	-	-	-	100.00	592	
Montagna S.p.A.			810	-	-	490	51.22	1,300	(d)
Montana Farm S.p.z o.o. (in liquid.)	100.00	79	-	(79)	-	-	-	-	
Palermo Airport F & B s.c.a.r.l.			51	-	-	(51)	-	-	(a)
Poke Mxp S.r.l.			102	-	-	(102)	-	-	(a)
Società Agricola Transumanza S.r.l.	51.00	5	9	-	-	-	100.00	14	
The House of Fine Foods (Macau) 1994 Lda.			118	-	-	-	100.00	118	
The House of Fine Foods Ltd. (Hong Kong)			418	-	-	-	100.00	418	
Vigasio Energy S.r.l.			35	-	-	-	70.00	35	
Total subsidiaries		**1,326**	**4,517**	**(79)**	**0**	**3,213**		**8,977**	
Associated companies									
A.G.M. S.r.l.	29.56	75	117	-	-	-	38.76	192	
Agro-Invest Sp. zo.o.	50.00	3,727	-	-	-	(3,727)	-	-	(d)
Avirail S.a.s.	49.00	314	-	-	(251)	-	49.00	63	
Biorg S.r.l.	30.00	3,004	-	-	(1,229)	-	30.00	1,775	
Ca' Bianca Soc. Agr. a r.l.	30.00	675	-	-	-	-	30.00	675	
Consorzio I.R.I.S. S.a.r.l.	37.50	4	-	-	-	-	37.50	4	
Farm Service S.r.l.	16.82	257	-	-	-	-	16.82	257	
Frigomacello S.r.l.	50.00	102	9	-	-	-	50.00	111	
Frimo S.A.M.	45.50	528	-	-	123	-	45.50	651	
Inalca Emirates Trading Llc in liq.	49.00	-	-	-	-	-	49.00	-	
Inalca Food and Beverages West Africa Ltd	45.00	-	-	-	-	-	45.00	-	
Jolanda De Colò S.p.A.	34.00	1,828	-	-	-	-	34.00	1,828	
Parma Charolais S.a.s.	25.00	120	-	-	-	-	25.00	120	
SC Pulsar	30.00	240	-	-	-	-	30.00	240	
SCEA PBL	30.00	90	-	-	-	-	30.00	90	
Società Agricola Marchesina S.r.l.	50.00	2,780	-	-	-	-	50.00	2,780	
Time Vending S.r.l.	50.00	639	-	(472)	298	(465)	50.00	-	
Unitea S.r.l.	50.00	-	-	-	-	-	50.00	-	
Zaino IF&B Co. Ltd	50.00	2,101	-	-	(443)	-	50.00	1,658	
Total associated companies		**16,484**	**126**	**(472)**	**(1,502)**	**(4,192)**		**10,444**	
Other companies:									
B.F. Holding S.p.A.		13,892	7,398	0	(1,335)	0	0.00	19,955	(b)
Banca Centro Padana		40	0	0	0	(40)	0.00	-	
Centro Agroalimentare Riminese S.p.A.		163	0	0	0	2	0.00	165	
Futura S.p.A.		963	0	0	0	0	0.00	963	
Gester Soc. Coop		233	0	(233)	0	0	0.00	-	
Montagna S.p.A.		490	0	0	0	(490)	0.00	-	(d)
Unipeg Soc. Coop.		82	0	0	0	0	0.00	82	
Wearena Entertainment S.p.A.		200	0	0	0	0	0.00	200	
Other minor companies		185	2	(13)	0	40	0.00	214	
Total other companies		**16,248**	**7,400**	**(246)**	**(1,335)**	**(488)**		**21,579**	
Financial assets held for sale - current									
Banco Popolare Società Cooperativa		322	**0**	**0**	139	**0**	0	461	(b)
IVS Group S.A.			7,385	0	(585)	0	0.00	6,800	
Total Financial assets held for sale		**322**	**7,385**	**0**	**(446)**	**0**	**0**	**7,261**	

(a) Company consolidated from 2023;
(b) the unrealized gain/losses of the equity are classified into the specific equity fair value reserve;
(c) Company excluded from the scope of consolidation;
(d) Company over which control was obtained during 2023, reclassified among subsidiaries.

Annex 6

List of equity investments in subsidiaries and associated companies as at 31 December 2023 (Article 2427, paragraph 5, of the Italian Civil Code) with an indication of those falling within the scope of consolidation

