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2023 Financial Report

F.lli Orsero
QUALITÀ

GRUPPO
ORSERO

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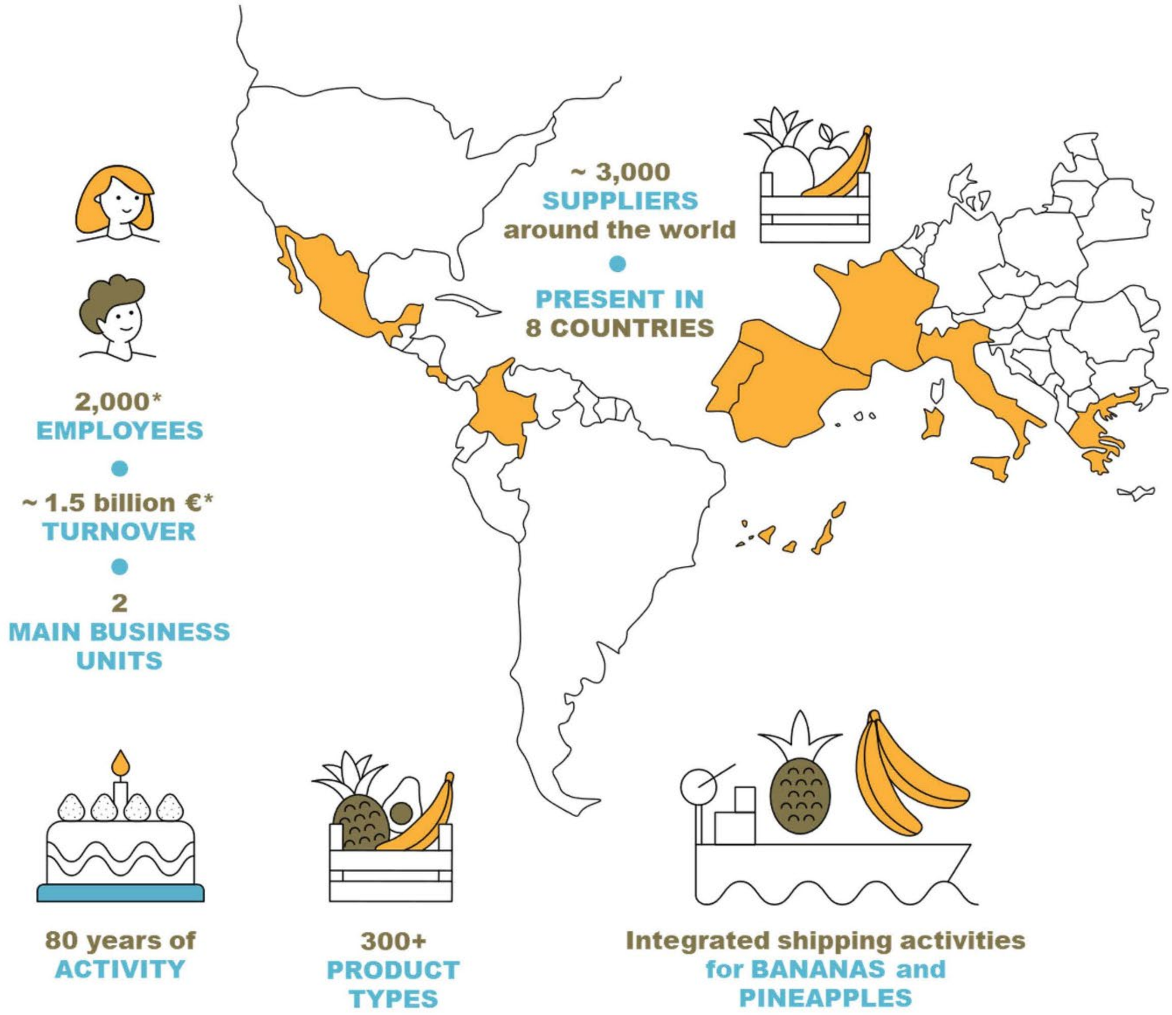
Our Group, at a glance.



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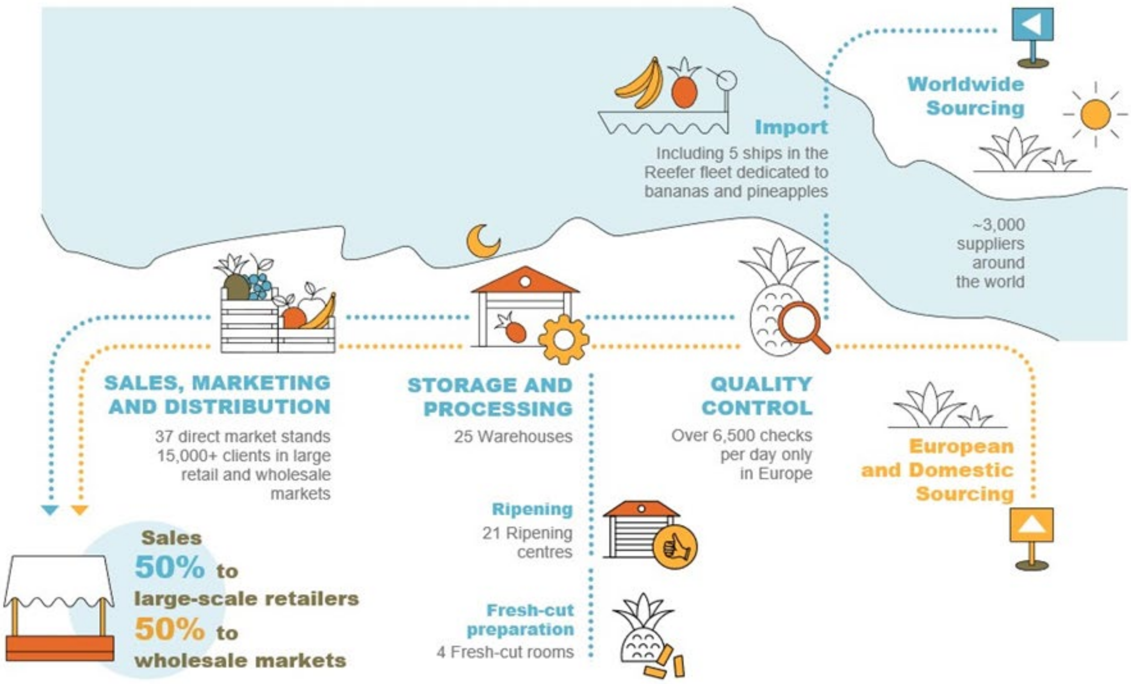

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Key economic, equity and financial data

Economic data:

Thousands of €	12.31.2023	12.31.2022
Net sales	1,540,813	1,196,284
Adjusted EBITDA	107,114	76,058
% Adjusted EBITDA	6.95%	6.36%
Adjusted EBIT	72,780	45,699
EBIT	64,931	39,942
Profit/loss for the period	48,129	32,460
Profit/loss attributable to non-controlling interests	853	195
Profit/loss attributable to Owners of Parent	47,276	32,265
Adjusted profit/loss for the period	53,952	36,948

Equity data:

Thousands of €	12.31.2023	12.31.2022
Net Invested Capital	366,365	268,862
Capital and reserves attributable to Parent Company	236,800	201,090
Non-Controlling Interest	1,724	393
Total Shareholders' Equity	238,523	201,483
Net Financial Position	127,842	67,379

Main indicators:

	12.31.2023	12.31.2022
ROE Group	24.94%	19.11%
ROI	19.87%	17.00%
Net Financial Position/Total Shareholders' Equity	0.54	0.33
Net Financial Position/Adjusted EBITDA	1.19	0.89
Main indicators without IFRS 16 effect		
Net Financial Position/Total Shareholders' Equity	0.28	0.13
Net Financial Position/Adjusted EBITDA	0.74	0.41

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Cash flow data:

Thousands of €	12.31.2023	12.31.2022
Profit/loss for the period	**48,129**	**32,460**
Cash flow from operating activities	75,169	54,870
Cash flow from investing activities	(63,102)	(31,073)
Cash flow from financing activities	9,166	(10,012)
Increase/decrease in cash and cash equivalent	21,233	13,786
Net cash and cash equivalents, at beginning of the period	**68,830**	**55,043**
Net cash and cash equivalents, at end of the period	**90,062**	**68,830**

Economic and equity data and indicators without the effect of IFRS 16:

Thousands of €	12.31.2023	12.31.2022
Adjusted EBITDA	90,600	62,269
% Adjusted EBITDA	5.9%	5.2%
Financial income and expense (Without exchange rate differences)	(8,301)	(2,637)
Total Shareholders' Equity	239,115	202,120
Net Financial Position	67,083	25,805
Main indicators		
Net Financial Position/Total Shareholders' Equity	0.28	0.13
Net Financial Position/Adjusted EBITDA	0.74	0.41

The tables above provide initial preliminary details of the Group business trend in 2023, fully described later on in the dedicated sections of this report.

ESEF Financial Statements

The Group has prepared the consolidated financial statements as at December 31, 2023 in the single electronic reporting format (ESEF) by applying the provisions of Delegated Regulation (EU) 2019/815 endorsed by the legislature with Italian Law no. 21 of February 26, 2021, which converted Italian Decree Law 183/2020 ("Milleproroghe" Decree).

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Orsero S.p.A. corporate information

Registered Office:

Orsero S.p.A.
Via Vezza D'Oglio 7,
20139 Milan, Italy

Legal data:

Share capital (Euro): 69,163,340
No. of ordinary shares with no par value: 17,682,500
Tax ID and Milan Register of Companies enrollment no.: 09160710969
Milan Chamber of Commerce enrollment no. R.E.A. 2072677
Company website www.orserogroup.it

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Composition of Orsero S.p.A. corporate bodies

Orsero S.p.A., Parent Company of the Orsero Group, adopted the "traditional system" of management and control.

Board of Directors[1]:

Paolo Prudenziati	Non-Executive Chair
Raffaella Orsero	Deputy Chair, Chief Executive Officer (CEO)
Matteo Colombini	Chief Executive Officer (Co-CEO, CFO)
Carlos Fernández Ruiz	Director
Armando Rodolfo de Sanna[2]	Independent Director
Vera Tagliaferri[2]	Independent Director
Laura Soifer[2]	Independent Director
Costanza Musso[2]	Independent Director
Elia Kuhnreich[2][3]	Independent Director
Riccardo Manfrini[2][3]	Independent Director

Board of Statutory Auditors[4]:

Lucia Foti Belligambi[5]	Chair
Michele Paolillo	Statutory Auditor
Marco Rizzi	Statutory Auditor
Monia Cascone	Alternate Auditor
Paolo Rovella	Alternate Auditor

Control and Risks Committee[6]:

Vera Tagliaferri	Chair
Armando Rodolfo de Sanna	Member
Riccardo Manfrini	Member

Remuneration and Appointments Committee Errore. Il segnalibro non è definito.:

Armando Rodolfo de Sanna	Chair
Elia Kuhnreich	Member
Paolo Prudenziati	Member

Related Parties Committee Errore. Il segnalibro non è definito.:

Laura Soifer	Chair
Vera Tagliaferri	Member
Elia Kuhnreich	Member

Sustainability Committee Errore. Il segnalibro non è definito.:

Costanza Musso	Chair
Laura Soifer	Member
Vera Tagliaferri	Member

Independent Auditors:

KPMG S.p.A.

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[1] The Board of Directors, consisting of ten members, was appointed by the Shareholders' Meeting on April 26, 2023, and shall remain in office until the date of approval of the financial statements at December 31, 2025.
[2] Declared, on submission of the list for the appointment of the Board of Directors, that he/she meets the established independence requirements.
[3] Taken from the list submitted jointly by funds managed by Praude Asset Management Limited.
[4] The Board of Statutory Auditors, consisting of three statutory auditors and two alternates, was appointed by the Shareholders' Meeting on April 26, 2023 and shall remain in office until the date of approval of the financial statements at December 31, 2025.
[5] Taken from the list submitted by First Capital S.p.A.
[6] The members of the Remuneration and Appointments, Related Parties and Control, Risks and Sustainability committees were appointed by the Board of Directors on May 5, 2023 and shall remain in office until the date of approval of the financial statements at December 31, 2025.

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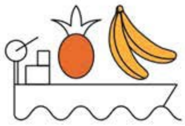
Group Structure

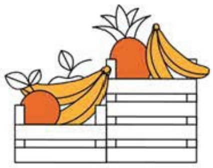
Summary representation of the Group. For a complete list of Group companies, please refer to the paragraph "Consolidation policies and scope of consolidation" of the Notes.



Shipping

COSIARMA
Italy

ORSERO CR
Costa Rica



Distribution

FRUTTITAL
Italy

GALANDI
Italy

AGRICOLA AZZURRA *
Italy 50%

I FRUTTI DI GIL
Italy 51%

SIMBA
Italy

SIMBACOL
Colombia

BELLA FRUTTA
Greece

EUROFRUTAS
Portugal

COMM. DE FRUTA ACAPULCO
Mexico

AZ FRANCE
France

BLAMPIN **
France

CAPEXO
France

FRUTTICA
France

H.NOS FERNANDEZ LOPEZ
Spain

BONAORO *
Spain 50%

CITRUMED ***
Tunisia 50%

MOÑO AZUL *
Argentina 19,2%

Holding & Services

ORSERO SPA
Italy

FRESCO SHIP'S AGENCY & FOWARDING
Italy

ORSERO SERVIZI
Italy

FRUPORT *
Spain 49%

* Equity Method
** 80% of fully diluted share capital
*** at cost

Line by line consolidation as from Jan.1, 2023

Alternative performance indicators

In this annual financial report, certain economic/financial indicators are presented and analyzed that are not defined as accounting measures by IAS-IFRS, but which make it possible to discuss the Group's business. These figures, explained below, are used to comment on the performance of the Group's business in the sections "Key economic, equity and financial data", "Directors' Report on Operations" and in the "Notes", in compliance with the provisions of the Consob Communication of July 28, 2006 (DEM 6064293) and subsequent amendments and supplements (Consob Communication no. 0092543 of December 3, 2015 implementing the ESMA/2015/1415 guidelines).
The alternative performance indicators listed below should be used as a supplement to those provided in accordance with IAS-IFRS to assist users of the financial report in better understanding the Group's economic, equity and financial performance. It should be emphasized that the criterion used by the Group may not be the same as that adopted by other groups and thus the figure obtained may not be comparable with that determined by these other groups.
The definitions of the alternative performance indicators used in the Annual Report are as follows:
EBIT: the operating result.
Adjusted EBITDA: the operating result (EBIT) including depreciation, amortization, and provisions, however excluding non-recurring costs/income and costs related to Top Management incentives.

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Adjusted EBIT: the operating result excluding non-recurring costs/income and costs related to Top Management incentives.
Adjusted profit/loss for the period: used for a comparison in terms of total consolidated result, represents the profit/loss net of non-recurring income and expense, inclusive of the relative taxes. As such, this indicator provides useful and immediate information on the profit trends for the year without considering non-recurring components.
Fixed assets: calculated as the algebraic sum of the following items: goodwill, intangible assets other than goodwill, property, plant and equipment, investments accounted for according to the equity method, non-current financial assets, deferred tax assets. Any fair value of hedging derivatives included in the item "non-current financial assets" should be excluded from these items.
Commercial net working capital: calculated as the algebraic sum of inventories, trade receivables and trade payables.
Other receivables and payables: the algebraic sum of the following items: current tax assets, other receivables and other current assets, non-current assets held for sale, other non-current liabilities, deferred tax liabilities, provisions, employee benefits liabilities, current tax liabilities, other current liabilities and liabilities directly associated with non-current assets held for sale. Any fair value of hedging derivatives and current financial assets included in the item "other receivables and other current assets" should be excluded from these items.
Net working capital: is calculated as the algebraic sum of commercial net working capital and other receivables and payables.
Net invested capital (NIC): calculated as the algebraic sum of commercial net working capital, fixed assets, and other receivables and other payables, as defined above. This indicator represents the capital "Requirements" necessary for the company's operation at the reporting date, financed through the two components, Capital (Shareholders' Equity) and Third-party Funds (Net Financial Position).
Net financial position (NFP), or also "Total Financial Indebtedness" in the ESMA definition: calculated as the algebraic sum of the following items: cash and cash equivalents, non-current/current financial liabilities, which also include payables associated with acquisition prices still to be paid and the positive/negative fair value of hedging derivatives and current financial assets recorded under the item "other receivables and other current assets".
ROI: calculated as the ratio between Adjusted EBIT and Net invested capital.
Group ROE: calculated as the ratio between the profit/loss attributable to the Owners of Parent company and the shareholders' equity attributable to the Owners of Parent net of the profit for the year.

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DIRECTOR'S REPORT ON OPERATIONS

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Significant events during the year

The following are the most significant events that took place during 2023, which mainly consist of (i) the completion of the Capexo and Blampin acquisitions in France, the economic and financial effects of which are fully reflected in the results of 2023, (ii) the updating of the disputes with the Customs Agency, (iii) the appointment of a new Board of Directors, Board Committees and the Board of Statutory Auditors, (iv) the resolutions of the Shareholders' Meeting held on April 26 regarding the distribution of a dividend from the 2022 result, the approval of the Remuneration Policy and the authorization to purchase and dispose of treasury shares, (v) the approval of the 2023-2025 long-term incentive plan, (vi) the appointment of the new Reporting Officer and (vii) the resolution of the Shareholders' Meeting of December 20 on the purchase and disposal of treasury shares.

Group management and the Board of Directors are constantly monitoring the economic and macroeconomic environment, which is still strongly influenced by the macroeconomic effects that continue to result from the conflicts in Ukraine and the Middle East, which have generated an inflationary scenario with no recent historical precedent to which the world's Central Bank bodies have reacted with sharp and sudden base interest rate hikes. Adaptation to such a new environment is critical in order to assess the best business strategies for coping with increasingly changing and volatile market scenarios in a timely and effective manner.

Macroeconomic situation

Widespread uncertainty about possible inflationary risks linked to the effects of the tail end of the pandemic, the continuation of the conflict in Ukraine and the outbreak of the conflict in the Middle East, which have generated significant impacts on the growth of commodity prices due to the explosion of energy and raw material costs, and on the growth outlooks of world economies, particularly those of Europe, now significantly impacted by rising interest rates and the systemic risk of a credit crunch, continues into the year 2023.
In this context, the Group's activities have not - at least so far - been affected to any significant extent that would cause a business disruption, both because of the absence of direct relations with the countries in conflict and because of the nature of its business related to the marketing of staple food products. Without a doubt there was a continuation during the period of high energy costs, although they have come down compared to the same period of the previous year, as well as high transportation costs, which however to a large extent could be incorporated into the sale prices of our goods and services, therefore without jeopardizing the Group's profitability and the successful outcome of operations with respect to the estimates made by management. The medium/long-term debt structure, for the most part at fixed rate, and good operating cash generation are keeping the Group sheltered from the effects of rising interest rates, the impact of which, although marking a significant increase, is mitigated by the reduction in the use of short-term lines, liquidity optimization and the base rate hedges implemented in recent years.
The Group's management carefully monitors operations from the financial, commercial and organizational perspectives, including treasury situations relating to the collection of receivables from customers.

Capexo and Blampin acquisitions in France

In a press release dated January 10, the Group announced that it executed exclusive agreements to purchase 100% of the company Capexo and 80% of Blampin Groupe, French companies active in the import and distribution of fruit and vegetable products. The former, with turnover of Euro 66 million (year 07/01/2021-06/30/2022), is very active in the exotic fruits segment; the latter, with turnover of Euro 195 million in 2022, is the top domestic operator in wholesale markets with 12 sales platforms covering the main French markets.

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These transactions were finalized, according to the terms of the respective agreements, with the payment of the amounts agreed upon as “fixed consideration”, equal to Euro 32.7 million for the purchase of 80% of Blampin and “base consideration”, equal to Euro 33 million for 100% of Capexo, respectively. Both of the above payments were made partly through the use of the Group's available financial resources and partly through financing lines supporting M&A activities totaling Euro 56.7 million, which were provided as part of the medium-/long-term ESG-linked loan granted by a pool of banks on August 4, 2022. Both transactions also involve deferred “earn-out” consideration, respectively: (i) with regard to Blampin, up to a maximum of Euro 8 million, broken down into four equal annual tranches, subject to and based on the achievement of profitability targets (Adjusted EBITDA) set for the years 2023, 2024, 2025 and 2026, and (ii) with regard to Capexo, up to a maximum of Euro 11.6 million broken down into three equal annual tranches subject to and based on the achievement of profitability targets (Adjusted EBITDA) set for 12-month periods ending on June 30, 2023, 2024 and 2025. In this regard, it should be noted that Capexo has achieved the profitability targets set for June 30, 2023 resulting in the payment of the consideration due for the first tranche.
It should also be recalled that as part of the Blampin transaction, a shareholding agreement (SHA) was entered into concerning post-acquisition governance (for more information, please refer to the December 22, 2022 press release) and the put & call option for the purchase of the sellers' remaining share of the share capital at the closing date, amounting to approximately 13.3%, to be exercised starting from 1/1/2027 and until 12/31/2028. The consideration for this acquisition can be estimated to date at approximately Euro 8.6 million, as the present value of the financial liability, calculated on the basis of the SHA's forecasts based, inter alia, on Blampin Groupe's EBITDA for the two years prior to the exercise of the put or call option. Please note that the remaining approximately 6.7% of Blampin's share capital will remain in the ownership of a group of Blampin Groupe managers.
On January 10, 2023, the Group took over control of the operations of Capexo and Blampin Groupe, whose income results were therefore included in their entirety in the consolidated income statement of the Orsero Group at December 31, 2023, and therefore consolidated line-by-line by Orsero as of January 1, 2023.
With these acquisitions, which are perfectly in keeping with the strategic policies announced by the Group, Orsero can significantly accelerate the growth of revenues and profitability of the Distribution Business Unit as a whole, achieving a strong strategic market positioning in France in terms of size, product range and sales channel coverage. Medium-term continuity of the current operational management is expected in both companies thanks to the retention of the selling partners within the companies' leadership teams.
With regard to these acquisitions, which occurred in early 2023, a Purchase Price Allocation was carried out when this document was drafted, consistent with IFRS 3.