(thousands Euro) Company name	HQ		Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.2023	Shareholders' equity at 31.12.2023	Control share at 31.12.2023	Shareholding at 31.12.2023	Consolidation method	Participants at 31.12.2023	Control share at 31.12.2022	Shareholding at 31.12.2022	Notes
Companies consolidated on a line-by-line basis:												
Agrosakmara Llc.	Orenburg (Russia)	RUR	10,000	(3,580)	(47)	100.00%	60.00%	Line by line	Orenbeef Llc 99%; Kaskad Llc 1%	100.00%	60.00%	(a)
Agrosakmara Bashkiria Llc.	Ufa (Republic of Bashkortostan)	RUR	10,000	(675)	(70)	100.00%	60.00%	Line by line	Orenbeef Llc 99%; Kaskad Llc 1%	100.00%	60.00%	(a)
Antonio Verrini S.r.l.	Santarcangelo di Romagna (RN)		250,000	127	5,917	100.00%	51.17%	Line by line	MARR S.p.A.	100.00%	50.42%	
As.Ca. S.p.A.	Santarcangelo di Romagna (RN)		518,000	2,292	10,550	100.00%	51.17%	Line by line	MARR S.p.A.	100.00%	50.42%	
Bagel Nash (Retail) Limited	London (United Kingdom)	GBP	100	78	1	100.00%	100.00%	Line by line	Gabf Holdings Limited	100.00%	100.00%	(a)
Bright View Trading HK Ltd	Chai Wan (Hong Kong)	HKD	34,588,921	234	7,819	100.00%	100.00%	Line by line	Inalca Food & Beverage S.r.l.	100.00%	100.00%	(a)
Castelfrigo LV S.r.l.	Castelnuovo Rangone (MO)		2,500,000	(1,044)	2,784	100.00%	100.00%	Line by line	Italia Alimentari S.p.A.	100.00%	100.00%	
C&P S.r.l.	Castelvetro di Modena (MO)		10,100,000	(3,466)	8,755	60.00%	60.00%	Line by line	Chef Express S.p.A.	60.00%	60.00%	
Chef Express S.p.A.	Castelvetro di Modena (MO)	EUR	8,500,000	6,537	30,986	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Chef Express UK Ltd.	London (United Kingdom)	GBP	80,000	3,015	3,200	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	(a)
Comit - Comercial italiana de alimentaciòn S.L.	Tenerife (Spain)		117,500	820	3,192	75.00%	75.00%	Line by line	Inalca Food & Beverage S.r.l.	75.00%	75.00%	
Cremonini Restauration S.a.s.	Paris (France)		1,500,000	(20)	1,726	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Cremonagel S.r.l.	Santarcangelo di Romagna (RN)		10,000	1	11	100.00%	51.17%		New Catering S.r.l.			
Cremonini S.p.A.	**Castelvetro di Modena (MO)**		**67,073,932**	**8,531**	**325,832**			**Holding**				
Cremovit S.r.l.	Castelvetro di Modena (MO)		3,000,000	4,256	10,013	51.00%	51.00%	Line by line	Società Agricola Corticella S.r.l.	51.00%	51.00%	
Dolfen S.r.l.	Parma		20,410	2,707	3,899	51.00%						
Fiorani & C. S.r.l.	Piacenza		500,000	2,982	13,757	70.00%	70.00%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Fresco Gourmet Pty Ltd	North Sidney (Australia)	AUD	5,125,000	(998)	(508)	100.00%	100.00%	Line by line	Inalca Food & Beverage S.r.l.	100.00%	100.00%	(a)
Frigor Carni S.r.l.	Santarcangelo di Romagna (RN)		100,000	548	4,625	100.00%	51.17%	Line by line	MARR S.p.A.	100.00%	50.42%	
Gabf Holdings Limited	London (United Kingdom)	GBP	7,880,953	497	(4,555)	100.00%	100.00%	Line by line	Chef Express UK Ltd.	100.00%	100.00%	(a)
Ges.Car. S.r.l.	Castelvetro di Modena (MO)		500,000	(4,327)	141	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Guardamiglio S.r.l.	Piacenza		1,500,000	3,775	6,957	90.00%	90.00%	Line by line	INALCA S.p.A.	90.00%	90.00%	
Hosteria Butarelli S.L.	Gran Canaria (Spain)		353,000	(38)	165	100.00%	75.00%	Line by line	Comit - Comercial italiana de alimentaciòn S.L.	100.00%	75.00%	
Host Inns Pty Limited	North Sidney (Australia)	AUD	69,995	34	490	100.00%	100.00%	Line by line	Fresco Gourmet Pty Ltd	0.00%	0.00%	(a) (b)
INALCA S.p.A.	Castelvetro di Modena (MO)		187,017,167	35,832	482,717	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Ina.Ten. S .r.l.	Castelvetro di Modena (MO)		100,000	40	320	51.00%	51.00%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Inalca Algerie S.a r.l.	Algeri (Algeria)	DZD	1,258,180,000	(810)	5,662	98.48%	98.48%	Line by line	INALCA S.p.A.	98.48%	98.48%	(a)
Inalca Angola Lda.	Luanda (Angola)	AOR	29,295,519,920	729	50,102	98.00%	98.00%	Line by line	INALCA S.p.A.	98.00%	98.00%	(a)
Inalca Brazzaville S.a r.l.	Brazzaville (Republic of Congo)		1,981,837	(914)	2,381	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Inalca CI S.a.r.l.	Abidjan (Ivory Coast)		152,449	217	2,667	99.99%	99.99%	Line by line	INALCA S.p.A.	99.99%	99.99%	
Inalca Food & Beverage Beijing Co. Ltd	Beijing - China	CNY	0	17	(139)	100.00%	60.00%	Line by line	Inalca Food & Beverage Beijing Holding Ltd	100.00%	33.00%	(a)
Inalca Food & Beverage Beijing Holding Ltd	Hong kong - China	CNY	10	0	0	60.00%	60.00%	Line by line	Inalca Food & Beverage China Holding Ltd	60.00%	33.00%	(a)
Inalca Food & Beverage China Holding Ltd	Kwai Fong (Hong Kong)	HKD	25,545,183	0	2,896	100.00%	100.00%	Line by line	Inalca Food & Beverage S.r.l.	55.00%	55.00%	(a)
Inalca F&B Sdn Bhd	Klang Selangor (Malaysia)	MYR	2,000,000	136	(132)	100.00%	100.00%	Line by line	Inalca Food & Beverage S.r.l.	100.00%	100.00%	(a)
Inalca Food & Beverage Cabo Verde Lda	Isla de Sal (Cape Verde)	CVE	550,026,500	(319)	1,556	100.00%	100.00%	Line by line	Inalca Food & Beverage S.r.l.	80.00%	80.00%	(a)
Inalca Food & Beverage S.r.l.	Modena		8,500,000	(5,674)	7,912	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Inalca Food & Beverage Shanghai Co Ltd	Shanghai (China)	CNY	5,946,397	(378)	(1,360)	100.00%	100.00%	Line by line	Inalca Food & Beverage China Holding Ltd	100.00%	55.00%	(a)
Inalca Food Service Kaz Llp	Almaty (Repubblica del Kazakhstan)	KZT	40,000,000	824	362	100.00%	45.00%	Line by line	Marr Russia L.l.c.	100.00%	45.00%	(a)
Inalca Kinshasa S.a.r.l.	Kinshasa (Democratic Republic of Congo)	USD	3,000,000	(797)	2,481	97.00%	97.00%	Line by line	INALCA S.p.A.	85.00%	85.00%	(a)
Industria Alimentar Carnes de Mocambique Ltd	Maputo (Mozambique)	MZN	390,000,000	2,441	10,356	99.00%	99.00%	Line by line	INALCA S.p.A.	99.00%	99.00%	(a)
Inter Inalca Angola Lda.	Luanda (Angola)	AOR	4,596,799	73	913	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	(a)
Interjet S.r.l.	Castelvetro di Modena (MO)		2,500,000	(758)	2,779	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Italia Alimentari S.p.A.	Busseto (PR)		40,248,000	5,420	88,748	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Italia Alimentari Canada Ltd.	Brampton (Canada)	CAD	1,750,000	(192)	(729)	60.00%	60.00%	Line by line	Italia Alimentari S.p.A.	60.00%	60.00%	(a)