Update on disputes with the Customs Agency

Regarding the dispute with the Savona Customs Agency for Simba and Fresco, concerning certain banana imports made by the Group in the years 1997 to 2001, decisive steps were taken toward its resolution during 2023 as explained below. Please recall that with regard to these proceedings, in 2020 Simba S.p.A. took out a Litigation Buy-out Insurance Policy aimed at covering the possible impact of an adverse outcome in the proceedings. Pending the resumption of the case before the Tax Court, the insurance company exercised its right to terminate the insurance contract and denied any coverage for the claim, contravening what is defined in the contract and forcing Simba to take legal action in order to have its insurance coverage obligations under the LBO Policy met. In this situation and taking into account the intervening notification in May 2023 of numerous payment notices relating to the latest procedural developments concerning the referral of the litigation to the Regional Tax Commission, Simba - regardless of the actions against the Insurance Company - took action through its attorneys to try to reach a settlement agreement with the Customs Agency, which was then signed on June 29, 2023, to settle the entire dispute, with the resulting abandonment of all pending litigation. It should be noted that this settlement does not constitute any acknowledgment of liability in terms of conduct, nor does it constitute any admission concerning the merits of the claims and/or demands and/or actions brought against it by the Agency. Under the terms of the agreement, Simba has committed to the payment, for full and final settlement of any further claims by the entity, of the residual tax amounting to Euro

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2,732 thousand, substantially referring to customs duties. The agreement establishes the Agency's waiver of the collection of interest on the duties in the amount of Euro 3,022 thousand and the return to Simba of interest collected and paid to the Revenue Agency as a result of the previous execution relating to judgment no. 160/2012 in the amount of Euro 241 thousand.
The settlement turned out to be very positive for the Group, which was thus able to resolve a long-standing dispute with the Customs Agency that had been going on for 20 years with the associated ancillary costs, both internal and legal in nature, and was able to do so against a potential risk that would have exceeded even the limit of the amounts insured under the LBO policy (the total potential risk in the event of losing the case in final judgment, as of the date of notification of the individual requests for payment in 2009, would have initially amounted to Euro 4.6 million in duties and VAT (reduced to Euro 2.9 million after the latest procedural developments) in addition to interest and ancillary costs of approximately Euro 3.5 million, to which additional interest would have been added until the settlement of the dispute, resulting in the maximum insured amount being exceeded). Furthermore, as it relates to customs duties, this settlement is fully tax deductible and therefore even more cost effective from the financial perspective.
On the other hand please note, with respect to the provision for risks of Euro 1,600 thousand, as already set forth in the 2022 financial statements, in July 2022 the Joint Divisions of the Court of Cassation partially upheld the appeal, setting aside the appealed judgment and referring the case to the Venice Court of Appeals, in a different composition, and the State's attorney continued the proceedings with vocatio in December 2023. However, in view of the fact that the claim for damages was constructed and based by the Authorities substantially only on the amount of the alleged evaded duties and the ruling of the Joint Divisions, cited above, completely disregarded this reasoning, as of today the possibility for the Authorities to manage to meet the burden of proof incumbent on them even specifically with reference to the quantification of the damages claimed and therefore obtain a judgment of compensation for damages in their favor appears to be remote. During 2023, following the updated analysis of this judgment with the support of the Group's consultants, the remote nature of the risk was confirmed in this regard and therefore the company decided to release the provision. It should also be noted that the release of this provision generated a non-taxable contingent asset for income tax purposes.

FY 2023 Guidance

On February 1, 2023, the Board of Directors, based on the approved Budget projections for this financial year, announced to the financial market and made available on the corporate website its FY 2023 Guidance with reference to the key economic and financial indicators, in continuity with what was done for the previous financial year, in order to ensure increasingly smooth and effective communications with Group stakeholders. It should be noted that at the time of approval of the results for the first half of 2023 and the first nine months of 2023, the Board of Directors updated the FY 2023 Guidance on consolidated results (see press release of September 13 and November 14), revising upwards the initial estimates for revenue, Adjusted EBITDA, Current Profit and the net financial position.
In view of the recent approval of the Strategic Sustainability Plan, for the first time the Board of Directors also disclosed to the financial market the ESG targets for the current year, reflecting the Company's strong commitment to this issue. The implementation of the Strategic Plan and achievement of goals will also be monitored through the establishment of the new Sustainability Committee formed within the Board of Directors.

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Distribution of the ordinary dividend

The Shareholders' Meeting of April 26, 2023 approved the allocation of profit for the year 2022 of Euro 7,261 thousand as proposed by the Board of Directors and in particular the distribution of an ordinary monetary dividend of Euro 0.35 per share, gross of withholding tax, for each existing share entitled to receive a dividend, thus excluding from the calculation 477,514 treasury shares held by the company at the ex-date, for a total dividend of Euro 6,022 thousand. The ex-dividend date was May 8, 2023, the record date was May 9 and payments began on May 10, 2023.

Resolution on the remuneration policy

The Shareholders' Meeting of April 26, 2023 approved with a binding vote the 2023 Remuneration Policy (Section I) pursuant to Article 123-ter, paragraphs 3-bis and 3-ter of the Consolidated Law on Finance and with an advisory vote pursuant to Article 123-ter, paragraph 6 of the Consolidated Law on Finance the Remuneration Report (Section II) on the compensation paid in 2022.

Election of a Board of Directors

The Shareholders' Meeting of April 26, 2023, after establishing that the Board of Directors would have 10 members (by virtue of the amendment to the Articles of Association approved at the extraordinary session) and that the Board's term of office would last for three years and thus until the Shareholders' Meeting called to approve the 2025 financial statements on the basis of the lists submitted by the Shareholders and the provisions of law and the Articles of Association, approved the appointment of a Board of Directors consisting of 8 Directors taken from the list submitted jointly by the shareholders FIF Holding S.p.A. and Grupo Fernández S.A., which came first in terms of number of votes, and 2 Directors taken from the list submitted by Hermes Linder Fund Sicav managed by Praude Asset Management Limited. The Shareholders' Meeting also confirmed as Chair of the Board of Directors Mr Paolo Prudenziati, who was a candidate on the list submitted by the shareholders FIF Holding S.p.A. and Grupo Fernández S.A.
On May 5, 2023, the Board of Directors confirmed Ms Raffaella Orsero as Deputy Chair of Orsero, granting to her and to Director Matteo Colombini the appropriate management proxies, in close continuity with the prior management. In consideration of these proxies, Matteo Colombini was also named Chief Executive Officer appointed to establish and maintain the internal control and risk management system, in compliance with the recommendations contained in art. 6 of the Corporate Governance Code.

Appointment of the Board of Statutory Auditors

The Shareholders' Meeting approved the appointment of the Board of Statutory Auditors, which will remain in office until the approval of the 2025 financial statements, appointing the Chair of the Board of Statutory Auditors, pursuant to the law and the articles of association, who was the first candidate from the list submitted by First Capital S.p.A. and which came in second by number of votes, and 2 standing auditors who were part of the list submitted by the shareholder FIF Holding S.p.A., which came in first by number of votes.

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2023-2025 Performance Share Plan

In line with the best market practices adopted by listed companies at national and international level, the Company believes that remuneration plans linked to share value performance are an effective incentive and loyalty tool for key players in order to maintain and improve performance and contribute to the growth and success of companies. The adoption of remuneration plans linked to share performance also responds to the recommendations of the Corporate Governance Code, Art. 5 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities and key personnel of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term. The establishment of incentive remuneration mechanisms is expressly required by the stock exchange regulation for companies belonging to the STAR segment of Euronext Milan market. The "2023-2025 Performance Share Plan" is therefore aimed at fostering the retention of key resources who constitute one of the factors of strategic interest for Orsero and the Group, allowing them to benefit from an incentive correlated with the achievement of financial and Group performance, as well as sustainability performance objectives in the medium to long term, thus having sustainable growth in mind, consistent with widespread and consolidated best practices, also at international level. In particular, it makes it possible to pursue the following objectives: 1) incentivizing the retention of resources that can make a decisive contribution to the success of Orsero and the Group over a medium/long-term time horizon; 2) developing attraction policies with respect to talented managerial and professional figures, with a view to the continuous development and strengthening of the key and distinctive competencies of the Company and the Group; 3) fostering the retention of Beneficiaries over a medium/long-term time horizon through personnel satisfaction and motivation and by developing their sense of belonging to Orsero and the Group 4) linking the variable remuneration of Beneficiaries to the achievement of performance objectives, also in terms of sustainability goals, to be assessed over a future multi-year time frame, with a view to pursuing the objective of creating value from a long-term perspective; 5) aligning the interests of Beneficiaries with those of the shareholders and investors in a framework of sustainability and sound and prudent risk management. The Plan provides for the free assignment to the Beneficiaries of rights entitling them to receive, again free of charge, Shares, at a ratio of 1 share for each vested right, subject to the achievement in the performance period of predetermined performance and sustainability objectives. The amount of rights granted, represented by up to 320,000 shares, was determined by the Board of Directors following the approval of the Plan itself by the Shareholders' Meeting, subject to the opinion of the Committee. For details about the Plan, please refer to the governance section of the website https://www.orserogroup.it/governance/remunerazione/.

With reference to the 2023 financial year, the bonuses accrued by Top Management represent a cost of Euro 3,185 thousand divided into Euro 1,151 thousand for MBO (bonus component that will be paid following approval of the 2023 financial statements), Euro 733 thousand for LTI relating to the 2020-2022 Plan (deferred bonus component, payable in 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price), Euro 1,244 thousand linked to the 2023-2025 Performance Share Plan (valuing the shares granted at fair value on the assignment date) and Euro 57 thousand as a dividend equivalent component, also in accordance with the Performance Share Plan.

It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation.

As noted above, with reference to the year 2023, a cost of Euro 1,244 thousand has been recorded in connection with the 2023-2025 Performance Share Plan as the target for the year 2023 has been reached, thus resulting in the assignment of 96,410 shares, which will be delivered free of charge within 10 trading days of the date of allocation of the final tranche of the Plan, and in any case no later than the date of the Orsero Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. The value specified above represents the fair value, in accordance with IFRS 2, at the assignment date, determined by an outside consultant to be Euro 11.8984 for shares without lock-up and Euro 11.3804 for shares with lock-up. Note that

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these shares are already held by the Company, which allocated a portion of the shares owned specifically for this plan. With regard to the costs associated with the Performance Share Plan, a specific reserve was created in shareholders' equity.

Authorization to purchase and dispose of treasury shares

The Shareholders' Meeting of April 26, 2023 authorized the Board of Directors to purchase and dispose of Orsero ordinary treasury shares, subject to revocation of the previous authorization for the portion not executed, pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, and Article 132 of Italian Legislative Decree 58/1998 as amended (the "Consolidated Law on Finance") and the relative implementing provisions. The renewal of this authorization is intended to confirm the possibility for the Company to have a useful strategic investment opportunity available for all purposes permitted by the applicable provisions, including therein the purposes set out in Art. 5 of Regulation (EU) no. 596/2014 (Market Abuse Regulation or "MAR"), and in the practices permitted by law under Art. 13 of the MAR, when applicable. In line with the prior authorization, the new authorization is for a period of 18 months for the purchase, including in several tranches, of a maximum number of shares which, taking account of the shares of the Company held in the portfolio from time to time, does not, on the whole, exceed a maximum of Euro 4 million. The authorization to dispose of treasury shares has no time limitation. Purchases can be made at a unit consideration of no more than 20% lower and no more than 10% higher than the arithmetic mean of the official prices recorded by Orsero shares on the MTA market in the 10 open stock market days prior to the individual transaction.

On September 15, 2023, Orsero initiated a share buyback program for a maximum total of 70,000 shares, starting on September 15, 2023 and lasting until October 31, 2023, and for a maximum value of Euro 1,000 thousand. This program ended on September 25, 2023 and resulted in the purchase of a total of 68,731 treasury shares at an average price of Euro 14.3855 and for a total value of Euro 990 thousand (including commissions).

On September 29, 2023, another share buyback program was initiated for a maximum total of 70,000 shares, starting on September 29 and lasting until October 31, 2023. On October 6, 2023, the program which began on September 29 was concluded with the purchase of a total of 70,000 treasury shares at an average price of Euro 14.1996 and for a total value of approximately Euro 994 thousand.

On October 11, 2023, an additional share buyback program was initiated for a maximum total of 140,000 shares, starting on October 11, 2023 and lasting until November 30, 2023, and with a maximum value of Euro 2,000 thousand. On November 10, 2023, this last program was concluded with the purchase of a total of 136,892 treasury shares at an average price of Euro 14.5984 and for a total value of approximately Euro 2,000 thousand.

At December 31, 2023, Orsero held 753,137 treasury shares, equal to 4.26% of the share capital, for a value of Euro 8,769 thousand, shown as a direct decrease in shareholders' equity. In the course of 2023, the Parent Company acquired a total of 275,623 treasury shares at an average price of Euro 14.44 per share for Euro 3,981 thousand.

It should be noted that the Shareholders' Meeting of December 20, 2023 revoked the resolution authorizing the purchase and disposal of ordinary treasury shares passed by the Orsero Shareholders' Meeting on April 26, 2023 for the portion not executed. The same Shareholders' Meeting also authorized the purchase and disposal of ordinary treasury shares for a maximum period of 18 months for the purchase, including in several tranches, of a maximum number of shares which, taking account of the shares of the Company held in the portfolio from time to time, does not, on the whole, exceed a maximum of Euro 10 million.

Appointment of the reporting officer

Effective May 1, 2023, Mr Edoardo Dupanloup became the Corporate Accounting Reporting Officer, pursuant to Article 154-bis of the Consolidated Law on Finance, as appointed by the Company's Board of Directors, after

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consultation with the Remuneration and Appointments Committee and with the favorable opinion of the Board of Statutory Auditors, in view of the retirement of Mr Giacomo Ricca.

Other significant events during the year

Investments during the period
During 2023 investments were made in intangible assets other than goodwill and in property, plant and equipment for a total of Euro 41,878 thousand, including Euro 28,658 thousand for "rights of use" pursuant to IFRS 16, primarily connected to the extension of container rental contracts, renewals and the stipulation of new contracts for stands and sales points in markets, as well as adjustments to rents due to inflation.

Initiative against food waste
It has always been part of the Orsero Group's philosophy to pursue the following principle: "To defend the value of every single product and follow best practices to avoid the waste of a precious resource like food" and therefore it has formed a partnership with the European Food Banks Federation (FEBA) in order to recover unsold products that are still edible every day, giving new value to food. Surplus fruit and vegetables from warehouses in Italy, Spain, France, Greece and Portugal which are no longer marketable for reasons other than food safety, are collected by the Food Banks of each country as well as charitable associations, to be distributed to a network of charitable organizations. During the year, the Group's distribution companies donated a total of nearly 1,008 tons of fruit and vegetable products with a corresponding cost value of Euro 1,566 thousand.

Analysis of the economic and financial situation of Orsero Group

The Separate Financial Statements for Orsero and the Consolidated Financial Statements for Orsero Group as at December 31, 2023 were prepared in accordance with international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and endorsed by the European Union, including all International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and of the previous Standing Interpretations Committee (SIC). Additionally, in compliance with the provisions issued in implementation of Art. 9 of Italian Legislative Decree no. 38/2005, the indications have been considered as given in Consob Resolution no. 15519 of July 27, 2006, setting out "Provisions on financial statements", Consob Resolution 15520 of July 27, 2006, setting out "Amendments and supplements of the Issuers' Regulation adopted by Resolution no. 11971/99", Consob Communication no. 6064293 of July 28, 2006, setting out "Corporate disclosures required in compliance with Art. 114, paragraph 5 of Italian Legislative Decree no. 58/98", communication DEM/7042270 of May 10, 2007 and Bank of Italy/Consob/Isvap document no. 2 of February 6, 2009.
The disclosure also responds to the requests set forth in CONSOB's March 18, 2022 warning notice, which refers back to the ESMA communication of the previous March 14, urging issuers to provide adequate and timely disclosure on the current and foreseeable effects that the conflict in Ukraine is having and/or is expected to have on the economic and financial situation of issuing companies.
This report was prepared in accordance with Art. 2428 of the Italian Civil Code; it provides the most significant information on the economic, equity, and financial situation as well as the performance of Orsero Group, as a whole and in the various sectors in which it operates. For the purpose of preparing the separate and consolidated financial statements, the option was exercised, as granted by current legislation on financial statements, of presenting a single report on operations that accompanies both the separate and consolidated financial statements of the Parent Company ("Orsero"), giving more prominence, unless otherwise indicated, to the phenomena at Group level.

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The consolidated financial statements show a profit for the year of Euro 48,129 thousand (at December 31, 2022: Euro 32,460 thousand), of which Euro 47,276 thousand attributable to Owners of Parent (at December 31, 2022: Euro 32,265 thousand), after depreciation, amortization and provisions for Euro 34,333 thousand (at December 31, 2022: Euro 30,358 thousand), net non-recurring charges for Euro 7,849 thousand, other investment income/expense for Euro 524 thousand (positive) and the pro-rata result of the companies consolidated with the equity method of Euro 1,614 thousand.
The Orsero Separate Financial Statements show profit of Euro 22,165 thousand (as at December 31, 2022: profit of Euro 7,261 thousand), after depreciation, amortization and provisions for Euro 799 thousand (as at December 31, 2022: Euro 708 thousand) and accounted for dividends from subsidiaries of Euro 35,321 thousand, the associates of Euro 957 thousand and net non-recurring charges for Euro 2,652 thousand (as at December 31, 2022: charges for Euro 4,129 thousand).
Below is a breakdown of the main income statement items, almost all identifiable in the financial statements with the exception of the "Adjusted EBITDA", which is the main performance indicator used by the Group, "Adjusted EBIT" and the "Current profit/loss for the period", defined in the "Alternative performance indicators" section. It should be noted that all the figures shown include the effects of the application of IFRS 16.

Thousands of €	12.31.2023	12.31.2022
Net Sales	1,540,813	1,196,284
Adjusted EBITDA	107,114	76,058
Adjusted EBIT	72,780	45,699
Operating result (EBIT)	64,931	39,942
Financial income	1,512	321
Financial expense and exchange rate differences	(12,457)	(5,690)
Share of profit/loss of associates and joint ventures accounted for using equity method and other investment income/expense	2,138	1,558
Profit/loss before tax	56,124	36,131
Profit/loss for the period	48,129	32,460
Profit/loss attributable to non-controlling interests	853	195
Profit/loss attributable to Owners of Parent	47,276	32,265
Adjusted profit/loss for the period	53,952	36,948

The Group's performance in 2023 marks a strong increase over the previous year, both in terms of revenues and profitability due to the excellent performance of the Distribution sector and the confirmed profitability of the Shipping sector, which marked a natural decline connected on one hand to the slight decline in reefer volumes transported due to lower availability of products at the origin and on the other hand to a decline in the dry market in terms of average volumes and rates of the freight rates negotiated on a spot basis.
Moreover, in order to properly interpret the data it should be noted that in the Distribution sector, the French companies acquired, Capexo and Blampin Groupe, were consolidated as of January 1, 2023, which make a significant contribution in terms of revenue as well as profitability to the overall result.
Exceptional performance was confirmed for the Shipping sector, albeit lower than the record results recorded in the previous year, which was characterized by highly profitable reefer and dry maritime freight rates and excellent levels of volumes transported.
For the Distribution sector, the year 2023 was characterized by a macroeconomic environment that is uncertain at best, also characterized by phenomena of declining consumption in certain geographical areas. However, the Group's distribution strength and a positive market trend linked specifically to the banana product made it possible to achieve an excellent result. In addition, it should be emphasized that the work carried out by the Group's commercial function in recent years aimed at improving the quality of the product

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mix toward an increasingly value-added range, together with the M&A transactions carried out that bring in new products and help to achieve a better balance of sales channels, are steadily contributing towards increasing the Group's operating income and overall profitability.

In this segment, the impact of operating energy costs continued to be significant, albeit lower than in the previous year (Euro 10,715 thousand; Euro 10,091 thousand on a like-for-like basis) compared to Euro 14,617 thousand in 2022 (approx. -26.69%; -30.97% on a like-for-like basis) related to the drop in market prices of energy products. We are then beginning to appreciate the effects of the entry into full operation of investments on the Group's refrigeration and ripening facilities that significantly reduce energy consumption and make the Group's operations more efficient in terms of both cost and environmental impact, as set forth in the Group's Strategic Sustainability Plan.

Adjusted EBITDA, totaling Euro 107,114 thousand, marked an increase of Euro 31,056 thousand compared to 2022, and the profit for the period of Euro 48,129 thousand increased by Euro 15,669 thousand, essentially linked to the better operating performance[7].

Sales amounted to Euro 1,540,813 thousand, up by Euro 344,529 thousand (+28.80%) over the previous year, with growth linked to the inclusion of the two newly acquired French companies in the Group's scope and the growth recorded in unit sale prices for the Distribution sector, essentially driven by inflation and the better mix of products marketed. Net of the change in scope of consolidation, the increase in like-for-like revenues was 6.3%, an excellent result given the overall conditions of the EU area.

Thousands of €	12.31.2023	12.31.2022
"Distribution" Sector	1,453,029	1,091,696
"Shipping" Sector	132,737	142,423
"Holding & Services" Sector	10,994	11,590
Net Sales Inter-sector	(55,948)	(49,426)
Net Sales	**1,540,813**	**1,196,284**

Geographical information

The analysis of information shows details of the Group's revenues, divided up into the main geographical areas (thereby meaning those in which the company that generated the revenue is based) for 2023 and 2022, showing the Group's eurocentric nature.

Thousands of €	12.31.2023	12.31.2022	Change
Europe	**1,493,868**	**1,147,389**	**346,479**
*of which Italy**	*554,966*	*538,233*	*16,733*
of which France	*494,669*	*190,456*	*304,213*
o which Peninsula Iberica	*408,304*	*388,645*	*19,659*
Latin America and Central America	**46,945**	**48,894**	**(1,950)**
Total Net sales	**1,540,813**	**1,196,284**	**344,529**

* Italy revenues include turnover from Shipping and Holding & Services activities

As shown in the table, Europe represents the center of the Orsero Group's activities, while non-European revenue is linked to activities carried out in Mexico, relating to the production and marketing/export of

[7] The improvement of Euro 15,669 thousand is due to the better operating performance by Euro 31,056 thousand, higher amortization, depreciation and provisions by Euro 3,975 thousand, higher net financial expenses by Euro 6,362 thousand, lower exchange rate losses by Euro 786 thousand, higher taxes by Euro 4,324 thousand, higher other investment income by Euro 1.007 thousand, lower income from companies consolidated with the equity method by Euro 427 thousand and the higher impact of net non-recurring expenses by Euro 2,091 thousand.

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avocados, and Costa Rica, to support sourcing and logistics activities for the import of bananas and pineapples. The table also shows the increased significance of operations in France following the acquisitions of Capexo and Blampin Groupe.
Finally, please note that for Group revenues, the currency component is insignificant (with the exception, as noted above, of Shipping activities, the revenues of which moreover accounts for less than 10% of total revenues), given that the revenues of distributors, apart from the Mexican company, are all in euros.
The table below provides a reconciliation of the Adjusted EBITDA, used by the Group's management team as a performance indicator monitored on a consolidated level, with the profit/loss presented in the income statement.

Thousands of €	12.31.2023	12.31.2022
Profit/loss for the period	**48,129**	**32,460**
Income tax expense	7,995	3,671
Financial income	(1,512)	(321)
Financial expense and exchange rate differences**	12,457	5,690
Share of profit/loss of associates and joint ventures accounted for using equity method and Other investment income/expense	(2,138)	(1,558)
Operating result	**64,931**	**39,942**
Amortization, depreciation and Accruals of provision	34,333	30,358
Non-recurring income and expense	7,849	5,758
Adjusted EBITDA*	**107,114**	**76,058**

* It should be noted that the Adjusted EBITDA as at December 31, 2023 of Euro 107,114 thousand (Euro 76,058 thousand as at December 31, 2022) incorporates the improvement effect from the application of IFRS 16 "leases" for Euro 16,514 thousand (Euro 13,788 thousand as at December 31, 2022). This improvement effect is almost entirely offset by higher depreciation and amortization of Euro 14,647 thousand (Euro 12,560 thousand as at December 31, 2022) and financial expenses of Euro 1,821 thousand (Euro 1,123 thousand as at December 31, 2022).
** Please note that the item financial expenses and exchange differences includes interest of Euro 1,125 thousand linked to the discounting of the earn-out and the put/call option, price components established in the contracts for the acquisition of the two French companies.

The table below shows the sector results in terms of Adjusted EBITDA, highlighting the above-mentioned improvement of the Distribution sector by Euro 38,693 thousand (Euro +17,896 thousand "like for like" equal to +51.1%) with a result that goes from Euro 35,017 thousand in 2022 to Euro 73,711 thousand in 2023. The Shipping segment deteriorated by Euro 6,725 thousand with respect to Adjusted EBITDA in 2022.
Lastly, please note that the Adjusted EBITDA of Euro 107,114 thousand was impacted by the IFRS 16 reclassification of Euro 16,514 thousand, while in 2022, that impact amounted to Euro 13,788 thousand. The difference results for Euro 1,940 thousand from the impact of the application of IFRS 16 on the newly acquired French companies and for the remainder essentially from adjustments to operating lease payments as a result of inflation.
The Holding & Services sector is mainly represented by the Parent Company Orsero S.p.A., flanked on a lesser scale by the companies operating in customs and IT services, mainly inter-company. The result measured by adjusted EBITDA is typically negative, as the Parent Company determines its result according to the dividends collected.

Thousands of €	12.31.2023	12.31.2022
"Distribution" Sector	73,711	35,017
"Shipping" Sector	41,567	48,292
"Holding & Services" Sector	(8,164)	(7,251)
Adjusted EBITDA	**107,114**	**76,058**

The table below, on the other hand, shows the comparison between the adjusted profits of the two years, net of the respective tax effects, highlighting the components linked to the settlement agreement with the Customs Agency, inclusive of the release of the provision for risks previously recognized, profit sharing by the employees of the French and Mexican companies as well as the share attributable to 2023 of the 2020-2022 LTI incentives payable in 2024 accrued by the Top Management for the years 2020, 2021, and 2022 and the share for 2023 of the 2023-2025 LTI incentives. Within the item "Other non-recurring items" for the year 2023, the most significant component relates to the write-down of certain assets and settlement agreements, while for 2022 the reversal of Euro 489 thousand of tax credits on R&D activities, which had been used in previous years and for which a voluntary reversal was recognized, as described below.

Thousands of €	12.31.2023	12.31.2022
Profit/loss for the period	**48,129**	**32,460**
Top Management incentives	2,529	2,305
M&A expenses	-	1,180
Employee profit-sharing	759	166
Customs Agency settlement agreement	477	-
Other non-recurring profit/loss	2,058	836
Adjusted profit/loss for the period	**53,952**	**36,948**

As regards the Statement of financial position, the main data used and reviewed periodically by Management for the purpose of making decisions regarding resources to be allocated and evaluation of results is presented.

Thousands of €	12.31.2023	12.31.2022
Fixed Assets	355,346	254,120
Commercial Net Working Capital	37,382	31,657
Other receivables and payables	(26,363)	(16,915)
Net Invested Capital	366,365	268,862
Total Shareholders' Equity	238,523	201,483
Net Financial Position	127,842	67,379

The main changes in the financial structure at December 31, 2023 compared to December 31, 2022, which will be extensively analyzed in the notes to the financial statements, are primarily linked to:

- the increase in non-current assets of Euro 101,226 thousand, the main component of which is attributable to the effect of the change in the scope of consolidation in relation to the acquisition of the two French companies and the acquisition of 51% of the company I Frutti di Gil and for investments in tangible and intangible assets of Euro 41,878 thousand (including Euro 28,658 thousand for rent adjustments pursuant to IFRS 16 against an increase in IFRS 16 liabilities), partially offset by depreciation and amortization of Euro 31,492 thousand;
- increase of Euro 5,725 thousand in Commercial Net Working Capital, of which Euro 9,029 thousand from to the change in the scope, mitigated by a careful working capital management policy implemented by the management;
- deterioration of the Net Financial Position by Euro 60,463 thousand, benefiting from the good cash generation during the year, but which also considers the overall investment linked to the above-mentioned French acquisitions, the payment of the dividend and the purchase of treasury shares.

The summary representation of the Group's financial statements at December 31, 2023 through the main indicators highlights the good capital and financial structure of the Group, also within an "IFRS 16 compliant" context.

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	12.31.2023	12.31.2022
Net Financial Position/Total Shareholders' Equity	0.54	0.33
Net Financial Position/Adjusted EBITDA	1.19	0.89
Main indicators without IFRS 16 effect		
Net Financial Position/Total Shareholders' Equity	0.28	0.13
Net Financial Position/Adjusted EBITDA	0.74	0.41

Note that the Net Financial Position as specified below is calculated in full compliance with the ESMA recommendation:

	Thousands of €	12.31.2023	12.31.2022
A	Cash	90,062	68,830
B	Cash equivalents ****	12	10
C	Other current financial assets *****	750	1,666
D	**Liquidity (A + B + C)**	**90,825**	**70,506**
E	Current financial debt *	(9,974)	(7,303)
F	Current portion of non-current financial debt **	(42,602)	(29,486)
G	**Current financial indebtedness (E + F)**	**(52,576)**	**(36,789)**
H	**Net current financial indebtedness (G - D)**	**38,248**	**33,717**
I	Non-current financial debt ***	(146,090)	(76,096)
J	Debt instruments	(20,000)	(25,000)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(166,090)**	**(101,096)**
M	**Total financial indebtedness (H + L)**	**(127,842)**	**(67,379)**

* Debt instruments are included, but the current portion of non-current financial debt is excluded.

** Includes payables for rental and lease agreements under IFRS 16 for Euro 12,855 thousand at December 31, 2023 and Euro 11,740 thousand at December 31, 2022

*** Debt instruments are excluded. Includes payables for rental and lease agreements under IFRS 16 for Euro 47,904 thousand at December 31, 2023 and Euro 29,834 thousand at December 31, 2022

**** Marketable portfolio securities measured at market value are represented here

***** Positive values of mark-to-market derivative instruments are represented here

Shareholders' equity and Treasury shares

The share capital at December 31, 2023 of the Parent Company Orsero, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting. Shareholders' equity at December 31, 2023 increased compared to December 31, 2022 mainly due to the profit for the year, which more than offset the reduction related to the dividend payment and the purchase of treasury shares. The statement of changes in shareholders' equity provides all information explaining the changes taking place during the year.
At December 31, 2023, Orsero held 753,137 treasury shares, equal to 4.26% of the share capital, for a value of Euro 8,769 thousand, shown as a direct decrease in shareholders' equity.

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In the course of 2023, the Parent Company acquired a total of 275,623 treasury shares at an average price of Euro 14.44 per share for Euro 3,981 thousand.
As at December 31, 2023, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.

Commentary on performance of the business sectors

This section provides information on the Group's performance as a whole and in its various sectors by analyzing the main indicators represented by turnover and Adjusted EBITDA. The information required by IFRS 8 is provided below, broken down by "operating segment". The operating segments identified by the Orsero Group are identified as the business sectors that generate net sales and costs, the results of which are periodically reviewed by the highest decision-making level for the assessment of performance and decisions regarding the allocation of resources. The Group's business is divided into three main sectors:

- Distribution Sector
- Shipping Sector
- Holding & Services Sector

The table below provides a general overview of the performance of the different sectors in the two-year period 2023-2022. Please note that the data and comments on the sectors given below show the results of only companies that are consolidated on a line-by-line basis; information is given on the performance of associates further on in the notes.

Thousands of €	Distribution	Shipping	Holding & Services	Eliminations	Total
Net sales 12.31.2023 [A]	1,453,029	132,737	10,994	(55,948)	1,540,813
Net sales 12.31.2022 [B]	1,091,696	142,423	11,590	(49,426)	1,196,284
Net sales change [A] - [B]	**361,333**	**(9,686)**	**(597)**	**(6,522)**	**344,529**
Adjusted EBITDA 12.31.2023 [A]	73,711	41,567	(8,164)	-	107,114
Adjusted EBITDA 12.31.2022 [B]	35,017	48,292	(7,251)	-	76,058
Adjusted EBITDA change [A] - [B]	**38,693**	**(6,725)**	**(912)**	**-**	**31,056**
PFN 12.31.2023 [A]	N.d.	N.d.	N.d.	N.d.	127,842
PFN 12.31. 2022 [B]	N.d.	N.d.	N.d.	N.d.	67,379
PFN change [A] - [B]					**60,463**

We would now like to comment on the trends of the individual operating sectors, referring to the Notes for all the details of the various investees and the consolidation criteria adopted. Note that the following figures have been determined based on the accounting standards of consolidation in accordance with International Accounting Standards and Group standards and for that reason may be different from those that may be deduced from the individual statutory financial statements filed by the companies.

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Distribution Sector

Thousands of €	12.31.2023	12.31.2022
Net Sales	1,453,029	1,091,696
Gross commercial margin *	199,529	127,962
% Gross commercial margin	13.73%	11.72%
Adjusted EBITDA	73,711	35,017
% Adjusted EBITDA	5.07%	3.21%

* The “gross sales margin”, also called the contribution margin, represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus incoming and outgoing cargoes, customs duties and packaging costs, for labor as well as packaging materials).

In this sector of activity, companies are involved in the import and distribution of fresh fruits and vegetables from many countries around the world, at any time of the year, in the relevant regions, in addition to the companies located in Mexico dedicated to the production and export of avocados. The Distribution sector companies are located and operate on the markets of Mediterranean Europe (Italy, France, Iberian Peninsula and Greece) and Mexico.
The widespread presence in the regions, with specialized platforms in the processing and storage of fresh products, allows the Company to serve both traditional wholesalers/markets and large retail (GDO), with different mixes in different Countries depending on the incidence of large retail in these markets. Overall, the proportion of sales to large retail was around 50% of the aggregate sales of European distributors in 2023, down roughly 10 percentage points from previous years, benefiting from the entry of the newly acquired company Blampin, which, as noted previously, serves only traditional markets.
With mass distribution, there are framework agreements that govern the main specifications and features of the product being delivered while, as a rule, the volumes and prices of the products are defined on a weekly basis, following the dynamics of the market. Suppliers, selected in some of the world’s most important production areas, guarantee the offer of a full range of products available 365 days a year.
The table above differs from the summary tables of the other sectors shown below in that it includes a specific indicator for the distribution sector, the “gross sales margin”, also referred to as the contribution margin, which in distribution companies constitutes the main indicator used to monitor business activity. The “gross sales margin” represents the difference between net sales and the direct costs of the products sold (meaning the purchase costs of the goods, plus incoming and outgoing cargoes, customs duties and packaging costs) where it is considered that these costs represent most of the costs incurred by the company and therefore the positive or negative changes in the gross sales margin tend to be reflected almost entirely on the profit or loss for the year.
The import and sale of bananas and pineapples is one of the Group’s main activities as a whole because of the importance and weight of these items within the range of fruit and vegetables and the fact, not inconsiderable in terms of stability of the operational cycle, of their availability throughout the year. The Group procures bananas and pineapples through long-term relationships established with major producers based in Central American countries and uses its own fleet to regularly transport bananas and pineapples from Central America to the Mediterranean, with a clear advantage in terms of supply chain efficiency. Bananas and pineapples are sold under the brands “F.lli Orsero” and “Simba”, in addition to numerous private labels.
In 2023, the uncertain geopolitical environment and the inflationary wave that began in 2022 continued, with resulting impacts on the sector's procurement and overhead costs, against which the Group reacted by changing sales prices as well as the mix of products marketed, increasing the incidence of those with higher added value.
With regard to energy costs in particular, they decreased from Euro 14,617 thousand to the current Euro 10,715 thousand, also including costs incurred by the newly acquired companies, due to the decline in energy prices.

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Overall, however, profitability as measured by Adjusted EBITDA, at 5.07% of sales, is well above average industry profitability thanks to the product and channel mix, also thanks to the contribution of recent new acquisitions, the Group's target markets, and the energy efficiency achieved.

Shipping Sector

Thousands of €	12.31.2023	12.31.2022
Net sales	132,737	142,423
Adjusted EBITDA	41,567	48,292
% Adjusted EBITDA	31.31%	33.91%

The Shipping sector reflects the activities linked to the maritime transport of bananas and pineapples of Central American production, carried out mainly with owned ships, the four reefer vessels "Cala Rosse", and with a fifth leased ship, which connect, on the basis of a 35-day travel schedule, Central America with the Mediterranean, thereby allowing punctual arrival of fresh fruit in European markets on a weekly basis.
The sector achieved positive performance in 2023, albeit at a lower level than the exceptional results recorded in 2022, the latter characterized by highly profitable maritime freight rates and good levels of volumes transported. There was also a significant reduction in the bunker price.

Holding & Services Sector

Thousands of €	12.31.2023	12.31.2022
Net sales	10,994	11,590
Adjusted EBITDA	(8,164)	(7,251)

This sector includes the activities related to the Parent Company as well as the activities of providing services in customs and in the IT sector.
The Adjusted EBITDA of the sector typically has a negative sign, because, in view of the Parent Company's nature as a holding company, the income and ultimately the profit or loss for the year are tied to the dividends received from Group companies.

Analysis of the economic and financial situation of the Parent Company Orsero

The Orsero annual financial statements at December 31, 2023 show profit of Euro 22,165 thousand (2022: profit of Euro 7,261 thousand), after depreciation, amortization and provisions for Euro 799 thousand (2022: Euro 708 thousand), dividends collected for Euro 36,279 thousand and total non-recurring expenses recorded for Euro 2,652 thousand, entirely linked to Top Management incentives.
The following are details of the main income statement items:

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Thousands of €	12.31.2023	12.31.2022
Net Sales	2,363	2,358
Adjusted EBITDA	(8,931)	(8,018)
Adjusted EBIT	(9,730)	(8,726)
Operating result (EBIT)	(12,381)	(12,855)
Financial income	1,557	223
Financial expense and exchange rate differences	(7,063)	(2,082)
Dividends*	36,279	20,339
Other investment income/expense*	(127)	(175)
Profit/loss before tax	18,264	5,450
Profit/loss for the period	22,165	7,261

* Included in the “Other investment income/expense”

In terms of the income statement, the result of the Parent Company is of limited relevance as the revenue side is essentially linked to the services provided to the Group and the collection of dividends, while on the cost side, personnel costs, expenses for specialized consulting and promotional expenses of the brand are the most significant components, which result in a negative Adjusted EBITDA value; therefore, the discussion in relation to the consolidated income statement is much more relevant.
Adjusted EBITDA showed a negative change of Euro 913 thousand. In 2023, revenues are in line with the previous year. General and administrative costs increased by Euro 895 thousand, relating mainly to costs for legal, tax and other consulting as well as notaries (Euro 426 thousand), costs linked to corporate body remuneration of Euro 136 thousand and miscellaneous costs subject to the re-billing by the investee companies for Euro 293 thousand. During the year, Euro 2,652 thousand of net expenses linked to the MBO/LTI incentives for the Top Management were recognized as non-recurring expenses.
As regards the Statement of financial position, the main data used and reviewed periodically by Management for the purpose of making decisions regarding resources to be allocated and evaluation of results is presented.

Thousands of €	12.31.2023	12.31.2022
Fixed Assets	262,662	177,297
Net Working Capital	(12,789)	3,531
Net Invested Capital	249,873	180,828
Total Shareholders' Equity	162,995	150,228
Net Financial Position	86,878	30,600
Net Financial Position/Total Shareholders' Equity	0.53	0.20

The increase in non-current assets is mainly due to the capital contribution of the companies acquired during 2023; specifically, Capexo, Blampin Groupe and I Frutti di Gil.
The decrease in Net Working Capital essentially reflects the change in the position of treasury current accounts (“Cash pooling”) from a debt situation of Euro 906 thousand to a current debt situation of Euro 19,176 thousand; in addition to this change, commercial working capital also decreased due to lower trade receivables from Group companies.
The change in Shareholders' equity between 2023 and 2022 takes into account the effect of the result for the year, the purchase of treasury shares, the payment of the dividend, the change in the reserve for derivatives, the adjustment of the actuarial reserve related to employee benefits and the recognition of the reserve linked to the Performance Share Plan.

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Reconciliation between the results and shareholders' equity of the Parent Company and the Group

The reconciliation schedule for the results and shareholders' equity of the Parent Company and the analogous consolidated values are provided below:

Thousands of €	Share capital and reserves	Profit/loss	Total Shareholders' Equity
Orsero S.p.A. (Parent company)	**140,830**	**22,165**	**162,995**
The difference between the carrying amount and the corresponding equity	(120,404)	-	(120,404)
Pro-quota gains/losses achieved by subsidiaries	-	63,129	63,129
Pro-quota recognition of associated companies consolidated using the equity method	863	1,614	2,477
Dividends distributed by consolidated companies to the Parent company	38,913	(38,913)	-
Consolidation differences	126,557	-	126,557
Elimination of capital gain and/or other transactions carried out by subsidiaries	2,764	(719)	2,045
Total Group equity and net profit attributable to Parent company	**189,523**	**47,276**	**236,800**
Minority interests and net profit attributable to noncontrolling interests	871	853	1,724
Total shareholders' equity and profit/loss 12.21.2023	**190,394**	**48,129**	**238,523**

Risk profiles of the business, control systems, environment

The Orsero Group's business is focused on the import, sourcing and distribution of fresh fruit and vegetables, which over time have been joined by activities in the maritime transport and service sectors.

Strategic and operational risks

Operational risks

The Group is exposed to operational risks linked to the use of ships and storage plants, quality control, ripening and processing plants and these consist of the risk of losses caused by errors, breaches, downtime and damage, caused by internal processes, personnel, systems or external events. Should such circumstances arise, considered highly likely, a risk would be run that may have a significant negative impact on the Group's economic, equity and financial position. The risk is considered of medium-high relevance. Orsero Group's activities are characterized by the need to ensure the optimal preservation of fruit throughout the whole source path to the final market and the regularity of supply. For this purpose, the Orsero Group uses its own fleet, represented by four reefer ships and the chartered ship that transport bananas and pineapples from Central

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America to the Mediterranean weekly and the warehouses where bananas are ripened and the fruit is stored, and is able to maintain control over the cold chain for the entire time.

Risk connected with procurement difficulties and the volatility of commodity prices

The Orsero Group business, represented by the import and distribution of fruit and vegetables, is very much dependent on the procurement of certain products, such as bananas, pineapples, avocado, etc. and the fluctuation of the related purchase prices, particularly in consideration of product availability and the risks linked to the absence of any formalized short- or longer-term contracts with most of its suppliers. There is also a risk that the Group may be unable to transfer any higher purchase prices of products onto the prices of sale applied on the reference markets. Should such circumstances arise, considering the level likelihood of such, they may have a significant impact on the Group's equity and/or financial position. This risk is considered of medium-high relevance. The quality and quantity of the supply of these products, and the availability and sustainability of the purchase price of the goods marketed by the Orsero Group, which, by nature, are perishable, may be impacted by factors that are difficult for it to predict or control. In particular, procurement conditions are extremely sensitive to the climatic factor (periods of drought or excessive rainfall, storms or hail on plantations), as well as soil conditions or the presence of weeds or parasites that determine the higher or lower availability of products, and consequently, their purchase price. The change in the prices of raw materials is generally handled through the pricing policy of the products for sale. To address these issues, the Orsero Group is implementing a strategy of diversifying its sources, both in terms of geographical supply areas as well as suppliers, in order to mitigate and offset any product shortages during the various seasons (or "campaigns") for the products. For the Orsero Group, one of the priorities has always been developing relations with suppliers, many of whom have established consolidated relationships over time, thus guaranteeing the consistency of the necessary procurement and possible mediation of purchase prices. Also in this sector, the consequences of the current geopolitical context characterized by ongoing conflicts and the economic slowdown on a global scale combined with the rise in cost inflation and interest rate hikes approved by central banks could translate into serious problems for production companies, jeopardizing their ability to meet the demand for fruit and vegetable products in terms of volume.

Risks connected with shipping in regard to fuel

With regards to the shipping business, the fuel used to power the bunkers is one of the main cost factors of the Shipping sector (as at December 31, 2023, the cost for fuel purchases accounted for approximately 30% of Shipping sector revenues). Historically, major fluctuations have been recorded in the price of the bunker, impacting the increase in costs incurred for purchasing the fuel used to power the ships and, consequently, the Group's result. There is therefore a risk that very significant (or repeated) fluctuations in the cost of fuel may only partly be covered by the hedges implemented by the Group and that in the event of contracts not including BAF clauses, the rise in bunker prices may generate a negative impact on the profitability of charters to customers. The likelihood of these circumstances occurring is considered high. In order to manage the risk of cost fluctuations, linked to fluctuations in the price of oil, the Orsero Group, in line with the practice of the shipping sector, stipulates, where possible and based on agreements reached with customers, transport contracts with the "bunker adjustment factor" (BAF) clause that allows an adjustment of the transport price depending on the increase or decrease of the bunker price. It should also be noted that to reduce the risk of significant price fluctuations, the Orsero Group generally stipulates hedging contracts for part of its bunker consumptions according to the best strategies identified. As already mentioned, the strategies adopted in the last three years have allowed for the significant mitigation of this type of risk. As with the previous risk factors, the risk situation at the "macro" level has certainly increased in comparison with previous years, especially due to global geopolitical risks that directly impact the valuations of assets like oil.