Follows

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) Subsidiary consolidated starting from 2023

Continued: Annex 6

Company name (thousands Euro)	HQ		Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.2023	Shareholders' equity at al 31.12.2023	Control share at 31.12.2023	Shareholding at 31.12.2023	Consolidation method	Participants at 31.12.2023	Control share at 31.12.2022	Shareholding at 31.12.2022	Notes
Continues												
Kaskad L.l.c.	Moscow (Russia)	RUR	3,028,315,388	2,988	40,545	60.00%	60.00%	Line by line	INALCA S.p.A.	60.00%	60.00%	(a)
La Torre Soc. Agr. Cons. a r.l.	Isola della Scala (VR)		2,120,000	(565)	7,061	56.87%	56.87%	Line by line	Società Agricola Corticella S.r.l.	55.00%	53.16%	
Lounge Services S.a.s.	Paris (France)		0	(73)	46	100.00%	100.00%	Line by line	Chef Express UK Ltd.	100.00%	100.00%	
Macello di Parma S.r.l.	Parma		111,476	40	283	97.29%	49.62%	Line by line	Dolfen S.r.l.	97.29%	49.62%	
Marr Foodservice Iberica S.A.U. in liq.	Madrid (Spain)		600,000	(1)	402	100.00%	51.17%	Line by line	MARR S.p.A.	100.00%	50.42%	
Marr Russia L.l.c.	Moscow (Russia)	RUR	100,000,000	8,212	69,802	75.00%	45.00%	Line by line	Kaskad L.l.c.	75.00%	45.00%	(a)
MARR S.p.A.	Rimini		32,776,680	44,912	338,674	51.17%	51.17%	Line by line	Cremonini S.p.A.	50.42%	50.42%	
Mille Sapori Plus S.p.z.o.o.	Warsaw (Poland)	PLN	500,000	1,766	5,962	80.00%	80.00%	Line by line	Inalca Food & Beverage Cabo Verde Lda	80.00%	80.00%	(a)
Momentum Services Ltd.	Birmingham (United kingdom))		269,258	1,396	2,453	100.00%	100.00%	Line by line	Chef Express UK Ltd.	100.00%	100.00%	
Montana Alimentari GMBH in liq.	Monaco (Germany)		25,000	(6)	480	100.00%	100.00%	Line by line	Italia Alimentari S.p.A.	100.00%	100.00%	
MSP Transport S.p.z.o.o.	Warsaw (Poland)	PLN	100,000	171	232	100.00%	80.00%	Line by line	Mille Sapori Plus S.p.z.o.o.	100.00%	80.00%	(a)
New Catering S.r.l.	Santarcangelo di Romagna (RN)		33,900	2,388	11,981	100.00%	51.17%	Line by line	MARR S.p.A.	100.00%	50.42%	
Orenbeef L.l.c.	Orenburg (Russia)	RUR	942,857,143	53	34,177	100.00%	60.00%	Line by line	Kaskad L.l.c.	100.00%	60.00%	(a)
Parma Capel S.a.s.	Saint Jal (France)		900,000	(83)	2,061	66.67%	50.67%	Line by line	Parma France S.a.s.	66.67%	34.00%	
Parma France S.a.s.	St Didier au Mont d'or (France)		1,000,000	3,938	20,940	76.00%	76.00%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Parma Serv S.r.l.	Parma		10,000	(787)	45	51.00%	51.00%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Railrest S.A.	Brusselles (Belgium)		500,000	883	1,971	51.00%	51.00%	Line by line	Chef Express S.p.A.	51.00%	51.00%	
Realbeef S.r.l.	Flumeri (AV)		9,500,000	(2,676)	4,381	51.00%	51.00%	Line by line	INALCA S.p.A.	51.00%	51.00%	
Roadhouse S.p.A.	Castelvetro di Modena (MO)		20,000,000	(8,302)	30,677	100.00%	100.00%	Line by line	Chef Express S.p.A.	100.00%	100.00%	
Roadhouse Grill Roma S.r.l.	Castelvetro di Modena (MO)		1,200,000	(902)	(1,516)	55.00%	55.00%	Line by line	Roadhouse S.p.A.	55.00%	55.00%	
Royi Wine & Spirit (China) Ltd	Hong Kong	HKD	10	0	0	80.00%	44.00%	Line by line	Inalca Food & Beverage China Holding Ltd	80.00%	80.00%	(a)
Royi Wine (Shanghai) Ltd	Shanghai (China)	CNY	-6,105	(317)	(820)	100.00%	44.00%	Line by line	Royi Wine & Spirit (China) Ltd	100.00%	80.00%	(a)
Società Agricola Corticella S.r.l.	Spilamberto (MO)		15,000,000	(2,787)	80,106	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Staff Service S.r.l.	Castelvetro di Modena (MO)		93,000	980	3,254	100.00%	100.00%	Line by line	Cremonini S.p.A.	100.00%	100.00%	
Tecali S.L.	Tenerife (Spagin)		363,000	550	4,495	68.32%	51.24%	Line by line	Comit - Comercial italiana de alimentaciòn S.L.	68.32%	51.24%	
Tecno-Star Due S.r.l.	Spilamberto (MO)		10,400	76	951	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	
Tecnovit S.r.l.	Roverbella (MN)		200,000	(79)	118	60.00%	60.00%	Line by line	INALCA S.p.A.	60.00%	60.00%	
Top Best International Holding Ltd	Kwai Fong - Hong Kong	HKD	6,507,000	(270)	(595)	100.00%	55.00%	Line by line	Inalca Food & Beverage China Holding Ltd	100.00%	100.00%	(a)
Treerre Food S.r.l.	Gerenzago (PV)		80,000	(59)	43	90.00%	81.00%	Line by line	Guardamiglio S.r.l.	90.00%	81.00%	
Zaklady Miesne Soch. S.p.zo.o.	Warsaw (Poland)	PLN	200,000,000	(6,589)	82,619	100.00%	100.00%	Line by line	INALCA S.p.A.	100.00%	100.00%	(a)
Zhongshan Inalca Food & Beverage Co Ltd	Changsha City - China	CNY	5,000,689	37	(495)	100.00%	55.00%	Line by line	Inalca Food & Beverage China Holding Ltd	100.00%	100.00%	(a)

a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies. /(b) Subsidiary consolidated starting from 2023