Risk connected with the transport of third party operator products

Through Cosiarma, the Group uses part of the capacity of its ships to also carry products pertaining to third party operators. There is therefore a risk connected with failure to renew such cargo contracts or with the renewal of such contracts but at more onerous conditions. Such circumstances, which are classed as "medium" probability, may have very significant negative effects on the Group's economic, equity and financial position. The risk described is considered as of medium-high relevance. Additionally, Cosiarma has a reduced customer base, precisely due to the market on which it operates, whose relations are generally regulated by annual

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contracts; this makes for uncertainty as to the continuation of such relations and the potential renewal at their expiry dates. Potential negative impacts cannot be excluded on the business and economic results and the Group's equity and financial position, in the event of failure to stipulate one or more contracts, without there being equal replacement traffic or in the event of renewals at less remunerative contractual conditions. The management constantly monitors its customer portfolio, paying careful attention to their needs and maintaining contact with the main operators with a view to potentially improving the quantity and quality (price) of the cargo carried. As already mentioned, the expansion of the customer base over the last three years has helped to mitigate this type of risk.

Risks associated with dependence on distribution channels

The Orsero Group's turnover depends significantly on sales to both Large Retail ("GDO") and traditional wholesalers. In particular, in FY 2023, the Orsero Group's turnover from GDO was approximately 50% of total aggregated revenues of the European Distribution companies. The Group is exposed to risks relating to the potential interruption of relations with its customers, or a worsening of such relations as compared with the situation as at the reference date. Should such circumstances occur (considered unlikely), this would entail a risk of a significant negative impact on the Group's economic, financial and equity position. This risk is considered of medium relevance. It should be noted that contracts with the GDO are governed by framework agreements, which regulate the main specific characteristics of the product being delivered. Except for specific cases, product volumes and prices are defined on a weekly basis, also in order to manage some factors not necessarily related to the product such as the Euro/Dollar exchange rate or the cost of oil that affects the transport cost. In this context, the Orsero Group has always responded with a strategy aimed at increasing its size and with a continuous effort to adapt and improve efficiency, while maintaining the objective of safeguarding the basic economic efficiency of its operations. Since 2012, the marketing of bananas and pineapples under its own brand has represented an effective strategic response from a structured and mature group to a radical change in the mechanisms of its core business. The Orsero Group is well aware of the risk associated with this challenge but believes that it is balanced by a unique opportunity to create over time a name and an Italian quality brand able to stand on the market and compete with the major multinationals in the sector. The acquisition of Blampin Groupe, the strong leading French operator in the wholesale markets with turnover of nearly Euro 200 million, allows the Group to notably rebalance its turnover between mass distribution and traditional markets, effectively leading to a decrease in this type of risk.

Risk linked to the evolution of energy prices

The main type of risk and uncertainty is linked to the evolution of energy prices - even though today it is declining compared to the peaks recorded in 2022 - regarding which it is difficult to make an estimate since although the Group does not operate in an extremely energy-intensive sector and even considering the fact that sale price dynamics in the Distribution BU have to date made it possible to absorb most of the price increases, the future scenario could result in a depletion of the flexibility and elasticity of demand with respect to prices, thus leading to a decline in consumption and/or the inability to recover further energy price increases by means of the product pricing policy. We do not believe that the European energy situation is likely to have a significant impact on the Group's ability to continue to operate as a going concern. However, a further scenario deterioration could have an even significant impact on the profitability of the Group's core businesses. Should the circumstances described above arise, considering the high-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of high relevance.
In the current context of severe disruptions, the Group is carefully monitoring energy prices and adopting all tools to optimize its energy purchases and consumption, including by evaluating opportunities for investment in alternative energy sources (photovoltaics) in order to reduce costs. The Group is aware that this risk is largely beyond its ability to control, yet it nonetheless is working to stem its impact by entering into new supply agreements with the main energy companies at more advantageous prices.

Risks related to information systems and platforms: Cyber Risk

The Group is exposed to the risk that the IT systems and platforms used by the Group Companies and their employees may not guarantee the protection of personal and business data and may not be suitable to prevent data breaches. In addition, it is exposed to the risk of corporate infrastructure being blocked, damaged or

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hacked due to accidental events and malicious acts (e.g., hacker attacks) and the erroneous/involuntary disclosure of confidential information managed by the Group. Should the circumstances described above arise, considering the high-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of high relevance.
The Group has focused on covering Cyber risks with risk assessments and the analysis and implementation of software systems, staff training and specific procedures, as well as the establishment of the position of Chief Information Officer some time ago.

Risks associated with the maintenance of Group ships
The Group incurs significant costs for the periodic maintenance of owned ships. It is also exposed to the risk of having to deal with higher ship maintenance costs, some of which could potentially arise as a result of various regulatory updates, including those resulting from international treaties that have not been budgeted for to date, or changes in the way technical and operational ship maintenance and management activities are handled, the non-implementation of which could result in ships losing their classification and thus the ability to operate in the shipping segment in which Cosiarma (the Group's company dedicated to maritime transport) operates, or the application of other penalties. Should the circumstances described above arise, considering the low-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium relevance. Global supply chain difficulties cause greater impacts in the purchase of spare parts, with potential issues relating to proper fleet utilization. The Group is pursuing actions for the increased stockpiling of spare parts to handle any shortages in the market in order to ensure continuous operations. During FY 2024 and 2025, extraordinary dry-docking maintenance is planned for two ships per year.

Risks related to the corporate acquisitions made by the Group and the external growth strategy
In accordance with its external growth strategy, the Group has made several acquisitions of companies, shareholdings or businesses. Although, with the implementation of these operations, the Group believes that it has achieved much of its growth target, the future strategy is to continue with external growth. The Group is therefore exposed to the risks associated with any failure to implement this strategy. Should the circumstances described above arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of low/medium relevance. It should be noted that the top management will be engaged in the gradual integration of the newly acquired companies within the Group. M&A deals require up to 5 years of management commitment from the sellers and the payment of a significant portion of the price in the form of future earn-outs.

Risks related to tax audits and regulations and the application of transfer pricing regulations
In carrying out its activities, the Group is subject to tax audits and assessments. Therefore, the Group is exposed to the risk associated with the outcomes of such audits and assessments and the risk associated with multiple developments in tax and fiscal legislation as well as its interpretation, particularly with reference to customs and transfer pricing regulations. Should the circumstances described above arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance. The Group's transfer pricing policy has been updated.

Socio-political risks, also associated with the Group's presence in emerging Countries
The Orsero Group operates globally and, in particular, between Central America, South America and the Mediterranean; therefore, the Group is exposed to the risk related to the possible contraction of fruit and vegetable product procurement in politically and economically unstable countries outside Europe. Should the circumstance described above arise, considering the low-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance. This circumstance may have negative effects on the economic, equity and financial position of the Orsero Group.

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Personnel-related risks

The Group is exposed to the risk of increases in labor costs should it be unable to make use of third-party contractors, the risk of having to meet wage and contribution obligations with respect to the employees of contractors and/or subcontractors in the event of the breach by such contractors and/or subcontractors of their obligations to their employees. Should the circumstances described above arise, considering the low-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's economic, equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium relevance.

Risks related to the protection of intellectual property

The Group companies are exposed to the risk of failing to adequately protect their intellectual property rights and in particular their trademarks. Should the circumstances described above arise, considering the low-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's economic, equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance.

Reputational risk related to Group image and branding

The Group is exposed to the risk that damage to the Group's image (brand) could adversely affect its results and expose it to possible economic losses. This risk may be related to, for example but not limited to, non-compliance with national and international regulations; negative externalities linked to the supply chain, whether of a social or environmental nature; and the failure to focus on the well-being of and respect for human resources;

Should the circumstances described above arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's economic, equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance. The Group has adopted a sustainability strategy and approved a Sustainability Policy with the aim of combining business growth with social and environmental sustainability. In addition, the Group pays close attention to regulatory compliance and aspects that may affect its reputation and respect for its values. The Group has adopted an Organizational Model, a Code of Ethics and an Anti-Corruption Policy. During 2023, the Whistleblowing Policy was updated, and a Supplier Code of Conduct was adopted. The Group's Sustainability Governance System was also formalized with a view to strengthening the sustainability management system.

Risks related to respect for workers' human rights

The Group is exposed to risk with respect to possible human rights violations and discrimination such as, for example, discrimination on the basis of gender, age or sexual orientation. Should the circumstances described above arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's economic, equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance.

The Group pays close attention to regulatory compliance and aspects that may affect human rights and any discrimination. During 2021 and 2022, a new Code of Ethics, the Anti-Corruption Policy and the Sustainability Policy were adopted, also with the enactment of a sustainable strategy with defined targets and also with a focus on people. During 2023, the Group further formalized its commitment by launching the GOEquality project, aimed at promoting equal opportunities and inclusion and simultaneously combating any kind of prejudice or stereotype.

Financial risks

In going about its business, the Orsero Group is exposed to financial risks connected with its operations; more specifically, it is exposed to the credit risk, the liquidity risk and the market risk (including the foreign exchange risk, the interest rate risk and the price risk). Financial risks are handled in accordance with specific organizational rules the regulate and manage the same and the control of all transactions relevant to the breakdown of financial and/or trade assets and liabilities.

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Risks associated with credit

The Orsero Group is exposed to credit risk, mainly deriving from commercial relations with its customers and, in particular, any delays or non-payments by such, which, should such occur, may have negative effects on the Group's economic, equity and financial position. The onset of circumstances connected with credit risk is considered of medium likelihood. Considering the foregoing, this risk is considered of medium relevance. As at December 31, 2023, the Group's provision for bad debts of Euro 11,546 thousand accounts for 7.4% (2022: 8.9%) of the Orsero Group's gross trade receivables. It should also be noted that this measure reflects the need expressed in the tax systems of the various countries to not reverse non-performing loans until completion of the envisaged bankruptcy proceedings.

The management monitors commercial credit risk using formalized procedures for selecting and evaluating the customer portfolio, defining credit limits, monitoring the expected income flows and any recovery actions, has also stipulated suitable, specific insurance policies with leading counterparties and performs constant monitoring with audits in compliance with procedures in force.

Liquidity risk

The Group manages liquidity risk with a view to ensuring the presence, on a consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. The Group constantly monitors forecast cash flows, available credit facilities, loan repayment plans, available liquid funds and any financial needs of subsidiaries, in order to identify the most appropriate ways by which to guarantee the most efficient management of financial resources.

Interest rate risk

The Group helps finance its medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate; a suitable partial IRS plain vanilla hedge has been activated on the main ones (2022-2028 pool loans for an original figure of Euro 90 million and 2020-2029 pool loans originally for Euro 15 million, in addition to the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time; instead, in the case of the only debenture loan issued, the option was chosen for an entirely fixed rate structure. As at December 31, 2023, the interest rate hedges hedge approximately 45.2% of medium and long-term variable rate bank loans, thereby meaning that approximately 59.7% of the Group's entire medium/long-term bond and bank debt is at fixed rate. It is stressed that, in the Group's opinion, such choices have turned out to be highly satisfactory in light of the recent and expected increases in the reference rates in Europe.

Foreign exchange risk

The Orsero Group is exposed to the risk of changes in foreign exchange rates (in particular US dollars), for currencies that differ from that used to express commercial and financial transactions, for which it adopts hedging strategies in order to mitigate/avoid negative effects on the economic, equity and financial position. The Group operates, particularly in the Distribution sector, purchasing goods in US dollars and then importing them and selling in euros on the South European markets. On the other hand, in the Shipping Sector, revenues in US dollars are higher than costs incurred in euros, thus limiting in part the Group's currency balance, which is in any event naturally exposed to the US dollar. Over the last three years a growing number of European mass distribution chains have begun to request fixed annual prices in auctions for bananas, one of the main products marketed by the Group and one of the few that are purchased at a fixed price in USD. For this reason, in the presence of fixed sale prices in euros, the impact of fluctuations in the USD/euro exchange rate has become more significant than in past years, when exchange rate risk represented a risk with a medium probability of occurrence and relevance.

As things currently stand, in order to deal with the increased level of risk, the Group has adopted:

- a medium/long-term strategy to reduce the weight of bananas in the basket of products marketed by the Group,
- implemented a hedging strategy on the USD/EUR exchange rate with the aim of returning risk levels to the those existing prior to the last three years.

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Despite the actions taken as outlined above, we cannot exclude any significant and/or sudden changes to the USD/EUR exchange rate could have immediate negative impacts on the Group's economic, equity, and financial situation. Together with the Treasury and Sales Offices, the management team constantly monitors changes in exchange rates so as to promptly take any corrective action offering guarantees for the Group.

Risks connected with the performance of results and economic margins
The Orsero Group recorded oscillations in the performance of its margins and economic results, connected with the performance of the various fruit campaigns held during the year at the distributors and the performance of the ship-owning business and the import of bananas and pineapples, which is usually more variable. It cannot be excluded that oscillations and reductions in the results and margins may also take place in the future and this may have very significant impacts on the Group’s economic, equity and financial position. The likelihood of this occurring is considered “medium”. Please note that the margins of the Distribution sector are characterized on one hand by the volatility of imports due to factors that are not completely under the Group's control, such as the trend in production and imports into Europe of bananas and pineapples, and, on the other hand, by Distribution, which due to its intrinsic characteristics and being differentiated in the various countries of Mediterranean Europe, usually shows limited variations in trends. The Shipping sector is more volatile, due to factors that are not entirely under the Group's control, such as: (i) the performance of the shipping charter market, in particular as regards the reefer transport segment; (ii) the performance of fuel prices; (iii) the onset of events that can impact the normal provision of the shipping service, such as, by way of example, unfavorable atmospheric events or operating difficulties in the cargo loading or unloading ports due to strikes; and (iv) fluctuation in the exchange rate. In order to mitigate this risk, the Group constantly monitors its business, seeking to interpret the dynamics and find effective, efficient solutions. During the past four years the risk connected with shipping activities was mitigated by the Group by means of actions to hedge fuel cost fluctuations, both direct (reinstatement of BAF clauses in transport contracts) and indirect (hedging via derivatives), the chartering of a fifth ship, which lengthened round-trip times from 28 to 35 days, thus permitting fuel savings and less stress on the vessels, as well as the expansion of the customer base.
The focus on and investment made in the core Distribution business continue, which also thanks to the finalization of the acquisitions of the French companies led to excellent stability in industrial margins and helped to mitigate this type of risk, which, however, in light of the current macroeconomic situation (geopolitical context, energy situation, declining consumption, environmental regulations) presents a high-risk profile and a medium likelihood of occurrence.

Risks associated with loan agreements and the debenture loan as well as additional financial relationships
The Orsero Group has medium-term loan contracts in place with some of the leading banks. These include financial covenants, mandatory early repayment clauses where certain hypotheses of default, termination, withdrawal or application of the acceleration clause or cross default, should arise. The Group is therefore exposed to the risk of having to repay its financial debt early, if such hypotheses should occur; this may determine very significant negative effects on the economic, equity and financial position of the Parent Company and/or Group. The onset of such circumstances has been considered of low probability of occurrence and low relevance. Please note that the three main financial payables of the Group are the (i) variable rate 2022-2028 pool loan for Euro 90 million, maturing on June 30, 2028, on which there is an overall fixed rate swap hedge covering 43.1%, (ii) the variable rate pool loan for an original figure of Euro 15 million, maturing on December 31, 2029, on which there is an overall fixed rate swap hedge for 85% of the nominal amount and (iii) the debenture loan for Euro 30 million, maturing on October 4, 2028, at a fixed rate. Please note that as at the date of the presentation of this financial report, the Group has fulfilled the financial covenants and obligations envisaged by the loan contracts and debenture loan; the Group’s management team expects to constantly monitor the performance of financial covenants in order to verify that they are respected. The improvement in the Group's financial position over the past three years has helped to mitigate this type of risk, also thanks to the further strengthening of the Group's results.

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Risks connected with the adequacy of the provisions for risks and charges and the current dispute

The Group is exposed to the risk of having to cover, should it lose its case, expenses deriving from litigation currently not covered by provisions recognized in the financial statements; this circumstance could have significant effects on the Group's economic, equity and financial position. Where said circumstances should arise (considered as medium/low probability), this would entail a risk of significant impact on the Orsero Group's economic, equity and financial position. The risk described is considered of low relevance. However, the recognition of a provision for risks depends on the likelihood of losing a dispute to which an entity is party. The Group has absorbed most of the outstanding litigation and continues to focus on managing litigation from the past and implementing current management policies aimed at lowering the risk profile with respect to future litigation. The Group still has a number of minor disputes with a low probability of occurrence, and the only significant risk that had been present was settled in the course of 2023, as extensively described above, significantly reducing the impact.

The Group's management team constantly monitors the onset and evolution of any disputes, also through the support offered by legal advisors, to ensure that the best, most appropriate action is taken to protect the Group.

Risks associated with the lack or possible insufficiency of insurance coverage

The Group is exposed both to the risks relating to the possible inability of its insurance coverage to cover any events harmful to its operations (particularly with regard to the Group's vessels and the products it transports and/or markets in connection with the most delicate stages of the supply chain) and to the possible increase in insurance premiums if the covered events take place as well as to the possible unavailability in the future of coverage similar to that in place. Where such circumstance arises, considered to have a medium probability of occurrence, this would entail a risk of significant negative impacts on the Orsero Group's economic, equity and financial position. The risk described is considered of medium relevance. In 2021 the Group focused on covering Cyber risks with risk assessments and the analysis and implementation of software systems and staff training.

Legal and compliance risks

Risks associated with key management figures

The Group is exposed to the risk of the possible termination of employment relationships with some key management figures, on which the Group's future development and results significantly depend. Should the circumstances connected to such risk arise, considering the low-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium relevance.

Risks associated with the regulatory framework of reference

The Group operates in a number of countries and is therefore subject to the legal provisions and technical standards applicable to the products marketed and transport by ship in the relevant jurisdictions and the ensuing risk that the enactment of new regulations or changes to existing regulations could require the Group to adopt stricter standards which, in turn, could entail costs to adjust its production methods or product characteristics or, possibly, limit, even temporarily, the Group's operations with possible significant adverse effects on the Group's activities and outlooks as well as its economic, financial and equity position. Should the circumstances connected to such risk arise, considering the high-level likelihood of such, a risk would be run that may have a significant impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of high relevance. It should be noted that as part of the European package of environmental initiatives aimed at reducing greenhouse gas emissions by 55% by 2030 compared to 1990 and to zero by 2050, the *"EU fit for 55"*, a number of regulations aimed at reducing environmental impacts in the shipping segment, are being implemented: *EU Emission Trading System ("EU-ETS") and Fuel EU*. Specifically, the EU-ETS is an emissions cap-and-trade system that aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions for certain sectors of the economy. These rules, which are already applied to other economic sectors, will also be applied as of 2024 to

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the maritime transport sector as far as traffic in and out of the European Union is concerned. As a result, on the basis of fossil fuel consumption, the corresponding CO2 emissions will be calculated, which will have to be "offset" by operators by acquiring CO2 credits (EU Allowances). As a ship logistics operator, the Group will be required to come into compliance with the regulatory framework that is still being finalized.

Risks related to potential conflicts of interest of members of the Board of Directors and Senior Managers
The Orsero Group is exposed to the risk that some of its Directors and Managers with Strategic Responsibilities may have their own interests in that they hold, directly or indirectly, equity stakes in the share capital of Orsero and/or hold positions on the boards of directors of companies that hold stakes in Orsero. Should the circumstances connected to such risk arise, considering the low-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's economic, equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of low relevance. The Group has adopted a new policy that has specifically included quantitative limits on the professional activities carried out by independent directors with respect to the Group.

Risks associated with the administrative liability of legal entities
The Group is exposed to the risk of incurring the administrative liability of legal entities envisaged by Italian Legislative Decree 231 and any sanctions envisaged by said same Decree (or other similar applicable local regulations), due to a potential assessment of the inadequacy of the model adopted, in accordance with said Decree, by the Parent Company and Italian subsidiaries and/or the failure to apply a similar model by the Group's foreign companies. The onset of such circumstances, which is considered unlikely to occur, would, however, entail a risk that may have negative effects on the Group's economic, equity and financial position. Starting in 2010, the Orsero Group (formerly GF Group) has applied the organizational model and the code of ethics and appointed the ethical committee as provided by the Italian Legislative Decree of June 8, 2011, in addition to the supervisory body, in order to ensure compliance with the prescribed conditions of fairness and transparency in the conduct of business, safeguarding the company's position and image, shareholders' expectations and employees' work. The model is a valuable tool for raising awareness among all those who work on behalf of the Orsero Group so that they ensure proper and consistent conduct in carrying out their activities and a means of preventing the risk of committing crimes. The Model 231 and the Code of Ethics are available for consultation from the corporate governance section of the website www.orserogroup.it. The model has been updated by incorporating new aspects concerning taxation. In addition, the new anti-corruption policy and the new Whistleblowing policy were approved in accordance with the new regulations.

ESG risks

Risks related to climate change and the ecological transaction
The Group is exposed to the risk that climate change may adversely affect the Group's activities and performance (e.g., environmental disasters, global warming, commodity shortages). There is also a risk that the Group will fail to promptly implement an ecological transition process aligned with market expectations and in compliance with national and international regulations. Should the circumstances connected to such risk arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group's equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of high relevance.
The Group has adopted a sustainability strategy and approved a Sustainability Policy with the aim of combining business growth with social and environmental sustainability. The strategy identifies four macro areas of action, which are strategic to the business, including reducing the business's impact on the planet.
In addition, GOAL 2 of the strategic sustainability plan is dedicated to energy efficiency in warehouses. In order to manage this risk, the Group makes recourse to an extensive supplier portfolio to deal with fluctuations in product availability, supports projects dedicated to the cultivation of exotic fruits in southern Italian regions, continuously monitors the emissions generated, particularly by the naval fleet, constantly monitors regulatory

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developments and promotes efficient energy consumption and the improvement of environmental performance at Group sites.
It should be noted that, with reference to the ESMA notice of October 25, 2023, the Group continues to monitor climate-related impacts, which may become relevant, so as to assess whether there will be significant developments deriving from climate-related issues and if so, how intensely such developments will affect the Group's activities, operations, and, as a result, financial reporting.

Risks related to the failure to focus on human resource well-being
The Group is exposed to the risk of failing to adequately monitor the satisfaction and well-being of the Group's human capital, which can have an impact from the economic perspective (causing increased costs due to the lack of employee retention) and the social point of view, generating dissatisfaction, increased absenteeism, high turnover, loss of strategic expertise, etc. Should the circumstances connected to such risk arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group’s equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance.
The Group has adopted a sustainability strategy and approved a Sustainability Policy with the aim of combining business growth with social and environmental sustainability. The strategy identifies four macro areas of action, which are strategic to the business, including recognizing people’s value. In addition, GOALS 8 and 9 of the strategic sustainability plan are dedicated to human resources.