Continued: Annex 6

(Euro/000) Company name	HQ	Share capital (expressed in Euro, unless otherwise indicated)	Result for the financial year ended 31.12.2023	Shareholders' equity at 31.12.2023	Control share at 31.12.2023	Shareholding at 31.12.2023	Book value (A)	Portion of the Shareholders' Equity (B)	Difference (B) - (A)	Participants at 31.12.2023	Control share at 31.12.2022	Shareholding at 31.12.2022	Notes
Investments valued at equity:													
Associated companies:													
Avirail S.a.s.	Paris (France)	100,000	(4)	633	49.00%	49.00%	63	310	247	Cremonini Restauration S.a	49.00%	49.00%	(d)
Investments valued at cost:													
Subsidiaries													
Agro-Inwest Sp. z o.o.	Środa Wielkopolska (Polonia)	PLN 10.000	1,256	6,740	55.16%	55.16%	6,499	3,718	(2,781)	INALCA S.p.A.	50.00%	50.00%	(a) (d)
Fratelliditalia S.A. de C.V.	Playa del Carmen (Messico)	MXN 100.000	106	(2,912)	80.00%	80.00%	-	(2,330)	(2,330)	Inalca Food & Beverage S.r.l	80.00%	80.00%	(a) (f)
Inalca Food & Beverage (Thailand) Ltd	Samutprakarn (Thailandia)	THB 117.650.000	(517)	(14,361)	100.00%	100.00%	-	(14,361)	(14,361)	Inalca Food & Beverage S.r.l	100.00%	100.00%	(a) (d)
Inalca Foods Nig Limited (in liquid.)	Nigeria	Naira 10.000.000	nd	nd	57.00%	57.00%	-	-		INALCA S.p.A.	57.00%	57.00%	(a)
Inalca Russia L.l.c.	Odintsovo (Russia)	RUR 150.000	(0)	(1)	100.00%	60.00%	1	-	(1)	Kaskad L.l.c.	100.00%	60.00%	(a)
Italia Alimentari USA Corporation	(Ewing) US	USD 800.000	(21)	357	100.00%	100.00%	592	357	(235)	Italia Alimentari S.p.A.	100.00%	100.00%	(a) (d)
Montagna S.p.A.	Corigliano Rossano (CS)	1,240,000	(62)	3,646	51.22%	51.22%	1,300	1,867	567	INALCA S.p.A.			(d)
Società Agricola Transumanza S.r.l.	Mistretta (ME)	10,000	(4)	30	100.00%	100.00%	14	30	16	INALCA S.p.A.	51.00%	26.01%	(d)
The House of Fine Foods Ltd. (Hong Kong)	Hong Kong (Cina)	HK$ 100.000	56	1,465	100.00%	100.00%	418	1,465	1,047	Bright View Trading HK Ltd			(a) (b)
The House of Fine Foods (Macau) 1994 Lda.	Macao (Cina)	MOP 25.000	(12)	(239)	100.00%	100.00%	118	(239)	(357)	Bright View Trading HK Ltd			(a) (d)
Vigasio Energy S.r.l.	Castelvetro di Modena (MO)	50,000	(0)	50	70.00%	70.00%	35	35	-	INALCA S.p.A.			(c)
Associated companies:													
A.G.M. S.r.l.	Castelnovo di Sotto (RE)	97,800	(54)	74	38.76%	38.76%	192	29	(163)	INALCA S.p.A.	29.56%	29.56%	(d)
Biorg S.r.l.	Bologna (BO)	10,000,000	(1,263)	8,567	30.00%	30.00%	1,775	2,570	795	INALCA S.p.A.	30.00%	30.00%	(d)
Ca' Bianca Soc. Agr. a r.l.	Cittadella (PD)	10,000	331	1,370	30.00%	17.06%	675	411	(264)	La Torre Soc. Agr. Cons. a r.l.	30.00%	16.50%	(d)
Consorzio I.R.I.S. S.a.r.l.	Bolzano	10,000	8	16	37.50%	37.50%	4	6	2	Interjet S.r.l.	37.50%	37.50%	(h)
Farm Service S.r.l.	Reggio Emilia	1,100,000	1,057	6,528	16.82%	16.82%	257	1,098	841	INALCA S.p.A.	16.82%	16.82%	(d)
Frigomacello S.r.l.	Fermo (AP)	90,000	(19)	71	50.00%	50.00%	111	36	(75)	INALCA S.p.A.	50.00%	50.00%	(d)
Frimo S.A.M.	Principato di Monaco	150,000	92	1,432	45.50%	45.50%	651	652	1	INALCA S.p.A.	45.50%	45.50%	(d)
Inalca Emirates Trading Llc in liq.	Abu Dhabi (Emirati Arabi Uniti)	AED 300.000	0	(2,576)	49.00%	49.00%	-	(1,262)	(1,262)	INALCA S.p.A.	49.00%	49.00%	(a) (d)
Inalca Food and Beverages West Africa Ltd	Lagos - Nigeria	Naira 20.000.000	(39)	76	45.00%	45.00%	-	34	34	INALCA S.p.A.	45.00%	45.00%	(a) (d)
Jolanda De Colò S.p.A.	Palmanova (UD)	846	548	2,005	34.00%	17.40%	1,828	682	(1,146)	MARR S.p.A.	34.00%	17.30%	(d)
Parma Charolais S.a.s.	Curbigny (Francia)	500,000	35	535	25.00%	19.00%	120	134	14	Parma France S.a.s.	25.00%	12.75%	(e)
SCEA PBL	Chabrignac (Francia)	300,000	2	168	30.00%	22.80%	90	50	(40)	Parma France S.a.s.	30.00%	15.30%	(e)
SC Pulsar	Chabrignac (Francia)	306,000	5	605	30.00%	22.80%	240	182	(59)	Parma France S.a.s.	30.00%	15.30%	(e)
Società Agricola Marchesina S.r.l.	Castelvetro di Modena (MO)	6,000,000	529	4,627	50.00%	50.00%	2,780	2,313	(467)	Società Agricola Corticella S	50.00%	50.00%	(d)
Unitea S.r.l.	Mantova (MN)	100,000	(72)	2,259	50.00%	50.00%	-	1,129	1,129	INALCA S.p.A.	50.00%	50.00%	(d)
Zaino IF&B Co. Ltd	Samut Prakan (Thailandia)	THB 160.000.000	(411)	3,779	50.00%	50.00%	1,658	1,890	232	Inalca Food & Beverage S.r.l	50.00%	50.00%	(a) (d)

NOTES

(a) Amounts expressed in Euro resulting from the translation of the original amounts in foreign currencies/(b) The figures refer to the latest available financial statements at 31 January 2023/(c) The figures refer to the latest available financial statements at 31 December 2023/(d) The figures refer to the latest available financial statements at 31 December 2022/(e) The figures refer to the latest available financial statements at 31 December 2021/(f) The figures refer to the latest available financial statements at 31 December 2020/(g) The figures refer to the latest available financial statements at 31 December 2019/(h) The figures refer to the latest available financial statements at 31 December 2008/(i) Non-operating company.

Annex 7

List of consolidated companies broken down by sector

The Group, which operates in the food sector, carries out its activity in three macro areas of business:

- Production;
- Distribution;
- Catering.

The companies operating in each sector are reported below.