Risks related to lack of oversight and poor visibility of the supply chain
The Group is exposed to risks generated by a lack of oversight or poor visibility of the Group's supply chain, which can result in information asymmetry with regard to critical issues from the socio-environmental perspective, which can have both reputational and operational impacts. Examples include, but are not limited to, instances of unethical conduct by suppliers or producers; lack of visibility into agricultural practices and any associated environmental and social impacts; failure to monitor negative externalities attributable to the supply chain, e.g., loss of biodiversity, destruction of local communities. Should the circumstances connected to such risk arise, considering the medium-level likelihood of such, a risk would be run that may have a negative impact on the Orsero Group’s equity and financial position. In view of the above, the risk referred to in this paragraph is considered to be of medium-low relevance. The Group has adopted a sustainability strategy and approved a Sustainability Policy with the aim of combining business growth with social and environmental sustainability. The strategy identifies four macro areas of action, which are strategic to the business, including the development of responsible supply chains. In addition, GOAL 1 of the strategic sustainability plan is dedicated to engaging the supply chain on socio-environmental issues.

Other information

Share performance

On the trading day of December 29, 2023, the Orsero share price was Euro 16.96, a 25.44% increase from its initial listing on January 2 of Euro 13.52. The stock market capitalization at December 29, 2023 was Euro 299.9 million (Euro 235.5 million at December 30, 2022).

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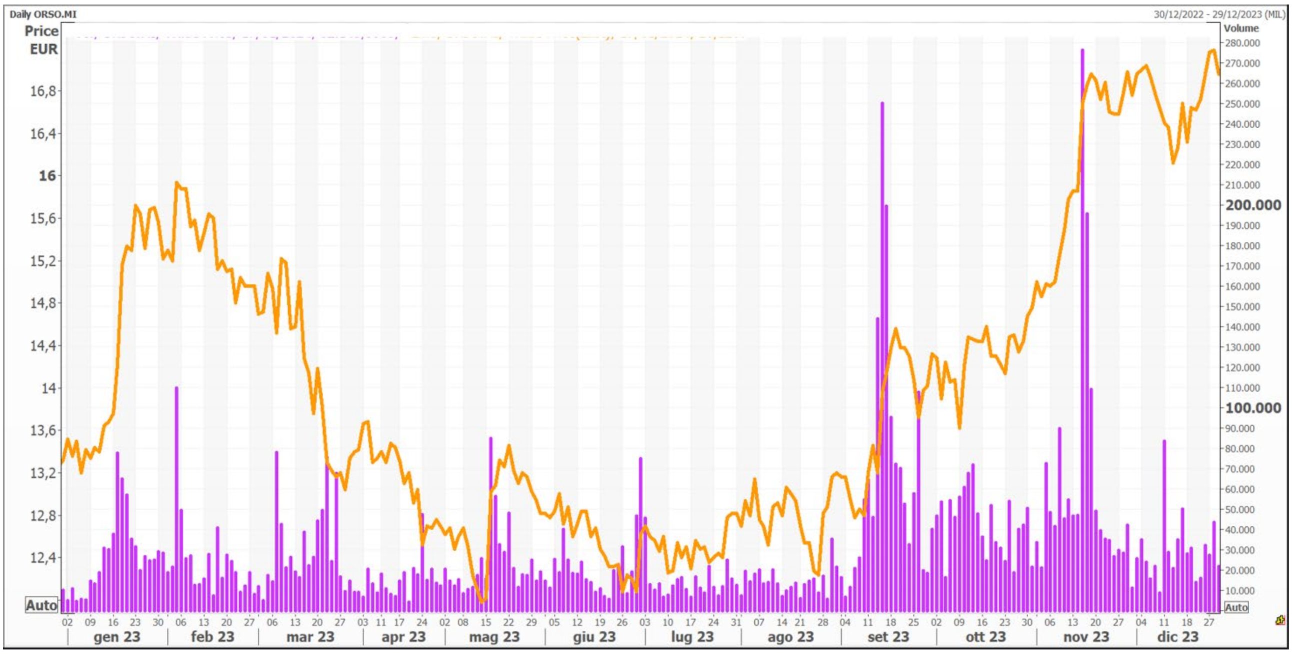

The following table summarizes the main data relating to the shares and stock market at December 29, 2023.

Share and Stock Exchange Data	Year 2023
First price (01/02/2023)	13.52
Maximum annual price	17.42
Minimum annual price	11.80
Closing price (12/29/2023)	16.96
Average daily volume (no. of shares)	31,320
No. of shares in circulation	17,682,500
Stock-Exchange Capitalization	299,895,200

Significant shareholders

Below is a list of shareholders with an investment in excess of 5% (considering the classification of the Issuer as an SME in accordance with Art. 1, paragraph 1, letter w-quater.1 of Italian Legislative Decree no. 58/1998, as subsequently amended and supplemented (the “Consolidated Law on Finance” or “TUF”)), as resulting from the Consob communications received in accordance with Art. 120 of the TUF and other information available to the Company.

Shareholder's name (1)	Number of shares	% on the total share capital
FIF Holding S.p.A.	5,899,323	33.36%
Grupo Fernandez S.A.	1,180,000	6.67%
Praude Asset Management Ltd. (3)	1,709,577	9.67%
First Capital S.p.A. (4)	995,010	5.63%
Global Portfolio Investments S.L.(2)	969,231	5.48%

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(1) Updated situation at May 10, 2023
(2) The reporting company placed at the top of the chain of control is Indumenta Pueri S.L. .
(3) Includes shareholdings managed by Praude Asset Management Ltd. and held by the following parties: Hermes Linder Fund SICAV Plc.; PRAUDE FUNDS ICAV; Altinum Funds Sicav Plc.; Plavis Gas SRL.
(4) Through its wholly owned subsidiary First SICAF S.p.A.

Corporate governance

The Group follows the new Corporate Governance Code published in January 2020, which is addressed to all companies listed on the Electronic Stock Market managed by Borsa Italiana. In compliance with the regulatory obligations, the "Corporate Governance Report" is drawn up once a year, which, in addition to providing a general description of the Group's corporate governance system, also gives information on the ownership structures and adhesion to the individual provisions of the Corporate Governance Code and observance of the relevant commitments. Below is a summary description of the main components of corporate governance. For a more analytical description of the elements comprising corporate governance, reference is made to a reading of the complete document on the Annual Report, available from the Governance section of www.orserogroup.it. More specifically, reference is made to the above document for information about the internal control system, aimed at managing risks relating to the financial disclosure pursuant to Art. 123-bis of the TUF.

Board of Directors
The Parent Company's Board of Directors in office as at the date of the approval of these financial statements numbers 10 members; it was appointed by the Ordinary Shareholders' Meeting on April 26, 2023 and will remain in office until the date of approval of the financial statements as at December 31, 2025.

Board of Statutory Auditors
The Board of Statutory Auditors in office as at the date of approval of these financial statements was appointed by the Ordinary Shareholders' Meeting held on April 26, 2023 and it will remain in office until the date of approval of the financial statements as at December 31, 2025.

Financial disclosure and relations with Shareholders

In order to maintain a constant dialog with its shareholders, potential investors, and financial analysts, and in adherence with the Consob recommendation, Orsero S.p.A. has established the Investor Relator function. This role ensures continuous information between the Group and financial markets. Economic and financial data, institutional presentations, official press releases, and real-time updates on the share price are available on the Group's website in the Investor Relations section.

2023 Sustainability Report - Consolidated Non-Financial Statement prepared in accordance with Italian Legislative Decree no. 254/2016

In compliance with the provisions of Italian Legislative Decree no. 254/2016, the Group has supplemented corporate reporting with the 2023 Sustainability Report - Consolidated Non-Financial Statement prepared in accordance with Italian Legislative Decree 254/2016. This document is made available to the public on the website www.orserogroup.it at the same time as the 2023 Annual Financial Report, of which this document is an integral part. This document includes all information concerning the environment and personnel for the entire Group.

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Tax consolidation

All Italian subsidiaries, with the exception of the ship-owning company Cosiarma, participate in the "tax consolidation" system headed by Orsero, pursuant to Articles 117 et seq. of the TUIR Tax Code, and a similar system is in place in France between AZ France and its French subsidiaries.

Workforce

The Notes provide an indication of the staff employed by the Group at December 31, 2023 and 2022.

Human Resources

The Group is committed to employee welfare on several fronts, offering stable working relationships and opportunities for growth. In addition, a new questionnaire is administered to human resources during the year to investigate aspects such as company climate, existing or desired welfare offerings and perceptions of diversity. On this last aspect, the Group has initiated a project for Inclusion and Equal Opportunities (GOEquality), details of which are provided in the Sustainability Report.

Safety and protection of the health of workers

As concerns occupational health and safety, the Group has continued its personnel awareness-raising activities, ensuring the appropriate level of training for each employee based on their duties and relative risk level. Despite continued training, supervision and awareness-raising activities, the accident rate has increased since 2022, going back to the results recorded in 2021. More details are provided in the Sustainability Report.

Environment

In line with a responsible approach, the Group is committed to limiting all of the environmental impacts generated by its activities. During the year, the plan of actions initiated to increase energy efficiency at warehouses continued to be implemented: work was completed at the warehouses of both the historic French subsidiaries and the Portuguese company, and a new photovoltaic system was installed on one of the warehouses in Barcelona. Furthermore, the focus on responsible resource use was confirmed, through careful monitoring of water consumption, virtuous scrap and waste management and encouraging the use of more circular packaging (favoring recyclable, compostable or recycled materials), with a view to continuous improvement.

Research & Development

Considering the nature of the Orsero Group business, there was no basic or applied research carried out; however, as already indicated in the previous Reports, in the course of 2023 the Group basically completed its engineering and is completing the implementation of the main integrated information and management system for the Italian companies, to meet the specific needs of the distribution sector, with innovative economic/financial planning instruments.

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Information pursuant to Art. 1, paragraph 125 of Italian Law no. 124 of August 4, 2017

In accordance with Art. 1, paragraph 125 of Italian Law no. 124 of August 4, 2017 and Art. 3-quater, paragraph 2 of Italian Decree Law no. 135 of December 14, 2018, please note that some of the Group's Italian companies benefit from the aids for which publication is mandatory in the National State Aid Register.

Art. 36 of the Consob Market Regulation (adopted by Consob Resolution no. 16191/2007 as subsequently amended)

As described in the notes, the Group holds investments in some companies located outside Europe and in regard to the regulatory provisions pursuant to the title, please note that as at December 31, 2023, there were no companies coming under the scope of application of the regulatory provisions of Art. 36 of the Market Regulation, i.e. an amount of assets and revenues that exceeds 2% and 5% of the consolidated assets and revenues and the sum of all non-European companies, as a whole, is less than 10% the consolidated assets and 15% the consolidated revenues.

Art. 37 of the Consob Market Regulation

Please note that as at December 31, 2023, FIF Holding does not manage and coordinate the Parent Company Orsero in accordance with Art. 2497 of the Italian Civil Code, and, therefore, the regulatory provisions of Art. 37 of the Market Regulation do not apply.

Management and coordination

Orsero S.p.A. is not managed or coordinated pursuant to Article 2497 et seq. of the Italian Civil Code. The company FIF Holding does not manage or coordinate Orsero S.p.A. insofar as the latter operates under corporate and entrepreneurial autonomy, with autonomous capacity for negotiating relations with customers and suppliers and defining its strategic guidelines, organization and development, without any interference; FIF Holding also does not carry out any centralized Group duties; the Orsero Board of Directors operates autonomously and FIF purely performs the role of reference shareholder. All direct and indirect Italian subsidiaries of Orsero S.p.A. have fulfilled publishing obligations laid down by Art. 2497-bis of the Italian Civil Code, indicating that Orsero S.p.A. is the subject managing and coordinating them.

Transactions with related parties

In accordance with the provisions of the Regulation adopted by Consob with resolution no. 17221 of March 12, 2010 and subsequent amendments, Orsero S.p.A. has adopted a Procedure for Transactions with Related Parties, approved by the Board of Directors on February 13, 2017 and most recently amended on May 12, 2021, which is available on the Group's website (Please see the website under governance, code of ethics and corporate policies, related party transactions procedure).
The Related Party Procedure identifies the principles the Company follows in order to ensure transparency and substantive and procedural fairness of transactions with related parties carried out by the Parent Company, directly or through subsidiaries. It aims to monitor and track the necessary information about

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transactions in which directors and senior managers have a personal interest and related party transactions, in order to control and, where necessary, authorize, them.
The main Group activities, carried out at market prices with related companies, regard commercial relationships for the supply of fruits and vegetables and port services, as well as office leasing. On the other hand, as concerns related parties that are individuals, these are essentially employment and/or collaboration relationships. It should be noted that during 2023 no related party transactions were implemented other than those that are part of the Group's ordinary course of business. With reference to dealings with related parties, please refer to the details provided in the notes.

Investments during the year

Period Group investments made in intangible assets other than goodwill and in property, plant and equipment amounted to a total of Euro 41,878 thousand, including Euro 28,658 thousand for “rights of use” pursuant to IFRS 16. The following tables show the investments made during the year (excluding IFRS 16 renewals, for which reference should be made to the specific table in Chapter 3 of the Notes to the Financial Statements) and their breakdown by sector.

Description	Country	Thousands of Euro
New ERP	Italy, Spain, Portugal	1,456
Enlargement and refitting of the Alverca site	Portugal	1,747
Renovation of the Rungis warehouse	France	2,242
Inverters and solar panels	Spain, Greece, Portugal	500
Others		7,275
Total investments (no IFRS 16)		**13,220**

Thousands of €	Distribution Sector	Shipping Sector	Holding& Services Sector	Total
Intellectual property rights	1,317	-	17	1,334
Concessions, licenses and trademarks	115	-	20	134
Assets in progress and advances	204	-	6	210
Other intangible assets	9	-	-	9
Total investments in Intangible assets other than Goodwill	**1,645**	**-**	**42**	**1,687**
Land and buildings	2,685	-	-	2,685
Plantations	-	-	-	-
Plant and machinery	3,407	-	-	3,407
Industrial and commercial equipment	62	-	1	63
Other tangible assets	1,375	12	345	1,732
Assets in progress and advances	3,227	420	-	3,647
Total investments in Property, plant and equipment	**10,756**	**432**	**346**	**11,533**
Total investments	**12,400**	**432**	**388**	**13,220**

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Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in FY 2023 the Company carried out atypical and/or unusual transactions as defined in that Communication, as the two new French companies Capexo and Blampin Groupe have joined the Group, as discussed extensively above.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2023, the Group incurred costs relating to non-recurring transactions. In accordance with Consob Communication 15519 of February 28, 2005, please note that the item "Other operating income/expense" includes Euro 2,533 thousand in non-recurring revenues and Euro 10,383 thousand in non-recurring costs; for the details, please refer to Note 26 "Other operating income/expense" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Right to opt out of the obligation to publish an information document in the event of significant transactions

Please note that on September 9, 2019, the Company's Board of Directors resolved to apply the derogation envisaged by Art. 70, paragraph 8 and Art. 71, paragraph 1-bis of Consob Regulation no. 11971/99.

Definition of SME

As regards the definition of SMEs, as per Article 1, paragraph 1, letter w-quater. 1) of the TUF, it is noted that as at this reporting date, the Company comes under the scope of this definition given that, on the basis of the verification performed on the financial statements closed as at December 31, 2023, the simple average of daily capitalizations calculated with reference to the original price, recorded during the corporate year, as envisaged by Art. 2-ter, point 1, letter (a) of the Issuers' Regulation, totals less than the Euro 500 million threshold, insofar as the above-specified capitalization comes to approximately Euro 248 million.

Personal data protection

The Orsero Group has taken action to best fulfill the obligations envisaged by EU Regulation 679/2016, instituting a series of procedures aimed at guaranteeing constant conformity with the provisions of the law and a high degree of confidentiality of customer information, in accordance with the provisions of GDPR 679/2016. The processing carried out by the Orsero Group is based on lawfulness, correctness, transparency, limitation of purpose, data minimization, precision, storage limitation, integrity and confidentiality, as well as the new standard of accountability introduced by the Regulation.
The company has implemented organizational, physical and logical security measures to guarantee the protection of personal data in compliance with the provisions of EU Regulation 2016/679 and Italian Legislative Decree no. 2003/196.
The Group has established the position of Chief Information Officer in order to ensure the security of the Group's information, thus defining a strategy to protect all corporate assets, limiting any possible cyber risk.

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This figure has become indispensable in view of the increasing importance of “cyber security”, covering a fundamental function in guaranteeing the security of the Group, in line with the new European regulations concerning the protection of information systems, networks and data.

Significant events after 2023 year-end close

At the date of this Annual Financial Report of the Orsero Group, there were no significant events in terms of operating activities.
With reference to the latest developments in the international geopolitical situation, the Group’s management continues to monitor their developments with the aim of maintaining an efficient import and distribution logistics chain and preserving its cost-effectiveness.

Outlook for the Orsero Group

The Group's priority continues to be the sustainable growth of its business, by both external and internal channels; with regard to the latter, we believe it is important to emphasize that despite the current difficult economic situation, regular procurement from suppliers, as well as logistics and goods transportation activities that ensure business continuity, have been confirmed to date. The Group is well aware of the uncertainty of the general economic landscape linked to the macroeconomic situation resulting from the conflicts in Ukraine and the Middle East and the ensuing effects that it may have in the immediate future. However, in the face of the current European context dominated by great uncertainty, the continuation of the energy crisis, the surge in interest rates on debt and the resulting possible impact on the consumption of food which is currently difficult to quantify, the Group remains confident in the potential for growth and resilience of its business in the medium to long term thanks to its strong competitive positioning on essential goods and solid financial structure and the management's constant commitment to controlling costs and improving the efficiency of the production organization. Thus, the Group's commitments to the timely reporting of business performance to its stakeholders are confirmed, in addition to those relating to ESG issues to create and develop a sustainable business and operating environment in the medium to long term as outlined in the strategic sustainability plan.

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Financial Statements as at December 31, 2023 of Orsero S.p.A. - Proposed resolution

Shareholders,
Following your review of the financial statements as at December 31, 2023, we propose:

1) approving the financial Statements as at December 31, 2023 of Orsero S.p.A.;
2) allocating the 2023 profit of Euro 22,164,788.00 as follows:
   - Euro 1,108,240.00 to the legal reserve;
   - Euro 10,898,930.20 to the extraordinary reserve; and
   - with regard to the remaining amount of Euro 10,157,617.80, equal to 45.83% of the profit, to be allocated to the Company's shareholders as a dividend, and therefore for a unit amount of Euro 0.60 (excluding the 753,137 treasury shares held in the Company's portfolio), with an ex-dividend date of May 13, 2024 (ex date), the date of entitlement to payment, pursuant to Article 83-terdecies of Italian Legislative Decree no. 58/1998, as amended, (Consolidated Law on Finance, or “TUF”) (record date) of May 14, 2024 and date for payment of the dividend of May 15, 2024.

On behalf of the Board of Directors
The Chairman
Paolo Prudenziati

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CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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Consolidated financial statements

Consolidated statement of financial position[8][9]

Thousands of €	NOTES	12.31.2023	12.31.2022
ASSETS			
Goodwill	1	127,447	48,245
Intangible assets other than Goodwill	2	10,433	10,020
Property, plant and equipment	3	184,804	163,967
Investments accounted for using the equity method	4	20,581	19,397
Non-current financial assets	5	5,291	5,626
Deferred tax assets	6	7,540	8,323
NON-CURRENT ASSETS		**356,096**	**255,578**
Inventories	7	53,118	47,357
Trade receivables	8	144,237	119,107
Current tax assets	9	12,435	16,929
Other receivables and other current assets	10	14,582	14,156
Cash and cash equivalents	11	90,062	68,830
CURRENT ASSETS		**314,434**	**266,378**
Non-current assets held for sale		-	-
TOTAL ASSETS		**670,530**	**521,957**
EQUITY			
Share Capital		69,163	69,163
Other Reserves and Retained Earnings		120,360	99,661
Profit/loss attributable to Owners of Parent		47,276	32,265
Equity attributable to Owners of Parent	12	**236,800**	**201,090**
Non-controlling interests	13	**1,724**	**393**
TOTAL EQUITY		**238,523**	**201,483**
LIABILITIES			
Financial liabilities	14	166,090	101,096
Other non-current liabilities	15	548	735
Deferred tax liabilities	16	4,215	4,593
Provisions	17	4,948	5,759
Employees benefits liabilities	18	8,963	8,297
NON-CURRENT LIABILITIES		**184,764**	**120,479**
Financial liabilities	14	52,576	36,789
Trade payables	19	159,973	134,807
Current tax liabilities	20	6,815	4,730
Other current liabilities	21	27,879	23,669
CURRENT LIABILITIES		**247,243**	**199,995**
Liabilities directly associated with non-current assets held for sale		-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**670,530**	**521,957**

[8] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements.
[9] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated financial statements and in Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.

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Consolidated income statement[10][11]

Thousands of €	NOTES	Year 2023	Year 2022
Net sales	22-23	1,540,813	1,196,284
Cost of goods sold	24	(1,369,334)	(1,077,434)
Gross profit		**171,478**	**118,850**
General and administrative expense	25	(100,254)	(75,831)
Other operating income/expense	26	(6,293)	(3,077)
Operating result		**64,931**	**39,942**
Financial income	27	1,512	321
Financial expense and exchange rate differences	27	(12,457)	(5,690)
Other investment income/expense	28	524	(483)
Share of profit/loss of associates and joint ventures accounted for using the equity method	28	1,614	2,041
Profit/loss before tax		**56,124**	**36,131**
Income tax expense	29	(7,995)	(3,671)
Profit/loss from continuing operations		**48,129**	**32,460**
Profit/loss from discontinued operations		-	-
Profit/loss for the period		**48,129**	**32,460**
Profit/loss attributable to non-controlling interests		**853**	**195**
Profit/loss attributable to Owners of Parent		**47,276**	**32,265**

€	NOTES	Year 2023	Year 2022
Earnings per share "base" in euro	**31**	**2.758**	**1.867**
Earnings per share "Fully Diluted" in euro	**31**	**2.748**	**1.867**

[10] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements.
[11] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated Financial Statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

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Consolidated statement of comprehensive income[12][13]

Thousands of €	NOTES	Year 2023	Year 2022
Profit/loss for the period		**48,129**	**32,460**
Other comprehensive income that will not be reclassified to profit/loss, before tax	18	(748)	1,060
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	29	109	(212)
Other comprehensive income that will be reclassified to profit/loss, before tax	14	(2,265)	(341)
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	29	291	(55)
Comprehensive income		**45,517**	**32,913**
Comprehensive income attributable to non-controlling interests		**853**	**195**
Comprehensive income attributable to Owners of Parent		**44,664**	**32,717**

[12] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements.

[13] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated financial statements and in Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.

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Consolidated cash flow statement [14][15][16]

Thousands of €	NOTES	Year 2023	Year 2022
A. Cash flows from operating activities (indirect method)			
Profit/loss for the period		**48,129**	**32,460**
Adjustments for income tax expense	29	7,995	3,671
Adjustments for interest income/expense	27	8,301	3,760
Adjustments for provisions	8-17-24-25	2,841	2,245
Adjustments for depreciation and amortization expense and impairment loss	2-3-24-25	16,845	28,114
Other adjustments for non-monetary elements		14	-
Change in inventories	7	(2,373)	(4,024)
Change in trade receivables	8	1,036	(5,971)
Change in trade payables	19	2,492	7,953
Change in other receivables/assets and in other liabilities		4,940	(4,455)
Interest received/(paid)	27	(8,048)	(3,883)
(Income taxes paid)	29	(7,004)	(5,000)
Cash flow from operating activities (A)		**75,169**	**54,870**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	3	(11,533)	(26,562)
Proceeds from sales of property, plant and equipment	3	609	687
Purchase of intangible assets	1-2	(1,687)	(2,828)
Proceeds from sales of intangible assets	1-2	-	31
Purchase of interests in investments accounted for using equity method	4	-	(5,394)
Proceeds from sales of investments accounted for using equity method	4	-	751
Purchase of other non-current assets	5-6	-	-
Proceeds from sales of other non-current assets	5-6	1,198	2,243
(Acquisitions)/disposal of investments in controlled companies, net of cash [17]		(51,690)	-
Cash Flow from investing activities (B)		**(63,102)**	**(31,073)**
C. Cash Flow from financing activities			
Increase/decrease of financial liabilities	14	(14,066)	(8,736)
Drawdown of new long-term loans	14	59,238	54,217
Pay back of long-term loans	14	(25,436)	(48,661)
Capital increase and other changes in increase/decrease	12-13	(286)	980
Disposal/purchase of treasury shares	12-13	(3,981)	(2,215)
Dividends paid	12-13	(6,303)	(5,595)
Cash Flow from financing activities (C)		**9,166**	**(10,012)**
Increase/decrease in cash and cash equivalents (A ± B ± C)		**21,233**	**13,786**
Cash and cash equivalents at 1st January 23-22	**11**	**68,830**	**55,043**
Cash and Cash equivalents at 31st December 23-22	**11**	**90,062**	**68,830**

[14] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements.
[15] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the Consolidated financial statements and in Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.
[16] Refer to Notes 9-10-15-16-17-18-20-21 for the item "Changes in other receivables/assets and other payables/liabilities".
[17] Refer to the section “Business Combinations.”

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Consolidated statement of changes in shareholders' equity [18]

Thousands of € – NOTES 12-13	Share Capital	Treasury shares	Reserve of shareholding acquisition costs	Legal reserve	Share premium reserve	Reserve of exchange diff.es on translation	Reserve of remeasurements of defined benefit plans	Reserve of cash flow hedges	Reserve of share-based payments	Other reserves	Retained earnings	Profit/loss, attributable to Owners of parent	Equity attributable to Owners of parent	Non-controlling interests	Total equity
December 31, 2021	**69,163**	**(2,572)**	**(153)**	**647**	**77,438**	**(2,719)**	**(1,272)**	**969**	**-**	**(3,829)**	**19,225**	**18,290**	**175,186**	**668**	**175,854**
Allocation of the profit/loss	-	-	-	351	-	-	-	-	-	1,454	16,485	(18,290)	-	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease through transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(5,206)	-	**(5,206)**	(389)	**(5,595)**
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	848	-	-	-	-	-	**848**	-	**848**
Other comprehensive income net of tax, cash flow hedges bunker	-	-	-	-	-	-	-	(504)	-	-	-	-	**(504)**	-	**(504)**
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	-	-	1,291	-	-	-	-	**1,291**	-	**1,291**
Other comprehensive income net of tax, cash flow hedges exchange rates	-	-	-	-	-	-	-	(1,118)	-	-	-	-	**(1,118)**	-	**(1,118)**
Purchase of treasury shares	-	(2,215)	-	-	-	-	-	-	-	-	-	-	**(2,215)**	-	**(2,215)**
Increase/decrease through share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(65)	(1)	-	-	(4)	612	-	**543**	(81)	**462**
Profit/loss for the period	-	-	-	-	-	-	-	-	-	-	-	32,265	**32,265**	195	**32,460**
December 31, 2022	**69,163**	**(4,788)**	**(153)**	**997**	**77,438**	**(2,784)**	**(425)**	**638**	**-**	**(2,378)**	**31,116**	**32,265**	**201,090**	**393**	**201,483**

[18] The notes commenting on the individual items are an integral part of these Consolidated Financial Statements.

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Thousands of € – NOTES 12-13	Share Capital	Treasury shares	Reserve of shareholding acquisition costs	Legal reserve	Share premium reserve	Reserve of exchange diff.es on translation	Reserve of remeasurements of defined benefit plans	Reserve of cash flow hedges	Reserve of share-based payments	Other reserves	Retained earnings	Profit/loss, attributable to Owners of parent	Equity attributable to Owners of parent	Non-controlling interests	Total equity
December 31, 2022	**69,163**	**(4,788)**	**(153)**	**997**	**77,438**	**(2,784)**	**(425)**	**638**	**-**	**(2,378)**	**31,116**	**32,265**	**201,090**	**393**	**201,483**
Allocation of the profit/loss	-	-	-	363	-	-	-	-	-	876	31,026	(32,265)	-	-	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease through transfers equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(6,022)	-	**(6,022)**	(282)	**(6,303)**
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	(638)	-	-	-	-	-	**(638)**	-	**(638)**
Other comprehensive income net of tax, cash flow hedges bunker	-	-	-	-	-	-	-	(109)	-	-	-	-	**(109)**	-	**(109)**
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	-	-	(672)	-	-	-	-	**(672)**	-	**(672)**
Other comprehensive income net of tax, cash flow hedges exchange rates	-	-	-	-	-	-	-	(250)	-	-	-	-	**(250)**	-	**(250)**
Purchase of treasury shares	-	(3,981)	-	-	-	-	-	-	-	-	-	-	**(3,981)**	-	**(3,981)**
Increase/decrease through share-based payment transactions	-	-	-	-	-	-	-	-	1,244	-	-	-	**1,244**	-	**1,244**
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(944)	(2)	-	-	(2,375)	2,182	-	**(1,139)**	759	**(380)**
Profit/loss for the period	-	-	-	-	-	-	-	-	-	-	-	47,276	**47,276**	853	**48,129**
December 31, 2023	**69,163**	**(8,769)**	**(153)**	**1,360**	**77,438**	**(3,728)**	**(1,065)**	**(392)**	**1,244**	**(3,877)**	**58,302**	**47,276**	**236,800**	**1,724**	**238,523**

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Certification of the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. The undersigned Edoardo Dupanloup, Corporate Accounting Reporting Officer of the Orsero Group, taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby certifies:
   - the adequacy, considering the Company's characteristics, and
   - the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements during the period closed as at December 31, 2023.
2. No significant issues arose.
3. It is further certified that:

3.1 The consolidated financial statements:

a) are prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
b) coincide with the underlying books and accounting records;
c) provide a true and correct representation of the financial position of the issuer and the group of companies included in the scope of consolidation.

3.2 The Report on Operations, prepared in a single format for both the separate and consolidated financial statements, contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group of companies included in the scope of consolidation and a description of the main risks and uncertainties they are subject to.

Milan, March 13, 2024

Edoardo Dupanloup
Corporate Accounting Reporting Officer

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Notes to the Consolidated Financial Statements as at December 31, 2023

General information

Orsero S.p.A. (the "Parent Company" or the "Company" and, together with its subsidiaries, the "Group" or the "Orsero Group") is a company with its shares listed on the EURONEXT STAR Milan Market since December 23, 2019. Orsero S.p.A. is a company with legal personality, organized under the laws of the Republic of Italy. The registered office of the Parent Company and, thus, of the Group is Via Vezza d'Oglio 7, Milan, Italy. The Orsero Group boasts a consolidated presence both directly and indirectly through its subsidiaries and/or associates in Europe, Mexico and Latin America, although it mainly operates in Europe.
As at December 31, 2023, the Company's share capital totals Euro 69,163,340.00, divided up into 17,682,500 ordinary shares with no nominal value.
The Group's business is focused on the import and distribution of fruit and vegetables, identifying three business units: Distribution, Shipping and Holding & Services.

Form and content of the consolidated financial statements and other general information

Statement of compliance with the IFRS and preparation criteria
These Group Consolidated Financial Statements as at December 31, 2023, prepared on the basis that the Parent Company and its subsidiaries continue to operate as a going concern, were prepared in accordance with Art. 2 and 3 of Italian Legislative Decree no. 38 of 02/28/2005 and in compliance with the International Financial Reporting Standards (IFRS), the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Commission as per the procedure envisaged by Regulation (EC) 1606/2002, issued by the European Parliament and Council in July 2002 and in force as at the reporting date, as well as with the previous International Accounting Standards (IAS). Hereinafter in the Consolidated financial statements, to simplify matters, all these standards and interpretations will together be defined as "IFRS".
In preparing this document, consideration was given to the provisions of Art. 9 of Italian Legislative Decree no. 38 of 02/28/2005, the provisions of the Italian Civil Code, Consob Resolutions no. 15519 ("Provisions on the financial statements tables to be issued in implementation of Art. 9, paragraph 3 of Italian Legislative Decree no. 38 of 02/28/2005") and no. 15520 ("Amendments and supplements to the regulation setting out provisions implementing Italian Legislative Decree no. 58/1998"), both dated July 27, 2006, and those of Consob communication no. DEM/6064293 of July 28, 2006 ("Corporate disclosure of listed issuers and issuers with financial instruments disseminated amongst the public pursuant to Art. 116 of the TUF") and Art. 78 of the Issuers' Regulation. It is specified that with reference to Consob Resolution no. 15519 of July 27, 2006 on the financial statements tables, specific additional tables have been added representing the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, highlighting significant related party transactions and the effects of non-recurring income and expense in order to avoid compromising the overall legibility of the financial statements tables.
The Group's consolidated financial statements are presented in Euro, the functional currency in economies in which the Group mainly operates, and the amounts indicated on the consolidated accounting schedules and the notes are stated in thousands of euros. These consolidated financial statements are compared with last year's consolidated financial statements, which were prepared applying the same criteria except for that described in the paragraph entitled "Accounting standards, amendments and IFRS interpretations applied starting January 1, 2023". It should be noted, in fact, that the accounting standards applied are in line with

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those adopted in preparing the consolidated statement of financial position at December 31, 2022, as well as the 2022 income statement, in accordance with IFRS. With regard to data comparability, it should be noted that effective January 1, 2023, 100% of the capital of the French company Capexo S.a.S. and 80% of the capital of the French company Blampin S.a.S., together with its subsidiaries, were consolidated line-by-line, with a view to significantly strengthening the Orsero Group's presence in France, a key country for both the Group's history and future growth and development. Furthermore, in September 2023 51% of the share capital was acquired of the company I Frutti di Gil dedicated to sourcing red fruits.

The consolidated financial statements have been drawn up in accordance with the general historical cost principle, with the exception of financial assets, derivative instruments and inventories of fruit stock ripening, measured at fair value. Please also note that the directors have prepared the consolidated financial statements in accordance with paragraphs 25 and 26 of IAS 1 due to the strong competitive position, high profitability, and soundness of the equity and financial structure achieved.

The IFRS were applied on a consistent basis with the indications provided in the “Framework for the preparation and presentation of financial statements” and no critical issues which required derogations in accordance with paragraph 19 of IAS 1, arose. Assets and liabilities are stated separately, without netting.

On March 13, 2024, the Board of Directors of the Parent Company approved the draft separate and consolidated financial statements of Orsero S.p.A. and authorized their publication. To prepare the consolidated financial statements, the financial statements as at December 31, 2023 of the Parent Company Orsero S.p.A. and its subsidiaries and associated companies included in the scope of consolidation were used, as detailed below, approved by the respective Boards and/or Management Bodies. The consolidated financial statements as at December 31, 2023 were audited by KPMG S.p.A.

Content and form of the consolidated financial statements

The Consolidated Financial Statements consist of the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and these notes, applying the provisions of IAS 1 “Presentation of the financial statements”. The Group has adopted the following consolidated financial statements:

- consolidated statement of financial position, which divides assets, liabilities and equity as well as classifying assets and liabilities as current and non-current;
- consolidated income statement, in which costs are presented using the “allocation” classification, a structure considered more representative than presentation by type;
- consolidated statement of comprehensive income, which reports revenue and cost items that are not recognized in profit (loss) for the year as required or permitted by IFRS;
- consolidated statement of cash flows, presented using the “indirect method”;
- consolidated statement of changes in equity reporting all changes during the year under review.

The choice of these statements allows the Group’s equity, economic and financial situation to be represented in a truthful, correct, reliable and more relevant manner. The form chosen is, in fact, consistent with internal reporting and management. Please also remember that with its Resolution no. 15519 of July 27, 2006, Consob asked that the accounts given in the financial statements should highlight, if of significant value, any additional sub-items to those already specifically required by IAS 1 and the other international accounting standards, so as to highlight separately from the items of reference, the amount of all related party transactions and positions, as well as, insofar as regards the income statement, the positive or negative items of income deriving from non-recurring or unusual transactions. This information requested has been included in Notes 26 and 34 and in Annex 2 “Financial statements tables stated in accordance with Resolution 15519/2006”.

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Consolidation principles and area

These consolidated financial statements include not only the financial statements of the Parent Company but also the line-by-line consolidation of the financial statements of the companies over which it has direct or indirect control. The Group also has equity investments in associates and other businesses, all entered as non-current assets. These equity investments are recorded using either the equity method or cost of purchase/subscription, including any ancillary costs.

Subsidiaries and consolidation criteria

Subsidiaries are consolidated from the date on which the Group effectively acquires control and cease to be consolidated from the date on which control is transferred outside the Group. Control over subsidiaries exists, as defined by standard IFRS 10, when the Parent Company is exposed to variable returns or has rights over such returns, deriving from its relationship with them and, at the same time, has the capacity to impact such returns, exercising its power over these entities; this above all consists of having the majority of the votes that can be cast and a dominant influence in the ordinary shareholders' meeting. The existence of control is reassessed whenever facts and circumstances indicate that there are changes to one of these defining elements of control. The consolidated accounting positions are prepared as at December 31, i.e. as at the reference date of the consolidated accounting position; they are generally those specifically prepared and approved by the Boards of Directors of the individual companies, duly rectified, where necessary, to standardize them with the Parent Company's accounting standards and make them consistent with the international accounting standards IAS/IFRS. Inactive subsidiaries, for which the specific dynamic of the consolidation means that no significant effects are seen, and those comprising insignificant fixed assets, both in terms of investments and equity and economic values, are excluded from the line-by-line consolidation. These businesses are instead measured using the criteria applied for equity investments in other companies.
Equity investments in subsidiaries are detailed in the paragraph on *"List of companies consolidated on a line-by-line basis"*, whilst any changes in investment shares are explained in the paragraph on *"Changes to the consolidation area made during the year and thereafter"*. The consolidation method used is line-by-line. The criteria adopted for line-by-line consolidation are described below.
the assets and liabilities, expenses and income of the fully consolidated entities are assumed line by line, attributing to minorities, where applicable the portion of equity and of net profit/loss for the year due to them; these portions are shown separately in the context of equity (under "Minority interests") and of the income statement ("profit/loss attributable to non-controlling interests"). The book value of the equity investments held by the parent company and/or other companies of the Group is eliminated against the corresponding portion of shareholders' equity of the subsidiaries, assuming for the individual elements of assets and liabilities the current value at the date of acquisition of control. The positive difference between the carrying amount of the consolidated equity investments and the corresponding equity, adjusted to take into account the carrying amount as at the date of asset and liability acquisition, is attributed to the asset item "Goodwill"; if instead the difference is negative, it is recognized in the income statement as required by IFRS 3. The residual difference is recognized in such a way that the consolidated financial statements present:

- the Share capital, Legal reserve and Share premium, if any, of the Parent Company;
- the other specific reserves (i.e. Reserve for exchange rate differences on conversion, Reserve for revaluations of defined benefit plans, etc.) also at the level of the consolidated financial statements;
- profits and/or losses carried forward, representing the reserves of undivided profits and losses of the subsidiaries, modified where appropriate, to reflect consolidation adjustments.

The profit and loss deriving from the sale of investments in consolidated companies are allocated to equity attributable to shareholders of the parent company as transactions with shareholders for the amount corresponding to the difference between the price of sale and the corresponding portion of consolidated equity sold. If the sale results in the loss of control and, therefore the deconsolidation of the equity investment, the

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difference between the price of sale and the corresponding portion of consolidated shareholders' equity sold is noted as profit or loss on the income statement. Inter-group balances and transactions, including any unrealized gains towards third parties deriving from relations entertained with Group companies, are derecognized net of the related tax effect, if significant. Unrealized losses are not derecognized if the transaction provides evidence of a reduction in value of the asset transferred. Please therefore note that with the consolidation procedure, credit and debt relations existing as at the reporting date between consolidated companies are derecognized, as are income and expense deriving from transactions implemented between Group companies consolidated on a line-by-line basis; the dividends received from companies consolidation using the line-by-line method are reversed, as is impairment booked on equity investments on the period financial statements. The elimination of inter-company items described above also includes any debits or credits of Italian consolidated subsidiaries with respect to the Parent Company as regards Corporate Income Tax (IRES). The Parent Company, along with all Italian subsidiaries, with the exception of the ship-owning company which has opted for the tonnage tax, adhere to the tax consolidation system established by Orsero pursuant to articles 117 et seq. of the Consolidated Income Tax Act, and a similar system has been activated in France for AZ France and its subsidiaries, Postifruit and Fruttica. The consolidated financial statements of Orsero are prepared in Euro as it represents the functional currency of the Parent Company Orsero and of all the companies included in the scope of consolidation, with the exception of:

- the Argentina-based company Rost Fruit S.A.;
- the Costa Rica-based companies Simbarica S.r.l. and Orsero Costa Rica S.r.l.;
- the Colombia-based company Simbacol S.A.S.;
- the Chile-based company Hermanos Fernández Chile S.A.;
- the Mexico-based companies Comercializadora de Frutas S.A.C.V. and Productores Aguacate Jalisco S.A.C.V.

The individual financial statements of each company belonging to the Group are prepared in the currency of the primary economic context in which it operates (functional currency). The conversion of the items of financial statements denominated in currencies other than the Euro is carried out applying current exchange rates at the end of the year. The income statement items are instead converted at average exchange rates of the year. Exchange rate conversion differences resulting from the comparison of the initial equity converted at current exchange rates and the same converted at historical exchange rates, are recognized under equity item “Reserve of exchange differences on translation”. The exchange rates used for the conversion into Euro of the financial statements of foreign subsidiaries, prepared in local currency, are shown in the following table:

	12.31.2023	Year 2023	12.31.2022	Year 2022
Argentine Peso	892.924	892.924	188.503	188.503
Costa Rican Colon	575.561	586.940	631.449	680.724
Colombian Peso	4,267.520	4,675.00	5,172.47	4,473.28
Mexican Peso	18.7230	19.1830	20.8560	21.1870
Chilean Peso	977.070	908.197	913.820	917.830

Associated companies and other companies

Associates are those over which the Group exerts significant influence, which is assumed to exist when the equity investment ranges between 20% and 50%. In the consolidated financial statements, equity investments in these types of companies are valued using the equity method. In application of this method, the shares of the results are recorded in the consolidated financial statements from the date on which the significant influence begins until the date on which it ends, and the book value of these investments is aligned with the shareholders' equity of the companies, adjusted where necessary to reflect the application of IFRS, as well as

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any higher values attributed to assets and/or goodwill as determined at the time of the acquisition, with a process similar to that used for acquisitions of controlling interests.
Should the portion attributable to the Group of the loss recognized by an associate exceed the carrying amount of the investment (therefore, if the equity is negative), the value of the investment is set to zero, and the share of additional losses is not recognized, except and to the extent in which the Group is obliged to take responsibility for it due to legal or implicit obligations of the investee, in which case it will be recognized in a specific provision. Dividends are always eliminated in full. In the case of investee companies whose currencies are different from the Euro, the valuation is carried out by applying year-end exchange rates, with any differences arising from the translation of initial shareholders' equity items at current closing exchange rates compared with those applied at the end of the previous year posted directly to consolidated shareholders' equity. Significant shareholdings in associated companies are tested for impairment.
There are no significant restrictions on the capacity of associates valued at equity to transfer funds to the investor, to pay dividends or repay loans or advances. These equity investments are detailed in the paragraph on *"List of companies consolidated using the equity method"*, whilst any changes in them are explained in the paragraph on *"Changes to the consolidation area made during the year and thereafter"*.
Minor associated companies are excluded from consolidation with the equity method, since their consolidation does not produce significant effects. These businesses are instead measured using the criteria applied for equity investments in other companies.
The latter is a residual category, which includes companies in which the Group holds minority interests and over which it exercises no influence. These investments, which are immaterial in value, are valued at purchase or subscription cost, deemed representative of the relative fair value.

Disclosure on equity investments in other companies

The consolidated financial statements must be prepared in accordance with IFRS 12 "Disclosure of Interests in Other Entities", which includes all the disclosure provisions previously included in IAS 27 related to the consolidated financial statements as well as all the disclosures of IAS 31 and IAS 28 related to the equity investments of a company in subsidiaries, joint ventures, associates and structured vehicles and also provides for new disclosure cases. The purpose of the standard is to require an entity to disclose information that allows users of the financial statements to assess the nature and risks of its investments in other entities and the effects of such investments on the statement of financial position, on the economic result and on financial flows.

Scope of consolidation

The consolidation area is specifically detailed and is accompanied by further information as required by legislation, in particular IFRS 10 and 12 and Arts. 38 and 39 of Italian Legislative Decree no. 127/91, in these notes. Below are the lists of companies consolidated using the line-by-line method, as they are directly or indirectly controlled, of those valued using the equity method and those valued at cost.