Production Sector

The following companies operates in various segments of this sector:

Company | **Business**

a) Production -Italy

Company	Business
INALCA S.P.A. Via Spilamberto n. 30/C - Castelvetro di Modena (Modena)	Slaughtering, processing and trading of beef-based products.
CREMOVIT S.R.L. Via Spilamberto 30/C - Castelvetro di Modena (Modena)	Calf breeding.
DOLFEN S.R.L. Via Solferino, 2 - Parma	Controlling interest in Macello di Parma S.r.l.
FIORANI & C. S.R.L. Via Coppalati no.52 - Piacenza	Processing and trading of beef-based products.
GES.CAR. S.R.L. Via Spilamberto no. 30/C - Castelvetro di Modena (Modena)	Services connected to beef processing and treatment at the INALCA plant in Ospedaletto Lodigiano.
GUARDAMIGLIO S.R.L. Via Coppalati no. 52 - Piacenza	Operation of retail stores (butcher shops and delicatessens).
INA TEN S.R.L. Via Spilamberto 30/C - Castelvetro di Modena (Modena)	Lease of the Group-owned property for processing of by-products.
LA TORRE SOCIETA' AGRICOLA A R.L. Via Crosoncino 4 - Isola della Scala (Verona)	It carries out farming and animal husbandry activities, and operates one of the major livestock centres in Northern Italy.
MACELLO DI PARMA S.R.L. Via del Taglio, 6 - Parma	The company operates the municipal slaughterhouse in Parma under a concession agreement.
PARMA SERV S.R.L. Viale Solferino 11- Parma	Selling cattle in Italy and providing services to Parma France and its subsidiaries.
REALBEEF S.R.L. Contrada Tierzi - Flumeri (Avellino)	Slaughtering, processing and trading of beef-based products.
SOC. AGR. CORTICELLA S.R.L. Via Corticella no. 15 - Spilamberto (Modena)	Breeding of cattle, both directly and under agistment contracts.
TECNO-STAR DUE S.R.L. Via dei Marmorari , 88 - Spilamberto (Modena)	Design of buildings and plants, management of maintenance and refurbishment activities.
TECNOVIT S.R.L. Strada Boccalina 1- Roverbella (Mantua)	Production and sale of feed supplements and feeds for cattle and pigs.
TREERRE FOOD S.R.L. Via Madre Tersa di Calcutta 18/A - Gerenzago (Pavia)	Operation of retail stores of fresh products (butcher shops and delicatessens).

b) Production - abroad

AGROSAKMARA LLC. Dorozhnaya str.50, Chernyi Otrog - Orenburg – Russia	Breeding of cattle in Russia.
AGROSAKMARA BASHKIRIYA LLC. Via Admiral Makarov,26 (b. 2, office 16) - Ufa - Republic of Bashkortostan	Feedlot development in the Russian region.
INALCA ALGERIE S.A.R.L. 08, Rue Cherif Hamani - Algiers - Algeria	Currently it is not operating and is in the process of being transformed into manufacturing operations.
INALCA ANGOLA Ltda. Rua Deolinda Rodrigues n. 563 - Luanda - Angola	Trading and processing of food products.
INALCA BRAZZAVILLE S.a r.l.u. Immeuble Lincoln, 15 Boulevard Charles de Gaulle - Pointe Noire – Republic of Congo	Trading of food products.
INALCA CI S.a.r.l. 04 BP Abidjan 04-Plateau Bvrd Carde- Ivory Coast	Company active in trading food products in general in the Ivory Coast.
INALCA FOOD SERVICE KAZ LLP Bekmakhanova street, 96/2 - Almaty - Republic of Kazakhstan	Start-up company that conducts HoReCa businesses in Almaty.
INALCA KINSHASA S.p.r.l. Kinshasa 11eme - Rue Limete Industriel n. 112, Limete (Kinshasa) – Democratic Republic of Congo	Trading and processing of food products.
INDUSTRIA ALIMENTAR CARNES DE MOCAMBIQUE Lda. – Avenida de Mocambique Km 9.5 Barrio Zimpeto Distretto 5- Maputo – Mozambique	Trading of food products.
INTER INALCA ANGOLA Ltda. Rua Major Kayangulo n. 504 - Luanda - Angola	Trading and processing of food products.
KASKAD OOO L.l.c. Via Vostochnaya 5, Odintsovo (Moscow) – Russia	Real estate services.
MARR RUSSIA LLC. Via Vostochnaya 5, Odintsovo (Moscow) – Russia	Trading of food products.
ORENBEEF LLC Via Pionerskaya 2 - Orenburg - Russia	Slaughtering, processing and trading of beef-based products in Orenburg.
PARMA CAPEL S.A.S. Le Pradel 19700 - Saint Jal - France	Sells live cattle in France specialising in the Limousines breed.
PARMA FRANCE S.A.S. 13 rue Claude Chappe, Le Parc de Crécy 69370 St - Didier au Mont d'or – France	Sub-holding company in the Parma France Group, which sells livestock in France.
ZAKLADY MIESNE SOCHOCIN S.P.Z.O.O Al. Jana Pawła II n. 80, Warsaw – Poland	It operates the cattle production, slaughtering and processing plant in Poland at the company-owned area in Sochocin.