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List of companies consolidated on a line-by-line basis

Name	Head office	Investment percentage			Share Capital	Profit/Loss *	Currency
		Direct	Indirect	Interest held by			
AZ France S.A.S.	Cavaillon (France) - 56, Avenue JP Boitelet	100.00%			3,360,000	2,038,500	€
Bauza S.A.S.	Rouen - Avenue du Commandant Bicheray		96.36%	Blampin S.A.S.	513,100	1,125,372	€
Bella Frutta S.A.	Atene (Greece) - 4 Tavrou Str., Ag. Ioannis Rentis	100.00%			1,756,800	1,143,901	€
Blampin S.A.S.	Marseille - Min Les Arnavaux	93.30%****			3,019,612	8,035,518	€
Blampin Fruit Import	Rungis - 25 rue de Montpellier		97.01%	Blampin S.A.S.	1,335,894	1,377,435	€
Blampin Nice S.A.S.	Nice - Min Saint Augustin Pal 2		100.00%	Blampin S.A.S.	1,200,000	1,995,563	€
Blampin Service S.A.S.U.	Marseille - Min Les Arnavaux		100.00%	Blampin S.A.S.	10,000	81,089	€
Capexo S.A.S.*****	Chevilly-Larue - 32-34 avenue Georges Guynemer	100.00%			300,000	4,174,674	€
Comercializadora de Frutas S.A.C.V.	Tinguindin (Mexico) - Carretera Zamora-Los Reyes km. 37,5		100.00%	AZ France S.A.S.	3,299,376	1,968,229	pesos
Cosiarma S.p.A.	Genova (Italy) - via Operai 20	100.00%			2,600,000	27,988,275	€
Couton S.A.S.	Tours - Marchè de Gros de Rochepinard		98.91%	Blampin S.A.S.	810,080	450,439	€
D'Oriano	Nice - Min Saint Augustin Pal 13		100.00%	Blampin S.A.S.	98,400	602,665	€
Eurofrutas S.A.**	Alverca (Portugal) - Estrada principal Casal das Areias 205	100.00%			1,100,753	(510,459)	€
Fresco Ships' A&F S.r.l.	Vado Ligure (Italy) - Via Trieste, 25	100.00%			258,000	347,728	€
Fruttica S.A.S.***	Cavaillon (France) - 89, Chemin du Vieux Taillades		100.00%	Postifruits S.A.S.	100,000	622,013	€
Fruttital S.r.l.	Milano (Italy) - Via Vezza D'Oglio 7	100.00%			5,000,000	5,957,355	€
Galandi S.r.l.	Firenze (Italy) - Via S. Allende 19 G1	100.00%			500,000	82,673	€
GF Solventa S.L.	Barcelona (Spain) - MERCABARNA, Calle Longitudinal 7, 83		99.96%	Hermanos Fernández López S.A.	50,000	(41,826)	€
GP Frutta S.r.l.***	Canicattì (Italy) - Via S. Sammartino 37		100.00%	Postifruits S.A.S.	10,000	(26,183)	€
Hermanos Fernández López S.A.	Cox (Alicante) - Avenida de la Industria, s/n P.I. San Fernando	100.00%			258,911	4,150,938	€
Hermanos Fernández Chile S.p.A.	Las Condes (Chile) - Avenida Vitacura 2909		100.00%	Hermanos Fernández López S.A.	10,000,000	33,189,109	pesos
I Frutti di Gil S.r.l.	Milano (Italy) - Via Vezza D'Oglio 7	51.00%			10,000	(55,586)	€

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Isa Platanos S.A.	La Laguna - Tenerife (Spain) - Los Rodeos Edificio Star		100.00%	Hermanos Fernández López S.A.	641,430	49,433	€
Kiwisol LDA**	Folgosa (Portugal) - Rua de Santo Ovidio 21		99.75%	Eurofrutas S.A.	523,738	2,545	€
Mighirian Frères S.A.S.	Rungis - 38 Avenue de Lorraine		100.00%	Blampin S.A.S.	497,341	538,609	€
Orsero Costa Rica S.r.l.	San Jose de Costa Rica - Oficientro Ejecutico La Sabana Edificio torre 1		100.00%	Cosiarma S.p.A.	215,001,000	76,792,397	colones
Orsero Produzione S.r.l.	Milano (Italy) - Via Vezza D'Oglio 7	100.00%			100,000	270,873	€
Orsero Servizi S.r.l.	Milano (Italy) - Via Vezza D'Oglio 7	100.00%			100,000	(100,945)	€
Postifruits S.A.S.***	Cavaillon (France) - 89, Chemin du Vieux Taillades		100.00%	AZ France S.A.S.	7,775	1,137,980	€
Productores Aguacate Jalisco S.A.C.V.	Ciudad Guzman (Mexico) - Constitucion 501 Centro C.P. 49000		70.00%	Comercializadora de Frutas S.A.C.V.	12,646,666	20,023,202	pesos
R.O.S.T. Fruit S.A.	Buenos Aires (Argentine) - Corrientes 330 - 6° 612	80.00%	20.00%	GF Produzione S.r.l.	24,096,320	6,434,549	pesos
Simba S.p.A.	Milano (Italy) - Via Vezza D'Oglio 7	100.00%			200,000	8,823,099	€
Simbacol S.A.S.	Medellin (Colombia) - Carr. 25 1 A SUR 155 OF 1840		100.00%	Simba S.p.A.	50,172,500	(229,641,054)	pesos
Simbarica S.r.l.	San Jose de Costa Rica - Oficientro Ejecutico La Sabana Edificio torre 1		100.00%	Simba S.p.A.	100,001,000	(7,384,156)	colones
Soulage Favarel S.A.S.	Toulouse - 146-200 Avenue des Etats Unis		100.00%	Blampin S.A.S.	483,104	831,063	€
Thor S.r.l.	Milano (Italy) - Via Vezza D'Oglio 7	100.00%			10,000	22,563	€

* Results of the companies indicated in accordance with international accounting standards

** Companies that are part of the Eurofrutas consolidated group; separate financial statement data indicated in accordance with international accounting standards

*** Companies that are part of the Fruttica consolidated group; separate financial statement data indicated in accordance with international accounting standards

**** Fully diluted taking into account the put/call option on 13.3% accounted for based on the “anticipated method”

***** Please note that Capexo has a different year-end close date than the Group and will be aligned with the other companies as of January 1, 2024

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List of companies valued using the equity method

Name	Head office	Investment percentage			Share Capital	Currency
		Direct	Indirect	Interest held by		
Agricola Azzurra S.r.l.	Via Salvador Allende 19, Firenze (Italy)	50.0%			200,000	€
Tirrenofruit S.r.l.	Via Salvador Allende 19/G1, Firenze (Italy)		16.0%	Orsero Produzione S.r.l.	500,000	€
Fruport Tarragona S.L.	Moll de Reus Port de Tarragona (Spain)	49.0%			82,473	€
Bonaoro S.L.	Santa Cruz de Tenerife (Spain) Carretera General del Norte, 23, La Vera Orotava (LA)		50.0%	Hermanos Fernández López S.A.	2,000,000	€
Moño Azul S.A.	Moño Azul s.a.c.i y A., Buenos Aires, Tucumàn 117, Piso 8°, Argentine.		19.19%	Fruttital S.r.l.	367,921,764	pesos

List of other associated companies:

Name	Head office	Investment percentage			Share Capital	Currency
		Direct	Indirect	Interest held by		
Citrumed S.A.	Bouargoub (Tunisia) Borj Hfaïedh - 8040		50.0%	AZ France S.A.S	200,000	€
Decofrut Bcn S.L.	Barcellona (Spain) - Calle Sicilia 410		40.0%	Hermanos Fernández López S.A.	500,000	€

The associates mentioned above have marginal levels of activity in relation to the size of the Group and are entered at purchase or subscription cost, which is considered representative of the related fair value that is reduced for any impairment losses.

Business combinations

Business combinations are recognized in compliance with IFRS 3 according to the "acquisition method", which entail the recognition in the consolidated financial statements of assets and liabilities of the combined company as if they had been individually acquired. The consideration paid in a business combination is measured at fair value, determined as the sum of the fair values at the acquisition date, of the assets transferred by the acquiring company to the former shareholders of the acquired company, of the liabilities incurred by the acquiring company for these assets, and equity interests issued by the acquiring company. With respect to the above, it should be noted that the other classes of assets and liabilities (such as deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or capital instruments related to share-based payments of the company acquired and assets and liabilities held for sale) are instead allocated according to their reference standard. The costs related to the acquisition are recorded as expenses in the periods in which they are incurred. In the event of business combinations that occur in stages, the investment previously held by the Group in the acquired company is restated at fair value on the date control is acquired, and any resulting profit or loss is recognized in the income statement. Goodwill is recognized on the date the Group assumes control of the entity and is measured as the difference between:

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- the consideration paid,
- the net value, at the acquisition date, of the identifiable assets acquired and the liabilities assumed, measured at fair value.

If the fair value of the net identifiable asset acquired is greater than the consideration paid, the resulting difference is recognized in the income statement as income deriving from the transaction, on the acquisition date, after verifying if the fair value of the acquired assets and liabilities is correct. If, at the end of the year in which the business combination took place, the initial recognition of a business combination is incomplete, it must be recognized using provisional values. Adjustments to the provisional values recorded at the acquisition date are recognized retroactively to reflect the new information obtained on the facts and circumstances at the acquisition date that, had they been known, would have affected the measurement of the amounts recognized on that date. The measurement period lasts for 12 months from the acquisition date. Any contingent consideration defined in the business combination agreement is measured at the acquisition-date fair value and included in the value of the consideration transferred in the business combination for the purpose of the calculation of goodwill. Any subsequent changes of that fair value, which can be classified as adjustments occurring during the measurement period, are included in goodwill, retrospectively. After the initial recognition, goodwill is measured at cost net accumulated amortization and write-downs. Subsequent changes in the fair value of contingent consideration are recognized in the income statement or statement of comprehensive income if the contingent consideration is a financial asset or liability.
The methodological process used for the first line-by-line consolidation of the acquired companies as required by the reference accounting standards is provided below. The acquisitions were recorded in compliance with IFRS 3 on the business combinations that envisage conformity in the phases provided for in applying the acquisition method:

- determination of the date control is acquired,
- determination of the total consideration for the acquisition,
- recognition and measurement of identifiable assets acquired and liabilities assumed,
- recognition and measurement of goodwill or any profit generated by an acquisition at favorable prices,
- definition of Cash Generating Units and allocation of goodwill,
- definition of the measurement period, determination of the elements included in the business combination transaction, including ancillary costs to the acquisition.

The transactions below are business acquisitions (business combinations) as defined by IFRS 3.

Capexo acquisition

On January 10, 2023, the Group finalized an agreement to purchase 100% of Capexo, a French company active in the import and distribution of fruit and vegetable products. This acquisition is perfectly aligned with the strategies announced by the Group and, along with the acquisition of Blampin Groupe, will make it possible to significantly accelerate its revenue and profitability growth in the Distribution BU, achieving a strong strategic market positioning in France in terms of size, product range and sales channel coverage. On the same date, the Group took over control of the operations of Capexo, whose income results were therefore included in their entirety in the consolidated income statement of the Orsero Group at December 31, 2023.

Consideration paid

The following table summarizes the fair value at the acquisition date of the principal components of the consideration paid:

Thousand of €	Capexo
Cash and Cash equivalent	33,000
Contingent consideration	10,992
Total consideration transferred	**43,992**

The consideration for the acquisition of Capexo amounted to Euro 43,992 thousand, of which Euro 33,000 thousand was paid with cash and cash equivalents. The Group agreed to pay Capexo's former shareholders a contingent consideration of Euro 11,575 thousand (Euro 10,992 thousand discounted) attributable to the earn-out clause, divided into three equal annual tranches, subordinated and based on profitability targets (Adjusted EBITDA) set for the years 2023, 2024 and 2025.

Identifiable acquired assets and assumed liabilities

The amounts recognized for the assets acquired and liabilities assumed at the date of initial consolidation (January 1, 2023) of the acquired company expressed in accordance with international accounting standards are summarized below:

Thousand of €	Capexo
Goodwill	-
Intangible assets other than Goodwill	48
Property, plant and equipment*	1,813
Investments accounted for using the equity method	-
Non-current financial assets	304
Deferred tax assets	7
Inventories	1,416
Trade receivables	12,526
Current tax assets	(146)
Other receivables and other current assets	775
Cash and cash equivalents	2,820
Financial liabilities*	(3,078)
Other non-current liabilities	-
Deferred tax liabilities	(58)
Provisions	-
Employee benefit liabilities	(30)
Trade payables	(8,179)
Current tax liabilities	(460)
Other current liabilities	(987)
Total identifiable assets acquired and liabilities assumed	**6,772**

*Values do not take into account the IFRS 16 effect, as it is neutral in the determination of Goodwill

Fair value measurement of identifiable acquired assets and assumed liabilities

The Group carried out a Purchase Price Allocation based on available information, consistent with IFRS 3. The measurement techniques used to determine the fair value of the principal assets acquired are described below:

Property, plant and equipment
The value was determined based on the book value at the acquisition date, as it was considered to be representative of market prices of similar items, if available, and replacement costs, if appropriate. The estimate of amortized replacement costs reflects the adjustments for physical deterioration and economic and

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functional obsolescence. Property, plant and equipment consist mainly of storage/ripening equipment, packaging machinery and improvements on warehouses and offices.

Inventories
The fair value of inventories is calculated based on the selling price net of the estimated costs for completion as well as the estimated costs necessary to make the sale.

Trade receivables
This item is related to receivables for the sale of fruit and vegetables, which include contractual amounts excluding any write-downs, for Euro 12,526 thousand.

Other receivables and other current assets
Related for Euro 646 thousand to the receivable for subsidies to be received for having joined the ODEADOM program, which aims to support the import of products from Réunion.

Financial liabilities
Relating to four loans, three of which are fixed-rate and one of which is variable-rate, whose fair values at the acquisition date approximate their nominal values.

Employee benefits
The liability was calculated according to actuarial methodology, using the calculation of an outside consultant (IAS 19).

Trade payables
This liability relates to fruit purchases.

Other current liabilities
This liability mainly includes payables to personnel for wages and salaries, as they are paid at the beginning of the month, and the liability for “l'Interessement”.

Determination of goodwill

Goodwill arising from the acquisition, having verified the conditions for recognition through the analysis of the fair value of the investment based on the discounting of expected cash flows, was recognized as shown in the following table:

Thousand of €	Capexo
Fair value of the consideration transferred	43,992
Fair value of the identifiable assets acquired and liabilities assumed	(6,772)
Goodwill	**37,220**

The goodwill generated from the acquisition mainly refers to the technical and commercial skills and experience of personnel and the additional synergies expected to be obtained from integrating the acquired company in the Group Distribution BU. Please refer to the "Impairment test" section for more details.
In terms of the net financial position, the acquisition had a net effect on the consolidated financial statements of Euro 44,251 thousand, due to the difference between the consideration paid of Euro 43,992 thousand to purchase 100% of the company and its payable overall net financial position of Euro 259 thousand.

Ancillary costs to the acquisition

Acquisition-related costs incurred by the Group amounted to Euro 249 thousand, expensed in FY2022.

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Blampin Groupe acquisition

On January 10, 2023, the Group finalized an agreement to purchase 80% of Blampin Groupe, a group active in the import and distribution of fruit and vegetable products. This acquisition is perfectly aligned with the strategies announced by the Group and, along with the acquisition of Capexo, will make it possible to significantly accelerate its revenue and profitability growth in the Distribution BU, achieving a strong strategic market positioning in France in terms of size, product range and sales channel coverage. On the same date, the Group took over control of the operations of Blampin Groupe, whose income results were therefore included in their entirety in the consolidated income statement of the Orsero Group at December 31, 2023.

Consideration paid

The following table summarizes the fair value at the acquisition date of the principal components of the consideration paid:

Thousand of €	Blampin Groupe
Cash and Cash equivalent	32,747
Contingent consideration	7,026
Put/Call	5,918
Total consideration transferred	**45,691**

The consideration for the acquisition of 80% of Blampin Groupe amounted to Euro 40,747 thousand, of which Euro 32,000 thousand was paid with cash and cash equivalents at the time of the acquisition and Euro 747 thousand was paid as a supplement to the price in July. The Group agreed to pay Blampin Groupe's former shareholders a contingent consideration of Euro 8,000 thousand (Euro 7,026 thousand discounted) attributable to the earn-out clause, divided into four equal annual tranches, subordinated and based on profitability targets (Adjusted EBITDA) set for the years 2023, 2024, 2025 and 2026.
In addition, there is a put/call clause for the purchase of 13.3% to be exercised as of 01.01.2027 until 12.31.2028, that at acquisition date has been estimated at Euro 5,918 thousand, by discounting expected cash flows until when it is believed that the option will be exercised, in accordance with the reference accounting standards. This liability is subsequently remeasured at each closing date. The accounting policy adopted by the Group is to recognize any change in the value of this liability in shareholders' equity. Please note that as of December 31, this liability was revalued by an additional Euro 2,371 thousand, resulting in a reduction in shareholders' equity by the same amount.

Identifiable acquired assets and assumed liabilities

The amounts recognized for the assets acquired and liabilities assumed at the date of initial consolidation (January 1, 2023) of the acquired company expressed in accordance with international standards are summarized below:

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Thousand of €	Blampin Groupe
Goodwill	-
Intangible assets other than Goodwill	148
Property, plant and equipment*	3,931
Investments accounted for using the equity method	-
Non-current financial assets	476
Deferred tax assets	-
Inventories	1,972
Trade receivables	15,789
Current tax assets	1,038
Other receivables and other current assets	411
Cash and cash equivalents	12,328
Non-controlling interests	(187)
Financial liabilities*	(11,862)
Other non-current liabilities	-
Deferred tax liabilities	(158)
Provisions	(163)
Employee benefit liabilities	-
Trade payables	(14,495)
Current tax liabilities	(897)
Other current liabilities	(3,457)
Total identifiable assets acquired and liabilities assumed	**4,876**

*Values do not take into account the IFRS 16 effect, as it is neutral in the determination of Goodwill

Fair value measurement of identifiable acquired assets and assumed liabilities

The Group carried out a Purchase Price Allocation based on available information, consistent with IFRS 3. The measurement techniques used to determine the fair value of the principal assets acquired are described below:

Property, plant and equipment
The value was determined based on the book value at the acquisition date, as it was considered to be representative of market prices of similar items, if available, and replacement costs, if appropriate. The estimate of amortized replacement costs reflects the adjustments for physical deterioration and economic and functional obsolescence. Property, plant and equipment consist mainly of refrigeration equipment and improvements on warehouses and offices.

Inventories
The fair value of inventories is calculated based on the selling price net of the estimated costs for completion as well as the estimated costs necessary to make the sale.

Trade receivables
This item is related to receivables for the sale of fruit and vegetables, which include contractual amounts excluding any write-downs, for Euro 15,789 thousand.

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Financial liabilities
Relating to twelve loans, all fixed-rate, whose fair values at the acquisition date approximate their nominal values.

Employee benefits
The liability was calculated according to actuarial methodology, using the calculation of an outside consultant (IAS 19).

Trade payables
This liability relates to fruit purchases.

Other current liabilities
This liability mainly includes payables to personnel for holidays and leave and the liability for "l'Interessement".

Determination of goodwill

Goodwill arising from the acquisition, having verified the conditions for recognition through the analysis of the fair value of the investment based on the discounting of expected cash flows, was recognized as shown in the following table:

Thousand of €	Blampin Groupe
Fair value of the consideration transferred	45,691
Fair value of the identifiable assets acquired, and liabilities assumed	(4,876)
The non-controlling interests proportionate share of the net assets	327
Goodwill	**41,142**

The goodwill generated from the acquisition mainly refers to the technical and commercial skills and experience of personnel and the additional synergies expected to be obtained from integrating the acquired company in the Group Distribution BU. Please refer to the "Impairment test" section for more details.
In terms of the net financial position, the acquisition had a net effect on the consolidated financial statements of Euro 45,225 thousand, due to the difference between the consideration paid of Euro 45,691 thousand to purchase 93.3% of the Group and its receivable overall net financial position of Euro 466 thousand.

Ancillary costs to the acquisition

Acquisition-related costs incurred by the Group amounted to Euro 1,304 thousand, expensed in FY2022.

I Frutti di Gil acquisition

On August 2, 2023, the Group finalized an agreement to purchase 51% of I Frutti di Gil, an Italian company active in the distribution of red fruits. This acquisition falls perfectly within the strategy announced by the Group and will make it possible to increase the revenues and profitability of the Distribution BU with regard to the red fruit macro-family. On the same date, the Group took over control of the operations of I Frutti di Gil, whose income results were therefore included in the consolidated income statement of the Orsero Group at December 31, 2023.

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Consideration paid

The following table summarizes the fair value at the acquisition date of the principal components of the consideration paid:

Thousand of €	I Frutti di Gil
Cash and Cash equivalent	1,100
Contingent consideration	-
Total consideration transferred	**1,100**

The consideration for the acquisition of I Frutti di Gil amounted to Euro 1,100 thousand, paid entirely with cash and cash equivalents.

Identifiable acquired assets and assumed liabilities

The amounts recognized for the assets acquired and liabilities assumed at the date of initial consolidation (September 30, 2023) of the acquired company expressed in accordance with international accounting standards are summarized below:

Thousand of €	I Frutti di Gil
Other receivables and other current assets	500
Cash and Cash equivalent	10
Total identifiable assets acquired	**510**

Fair value measurement of identifiable acquired assets and assumed liabilities

The Group carried out a Purchase Price Allocation based on available information, consistent with IFRS 3, and in consideration of the reduced period of time between the acquisition and the preparation of this document, this activity is to be considered provisional and subject to changes and refinement. In this regard, please note that according to IFRS 3, the valuation of assets and liabilities may possibly be subject to changes in the twelve months following the acquisition date. The measurement techniques used to determine the fair value of the principal assets acquired are described below:

Other receivables and other current assets
Relating for Euro 500 thousand to Orsero's capital contribution commitment already paid.

Determination of goodwill

Goodwill arising from the acquisition, having verified the conditions for recognition through the analysis of the fair value of the investment based on the discounting of expected cash flows, was recognized as shown in the following table:

Thousand of €	I Frutti di Gil
Fair value of the consideration transferred	1,100
Fair value of the identifiable assets acquired, and liabilities assumed	(510)
The non-controlling interests proportionate share of the net assets	250
Goodwill	**840**

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The goodwill generated from the acquisition mainly refers to the technical and commercial skills and experience of personnel and the additional synergies expected to be obtained from integrating the acquired company in the Group Distribution BU. Please refer to the "Impairment test" section for more details.