c) Cured meats and snacks

ITALIA ALIMENTARI S.P.A. Via Europa n. 14 - Busseto (Parma)	Production and trading of food products (cured meats and delicatessen).
CASTELFRIGO LV S.R.L. Via Aldo Moro 4a - Castelnuovo Rangone (Modena)	Processing and distribution of fresh and frozen pork, specialising in the preparation of bacon and jowls.
ITALIA ALIMENTARI CANADA LTD 116, Nugget Court - L6T5A9 Brampton - Ontario - Canada	Production (slicing) and distribution in Canada concerning cured meats produced.
MONTANA ALIMENTARI GMBH IN LIQUIDATION. Kirschstrasse 20 - Munich – Germany	Non-operating company (in liquidation).

c) Food & Beverage

INALCA FOOD & BEVERAGE S.r.l. Via della Pace 6/C – Castelnuovo Rangone (Modena)	Trading and distribution of food products and beverages.
BRIGHT VIEW TRADING HONG KONG LTD. Unit B, 13/F Wah Shing Centre, 5 Fung Yip Street - Chai Wan, Hong Kong	Distribution of food products to foodservice in Hong Kong.
COMIT – COMERCIAL ITALIANA DE ALIMENTACION S.L. Calle Peres Galdòs s/n, San Isidro - Granadilla de Albona - Tenerife	Distribution of food products to foodservice in the Canary Islands.
FRESCO GOURMET PTY LTD 90, Arthur Street - North Sidney - Australia	Distribution of food products to foodservice in Australia.
HOST INNS PTY LTD 90, Arthur Street - North Sidney - Australia	The Australian company is specializing in the distribution of wine, mainly Italian wine, to foodservice in the Sydney area.
HOSTERIA BUTARELLI S.L. Calle Herraje s/n, nave 29, Poligono Industrial de Arinaga Agiunes - Grand Canary	Production of fresh pasta in the Canary Islands.
INALCA FOOD & BEVERAGE BEIJING CO. Beijing Logistics Center,2 Beihoujie, Louzizhuang, Chaoyang District - Beijing – China	Distribution of Italian food products in Beijing.
INALCA FOOD & BEVERAGE BEIJING HOLDING LTD. Unit A 5/F Max Share CTF King's RD North Point - Hong Kong	Subsidiary of IFB China Holding, sub-holding company for operations in China.
INALCA FOOD & BEVERAGE CHINA HOLDING LTD Unit 701, block 2 Golden Industri Bldg 16/26 - Kwai Tak Street, Kwai Fong - Hong Kong	Coordination and sub-holding company for operations in China.
INALCA FOOD & BEVERAGE LDA (Cabo Verde) Rua Amilca Cabra, 1°Andar do Predio Argos - Santa Maria - Ilha do Sal - Cape Verde	Distribution of Italian food products in Cape Verde.
INALCA F&B SDN BHD 151 B, Jalan Batu Tiga Lama Taman Rashna - Klang Selangor Darul Ehasan – Malaysia	Distribution of Halal food products to foodservice in Malaysia.
INALCA FOOD & BEVERAGE (SHANGHAI) CO LTD Room 2807, No 1277 Dingxi Road, Changning District	Distribution of Italian food products in Shanghai.
MILLE SAPORI PLUS S.P.Z.O.O. ul. Kazimierza Gierdziejewskiego 7- Warsaw – Poland	Leading company in the distribution of Italian food products in the Polish foodservice market.
MSP TRANSPORT SP.ZO.O. ul. Kazimierza Gierdziejewskiego 7- Warsaw - Poland	Transport company owned by Mille Sapori Plus SP. ZO.O.
ROYI WINE (SHANGHAI) LTD 4 floor, 158 Xuxiang Road, Qinqpu district - Shanghai, China	Marketing of wine and spirits in China.
ROYI WINE & SPIRIT (CHINA) LTD Room 913, 9/F., Hollywood Plaza, 610 Nathan Road - Mong Kok, Kowloon, Hong Kong	Carries out coordination and sub-holding of operations relating to the sale of wine and spirits in China.
TECALI S.L. Camino Real de la Oratava 215,El Ortigal - La Laguna – Tenerife	Production of mozzarella and fresh cheeses in the Canary Islands.
TOP BEST INTERNATIONAL HOLDING LTD Unit 701 2920, Block 1, Golden Industrial Bldg 16-26, Kwai Tak Street - Hong Kong Kwai Fong	Subsidiary company of IFB China Holding, which conducts mozzarella production in Hong Kong.
ZHONGSHAN INALCA FOOD & BEV. CO LTD No. 431 Shaoshan North Road, Dongtang Ruifu, A Area-Hunan Province,508# Changsha City, Yuhua District	Distribution of food products to foodservice in the Chinese Zhongshan area.