Ancillary costs to the acquisition

The Group incurred no acquisition-related costs in FY2023.

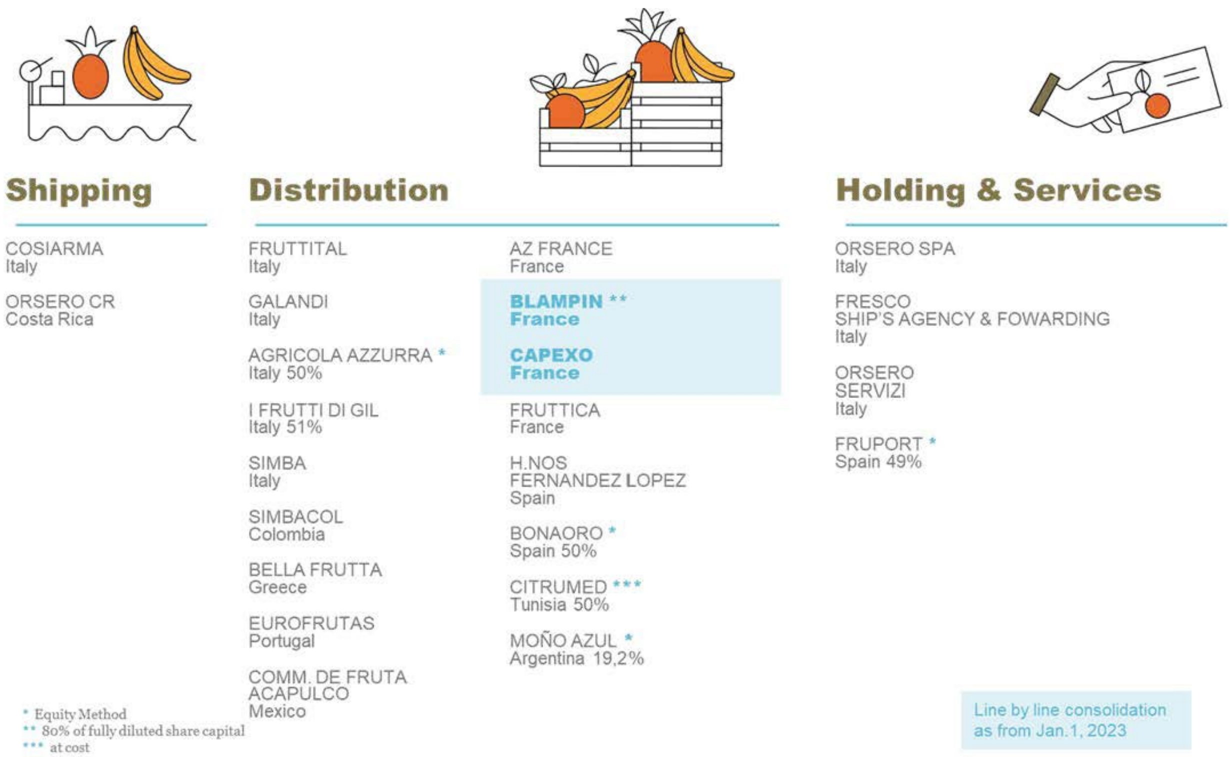
Contingent consideration

At the acquisition date, the purchaser is required to recognize contingent consideration, which is a contingent liability assumed in a business combination if it is a present obligation arising from past events, the fair value of which can be reliably determined. Therefore, a contingent liability assumed in a business combination at the acquisition date of is recognized even if it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation.
Based on the information available to date and the due diligence performed in preparation for the acquisitions, no contingent consideration was recorded during the purchase price allocation with respect to the acquisitions made.

Changes in the consolidation area made during the year and thereafter

Regarding the changes taking place during 2023, it should be noted, as extensively described, that as of January 1, 2023, Capexo and Blampin Group were consolidated following the purchase of 100% and 93.3% (of which 13.3% put/call option) of the share capital with a total investment of Euro 89,684 thousand. Furthermore, 51% of I Frutti di Gil was also acquired for Euro 1,100 thousand. Please refer to the section on business combinations for additional information.

Following the above transaction, the corporate structure (in a summary version, but more representative) is more streamlined and direct as shown below:



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Valuation criteria

Below are the main criteria adopted for the preparation of the consolidated financial statements at December 31, 2023; the valuation criteria are applied uniformly to the Parent Company and to all consolidated ompanies. When, in relation to specific events or as a result of the development of accounting practice, a change is made in the accounting standards applied in a year, the Notes are intended to provide all the appropriate explanations to allow comparison with the previous year, if necessary by providing for the correction/re-alignment of the figures of the related financial statements. Please note that in preparing the consolidated financial statements as at December 31, 2023, the same consolidation standards and the same measurement criteria were applied as used to prepare the consolidated financial statements as at December 31, 2022, with the exception of what is set forth in the section "Accounting standards, amendments and IFRS and IFRIC interpretations applied from January 1, 2023".

Goodwill

If businesses are acquired, the assets, liabilities and potential liabilities acquired and identifiable are booked at current (fair) value, as at the date of acquisition. The positive difference between the price paid for the acquisition and the interest held by the shareholders of the Parent Company in the present value of the assets and liabilities acquired is classified as "Goodwill". Any negative difference (badwill) is instead recognized in the income statement at the time of acquisition. Goodwill is posted as an asset with an undefined useful life and is not subject to amortization, and the recoverability of the recognized value is verified at least annually and in any case when events occur that may lead to an impairment, taking into account the criteria set out in IAS 36. Impairment is recognized in the income statement and is not subsequently reinstated. In the event of the disposal of a subsidiary, the net value of goodwill attributable to it is included in the determination of the capital gain or loss from the disposal. As of 2023, following the analysis conducted with the support of an outside consultant, it was found that the allocation and monitoring of goodwill most consistent with the structure, breakdown and functioning of the Group's activities is that which calls for an aggregation within the broader Group of the Distribution CGU in place of the individual Country CGUs.

Intangible assets other than goodwill

Intangible assets other than goodwill are assets that are not physical, identifiable, controlled by the Group, and that can produce future economic benefits.
Intangible assets other than goodwill are recognized as assets in accordance with IAS 38 - Intangible Assets, when they are identifiable, it is likely that their use will generate future economic benefits and the cost can be reliably determined. These assets are stated at purchase or production cost, inclusive of all ancillary expenses incurred, and amortized on a straight-line basis over their useful lives. Intangible assets with definite useful life are amortized systematically from the time the asset is available for use for the period of their expected usefulness. The useful life is reviewed annually and any changes, where necessary, are made with prospective application. The recoverability of their value is verified according to the criteria set forth in IAS 36. Costs incurred subsequently are capitalized only when the expected future economic benefits which are attributable to the asset they refer to are increased. All other subsequent costs are allocated to profit and loss during the year in which they are incurred.
Costs incurred internally for the development of new products and services (mainly software costs) are intangible assets generated internally, recognized as assets only if all of the following conditions are met: existence of technical feasibility and intention to complete the asset so as to make it available for use or sale, the Group's ability to use or sell the asset, existence of a market for products and services resulting from the asset or its usefulness for internal purposes, existence of adequate technical and financial resources to

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complete the development and sale or internal use of the products and services that result from it, reliability of the cost recognition attributable to the asset during its development. Capitalized development costs, where existing, include only expenses incurred that can be attributed directly to the development process and are amortized on a systematic basis from the beginning of production over the estimated product / service life.
Research costs are charged to the income statement in the year in which they are incurred.
Patents and intellectual property rights are mainly related to application software licenses, which are amortized on a straight-line basis over their contractual useful life. Concessions, licenses and trademarks are essentially related to the fees paid for the exercise of commercial activities located within the general markets and amortized on the basis of the duration of the concession, as well as the costs of using licensed software programs, amortized on average over a three-year period. These expenses are recognized as assets in accordance with IAS 38 “Intangible Assets”, when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.
Assets in progress and advances include the balance of investments in assets not yet in service at year-end and therefore not subject to amortization.
Other intangible assets purchased or produced internally are recognized as assets, if existing, in accordance with IAS 38 (Intangible Assets), when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.
Other intangible assets recognized as a result of the acquisition of a company are recognized separately from goodwill if their current value can be determined reliably.

Property, plant and equipment

Property, plant and equipment are assets that are physical, identifiable, controlled by the Group, and that can produce future economic benefits. Tangible assets purchased or produced internally are recognized as assets in accordance with IAS 16 - Property, Plant and Equipment, when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. They are recorded at historical cost of purchase, production or transfer, including the ancillary expenses required to make the asset available for use deducted from the cumulative accumulated depreciation and any write-downs made to adjust their value to the expected lower future utility. Subsequent costs are only capitalized when it is likely that the relative future economic benefits will be received by the Group.
Depreciation is calculated on the basis of economic/technical rates related to the expected useful life of the assets, the most representative of which are:

Category	Useful life
Land	Not depreciated
Buildings	20 – 33 years
Ships	29/30 years
Plants	7 – 10 years
Vehicles	4 – 5 years

In the event there is an impairment, the asset is written down, regardless of the depreciation already recorded; in subsequent periods if the reasons for the write-down are no longer valid, it is restored to its original value, net of accumulated depreciation that would have been allocated, had impairment not been applied, or the recoverable value, if lower. The recoverability of their value is verified according to the criteria set forth in IAS 36. The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.
Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net book value of the asset and are recognized in the income statement for the year.
Any financial expense incurred for the purchase or production of tangible assets for which a certain period of time normally passes to make the asset ready for use is capitalized and amortized throughout the useful life of

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the class of assets to which it refers, while all other financial expenses are booked as profit and loss in the year in which they are incurred.
The costs of routine maintenance are fully recognized in the income statement while costs of an incremental nature are allocated to the assets to which they refer and are depreciated in proportion to their residual useful life. If leasehold improvements meet the capitalization requirements, they are classified under tangible assets and depreciated on the basis of the duration of the lease contract. In the presence of legal or implied obligations for the dismantling and removal of assets from sites, the carrying amount of the asset includes the estimated (discounted) costs to be incurred at the time of abandonment of the structures, recognized in counter-entry under a specific provision.
When tangible assets consist of several significant components with different useful lives, depreciation is calculated and carried out separately for each component. Costs relating to cyclical maintenance of ships are recorded as assets as separate component of the main asset in the year in which they are incurred and are included in the depreciation process, taking into account an appropriate useful life.
Land is not subject to depreciation, even if purchased in conjunction with a building.

Leasing

The Group has a number of rental, lease and operating lease agreements in place for the use of warehouses, ships, offices, vehicles, containers, machinery and other minor assets owned by third parties. The contracts are typically entered into for from 3 to 20 or more years, but they may have an extension option. The contractual terms are individually negotiated and contain a broad array of different terms and conditions.
Starting from January 1, 2019, following the initial application of IFRS 16, the Group has recognized for all of those lease agreements, with the exception of short-term ones (i.e., lease agreements with a duration of 12 months or less which do not contain a purchase option) and those concerning low-value assets (i.e., with a unit value of lower than USD 5 thousand), a right of use at the start date of the lease, corresponding to the date on which the underlying asset is available for use. Lease payments relating to short-term and low-value contracts are recognized in the income statement as costs on a straight-line basis throughout the term of the lease.
Rights of use are valued at cost net of depreciation; the value assigned to the rights of use corresponds to the amount of the lease liabilities recognized, plus initial direct costs incurred, the lease payments settled at the contract start date or previously, recovery costs, net of any lease incentives received. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the term of the lease, rights of use are depreciated on a straight-line basis throughout the term of the agreement. If the lease transfers ownership of the underlying asset to the Group, at the end of the lease term, it is expected that the purchase option will be exercised or, alternatively, the right of use will be amortized during the useful life of the underlying asset, determined on the same basis as that of the category of Property, plant and equipment to which it belongs. The value of the right of use is also reduced by any impairment losses and adjusted to reflect any changes deriving from subsequent measurements of the lease liability.
The financial liability for the lease is recognized at the date on which the agreement begins for a total value equal to the present value of the lease payments to be made over the term of the agreement, determined by using an appropriate interest rate (borrowing rate) based on the financial market conditions at the moment, the term of the lease, the currency and the company's standing.
The lease payments due included in the measurement of its liabilities include:

- fixed payments;
- variable payments which depend on an index or rate, measured initially using an index or a rate as at the start date;
- the amounts expected to be paid by way of guarantee over the residual value; and
- the exercise price of a purchase option, which the Group can reasonably expect to exercise, the payments due for leasing in an optional renewal period if the Group has the reasonable certainty that the renewal option will be exercised, and the penalty for early termination of the lease, unless the Group is reasonably certain that the lease will not be terminated early.

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After the start date, the amount of liabilities for lease agreements increases to reflect the interests accrued and decreases to reflect the payments made. Each lease payment is broken down between the repayment of the principal on the liability and the financial cost. The latter is recognized in the income statement throughout the term of the agreement to reflect a constant interest rate on the residual debt of the liability for each period. The rules laid out in IFRS 16 - Leases apply to sub-leases and lease agreement amendments.
Contracts are included in or excluded from the application of the standard on the basis of detailed analyses carried out at individual agreement level and in line with the rules set forth in the IFRSs. The term of the lease is calculated considering the non-cancellable period of the lease as well as the periods covered by the agreement extension option if it is reasonably certain that it will be exercised, or any period covered by an option for the termination of the lease agreement, if it is reasonably certain that it will not be exercised. The Group evaluates if it is reasonably certain that it will or will not exercise the extension or termination options taking into account all the relevant factors that generate an economic incentive with respect to such decisions. The initial valuation is reviewed if a significant event takes place or there is a change in characteristics influencing the valuation itself which are under the control of the Group.
The marginal interest rates defined by the Group are revised on a recurring basis and applied to all contracts with similar characteristics, which were considered as a single portfolio of contracts. The rates are determined to simulate a theoretical marginal interest rate consistent with the contracts being assessed. The most significant elements considered in adjusting the rate are the credit-risk spread of each country observable in the market and the different term of the lease agreements. Interest rates set forth within the lease agreements are rare. Incentives for leases received by no later than the date on which the agreement begins are allocated as a direct reduction from the value of the right of use. Lease incentives agreed upon during the term of the contract are considered amendments of the original agreement measured at the amendment date, with a resulting impact of an equal value on the value of the right of use as well as the lease liability.
In the statement of financial position, the Group shows the right of use that does not meet the definition of investment property under “Property, plant and equipment” and the lease liability under “Financial payables”, in the current and non-current liabilities sections depending on their maturity.

Impairment

At each reporting date, the Group reviews the book values of its intangible assets and property, plant and equipment to determine whether there is any indication of impairment. If they are found to be impaired, the asset’s recoverable value is estimated in order to determine the extent of the write-down. Should it be impossible to estimate the recoverable value of an individual asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently, whenever there is an indication that the asset may have been subject to impairment. The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value at a pre-tax rate that reflects current market valuations of the value of capital and the specific risks connected to the asset. If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. The impairment is recognized in the income statement. When it is no longer necessary to maintain an impairment, the carrying value of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if it had not been written down for impairment. The write-back is immediately recognized in the income statement.
The chapter on impairment testing details the procedure applied to validate the amounts of goodwill booked and the intangible and tangible assets held by the Group companies.

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Investments accounted for with the equity method

These consist of shareholdings in associated companies measured at equity as reported in the chapter "Consolidation principles and area".

Non-current financial assets

This item includes equity investments in associated companies not valued at equity and those in other companies, as described in the chapter "Consolidation principles and area". The item also includes medium-term receivables, contributions to be received, security deposits and the like, all valued at nominal value that normally coincides with the realizable value. For more information on their posting and measurement, please refer to the information given in the paragraph below, entitled "(Non-current/current) financial assets".

Inventories

Inventories of fruits and vegetables, raw and ancillary materials and consumables are valued at the lower of the purchase or manufacture cost, determined according to the FIFO configuration, and the realization value that can be seen on the market as at the reporting date. The cost includes accessory expenses net of commercial discounts and, for finished products or those in progress, the cost of manufacture; it includes raw materials, direct labor and other costs directly related to production, as well as the reversal of indirect production costs that can reasonably be traced to production in conditions of normal use of production capacity. The write-down value is eventually adjusted for a specific provision to account for write-downs for obsolescence and slow turnover that may affect packaging materials.

Biological assets

Biological Assets include fruit at its stage of maturity on the plant (in the Group's case, avocados) that is produced in Orsero's agricultural areas. IAS 41 is applied for biological assets, which provides that inventories of fruit on plants must be measured at fair value less estimated sales costs unless fair value can be determined reliably. IAS 41 assumes that fair value can be measured reliably for most biological assets; however, if a quoted price in an active market is not available at the time of initial recognition or alternative fair value measurements are judged unreliable, then the asset is measured at cost less accumulated depreciation and impairment.

(Non-current and current) financial assets

Financial assets must be recognized initially at the trading date, i.e. when the Group becomes party to the contractual clauses of the financial instrument and must be classified on the basis of the business model of the Group that holds them and considering the cash flows of these assets. IFRS 9 envisages the following types of financial instruments, depending on measurement:

- financial assets measured at amortized cost;
- financial assets at fair value with changes recognized in the income statement;
- financial assets at fair value with changes recognized in the comprehensive income statement.

Initially, all financial assets are measured at fair value, increased in the case of assets other than those at fair value with changes in the income statement of ancillary charges. It should be noted that fair value means the

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value of the price of the instrument in an active market; in the absence of the latter, it is determined by using a valuation technique that establishes which price the transaction would have had at the valuation date in a free exchange based on normal commercial considerations. The Group determines the classification of its financial assets after initial recognition and, where appropriate and permitted, reviews said classification at the close of each financial year if the business model is changed. The recoverability of their value is verified according to the criteria set forth in IFRS 9 and described below. At the time of subscription, it is considered whether a contract contains implicit derivatives. Derivatives embedded in contracts where the primary element is a financial asset that falls under the field of application of IFRS 9 must never be segregated. Financial assets are derecognized when the contractual rights to their cash flows expire.
The financial assets measured at amortized cost are those assets held within the framework of a business model whose objective is to collect cash flows over time represented solely by payments of principal and the related accrued interest. The measurement of financial assets at amortized cost involves the application of the effective interest rate method net of any provision for impairment, taking into consideration foreseeable future losses. This calculation includes any discount or purchase premium and includes commissions that are an integral part of the effective interest rate and transaction costs. Therefore, interest is calculated in relation to the cash value over time and the credit risk associated to the instrument during that particular period of time. Receivables and other financial assets measured at amortized cost are shown on the balance sheet net of the related provision for doubtful debt. Interest income, exchange gains and losses and impairment losses are booked to the period income statement, as are any gains or losses from derecognition from the accounts.
Financial assets at fair value through other comprehensive income are those financial assets held as part of a business model whose objective is to collect cash flows over time from both principal and interest payments at the various maturities and from the sale of those assets.
These assets entail the recognition of changes in the instrument's fair value amongst other components of comprehensive income, in shareholders' equity. The cumulative amount of changes in fair value, allocated to the equity reserve that includes other components of comprehensive income, is reversed on the income statement when the instrument is derecognized.
The financial assets that are not measured at amortized cost and/or at fair value through other comprehensive income are measured at fair value through profit or loss. It should be noted that, at the moment of initial recognition, the entity can irrevocably designate the financial asset as measured at fair value booked to profit (loss) for the year. All derivatives are included. Net profit and loss, including dividends or interest received, is noted in the period income statement.
It should be noted that equity instruments must always be measured at fair value, given that as they are not characterized by secure and constant cash flows, they are not compatible with the amortized cost method. The financial instrument which represents principal and which is held for strategic reasons and not for trading purposes is therefore measured at fair value, whose variations are booked to the statement of comprehensive income. The dividends relating to said instruments are booked to the income statement, while changes booked to the comprehensive income statement cannot be reclassified to the income statement.
Please note that financial assets and liabilities are offset and the amount deriving from the offsetting presented in the statement of financial position when, and only when, the Group currently has a legal right to offset said amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Trade, tax and other receivables

Trade, tax and other receivables are initially recognized at fair value, equating to the price of the relative transaction insofar as there is no significant loan component and thereafter according to the amortized cost method, net of impairment.
IFRS 9 defines a new impairment model for such assets, with the aim of providing information that is useful to readers of the financial statements in regard to the related expected losses. According to this model, the Group measures receivables adopting an expected loss approach in lieu of the IAS 39 framework, which is typically based on the measurement of the incurred losses observed. For trade receivables, the Group takes a Simplified approach to measurement, which does not require the recording of periodic changes to the credit

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risk, as much as it does the booking of an expected credit loss calculated over the entire life of the receivable (known as the "Lifetime Expected Credit Loss"). More specifically, the policy adopted by the Group envisages the stratification of trade receivables into categories according to the number of days past due, defining the provision on the basis of past experience of losses on loans, rectified to take into account specific provisional factors referring to creditors and the economic environment. The credit risk must be revalued at the reporting date also for those financial assets whose cash flows have been renegotiated or modified. Trade receivables are written down entirely if there is no reasonable expectation that they will be collected, or where commercial counterparties are inactive. The book value of the asset is reduced by the use of a provision for doubtful debt and the amount of the loss is recognized to the income statement.
At each reporting date, the Group must, therefore, recognize in the income statement as profit or loss due to impairment the accumulated changes in expected losses over the entire life of the receivable. This valuation must be made for trade receivables. The expected credit losses of the financial instrument must reflect a target or weighted amount, the time value of money and the reasonable and demonstrable information available.
When collection of the price is deferred beyond normal commercial terms applied to the customer, the credit is discounted at a suitable market rate. The item "Other receivables and other current assets" also includes accruals and deferrals relating to portions of costs and income spanning two or more years, the entity of which varies over time, in application of the accruals accounting approach.

Cash and cash equivalents

This item includes cash and amounts held in on-demand post office/bank current accounts (including fees payable and receivable accrued as at the reporting date) and entered at nominal value, which usually coincides with fair value.

Non-current assets held for sale, disposal groups and discontinued operations

Non-current assets held for sale, disposal groups and discontinued operations whose carrying amount will be recovered principally through sale rather than continuous use are not amortized and are measured at the lower of their carrying amount and fair value less costs to sell; any difference that is revealed is allocated to profit and loss as impairment. Any gains or losses recognized as the result of measuring non-current assets (or disposal groups), classified as "held for sale" in accordance with IFRS 5, at fair value less costs to sell are classified under "Other operating income/expense" or "Other investment income/expense" depending on whether they are specific assets or equity investments.
A "disposal group" is a group of assets to be disposed of together as a group in a single transaction together with the liabilities directly associated with those assets that will be transferred in that transaction. Discontinued operations, on the other hand, consist of a significant portion of the Group, such as an important independent business division representing an activity or geographical