Distribution Sector

The following companies operate in this sector:

Company	Business
Foodservice (distribution to catering)	
MARR S.p.A. Via Spagna no. 20 – Rimini	Trading and distribution of fresh, dried and frozen food products for foodservice operators.
ANTONIO VERRINI S.R.L. Via Pasquale Tosi no. 1300 - Santarcangelo di Romagna (Rimini)	Trading and distribution of fresh, frozen and deep-frozen seafood products mainly in Liguria and Versilia areas.
AS.CA. S.P.A. Via Pasquale Tosi no. 1300 - Santarcangelo di Romagna (Rimini)	As from 1 February 2020 the company operates a business lease with Parent Company MARR S.p.A.
CREMONAGEL S.R.L. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (Rimini)	Sale and distribution of food products to bars and fast food restaurants.
FRIGOR CARNI S.R.L. Via Pasquale Tosi n. 1300 - Santarcangelo di Romagna (Rimini)	Marketing and distribution of fresh, dry and deep-frozen food products mainly in the Calabria Region.
MARR FOODSERVICE IBERICA S.A.U. Calle Lagasca no. 106 1° centro - Madrid – Spain	Non-operating company (in liquidation).
NEW CATERING S.r.l. Via dell'Acero no.1/A, Santarcangelo di Romagna (Rimini)	Trading and distribution of food products to bars and fast-food outlets.

Catering Sector

The business conducted in this sector is divided into three areas, through the following companies and/or corporate divisions:

Company	Business
a) On-board catering	
CHEF EXPRESS S.p.A. – Railway Division Registered and administrative office, Via Modena no. 53 Castelvetro di Modena (Modena)	Concession for operating on-board catering.
CHEF EXPRESS UK LTD. 1-3 Union Street, Kingston Upon Thames, Surrey, London – United Kingdom	Holding company mainly operating in the on-board sector and under concession agreements.
CREMONINI RESTAURATION S.a.s. 83, Rue du Charolais, Paris – France	Non-operating company.
LOUNGE SERVICES S.a.s 91, Rue du Faubourg Saint-Honoré – Paris – France	Concession for operating welcome services in the Eurostar passenger lounges in Paris.
MOMENTUM SERVICES LTD. Parklands Court, no.24 – Birmingham Great Park Rubery – Birmingham - United Kingdom	Concession for operating on-board catering on the trains connecting London to Paris and Brussels through the Eurotunnel.
RAILREST S.A. Rue de France 95 (Frankrijkstraat) 1070, Brussels - Belgium	Concession for operating on-board catering on Thalys high-speed trains connecting Belgium to France, Holland and Germany.

b) Concession Catering

CHEF EXPRESS S.p.A. – Concession Division Registered and administrative office, Via Modena 53 Castelvetro di Modena (Modena)	Operator in the commercial concession catering area. Specifically, catering is managed in the premises of major Italian railway stations, airports and hospitals and service stations of the motorway network.
BAGEL NASH (RETAIL) LTD. 90a Tooley Street, London, SE1 2TH – United Kingdom	It runs eleven bagel-theme outlets in northern England.
GABF HOLDING LTD. 90a Tooley Street London – United Kingdom	Sales of bagels in London and Ireland.
PALERMO AIRPORT F&B SOCIETA' CONSORTILE A R.L. Via Modena n. 53, Castelvetro di Modena (Modena)	It operates catering facilities at Palermo airport.
POKE MXP S.R.L. Via Modena n. 53, Castelvetro di Modena (Modena)	Operation of catering facilities at Milan Malpensa airport (dedicated, in particular, to poke bowls).

c) Commercial Catering

ROADHOUSE S.P.A. Via Modena no. 53, Castelvetro di Modena (Modena)	Management of a chain of restaurants which operates with "Roadhouse Restaurant", "Calavera", "Billy Tacos" and "Smokery" and "*Ric CicKen House*" brands
C&P S.R.L. Via Modena no. 53, Castelvetro di Modena (Modena)	The company operates in commercial catering under "Caio", "Casa Maioli" and "Wagamama" brands.
IL CASTELLO DI CASTELVETRO S.R.L. Via Modena n. 53, Castelvetro di Modena (Modena)	Operation of a restaurant in the historic village of Castelvetro di Modena.
ROADHOUSE GRILL ROMA S.R.L. Via Modena n. 53, Castelvetro di Modena (Modena)	Operating a chain of steakhouse restaurants in Rome and Lazio Region.

Centralized activities (holding company, property and services)

The activities carried out in this area are mainly connected to the provision of specialised services supporting the operating sectors and management of real estate assets, and include the following companies:

Company	Business
CREMONINI S.p.A. Via Modena 53, Castelvetro di Modena (Modena)	Provides support services to Group companies in the areas of finance, insurance, legal and management/administration. It also manages the Group's real estate assets.
INTERJET S.R.L. Via Belvedere no. 23 - Castelvetro di Modena (Modena)	Air transport services (P.P.T).
STAFF SERVICE S.R.L. Via Modena no. 53 - Castelvetro di Modena (Modena)	Processing and administrative management of payrolls.

pwc

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Cremonini SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cremonini SpA (hereinafter also the "Company") and its subsidiaries (hereinafter also the "Cremonini Group"), which comprise the statement of financial position as of 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Cremonini Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Cremonini SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. 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 consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

pwc

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Cremonini Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Cremonini SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Cremonini 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 the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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;
- We obtained 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 Cremonini Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cremonini 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 Cremonini Group to cease to continue as a going concern;

pwc

- We evaluated 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;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Cremonini 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 on the consolidated financial statements.

We communicated 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 identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Cremonini SpA are responsible for preparing a report on operations of the Cremonini Group as of 31 December 2023, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Cremonini Group as of 31 December 2023 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Cremonini Group as of 31 December 2023 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Parma, 24 April 2024

PricewaterhouseCoopers SpA

Signed by

Nicola Madureri
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers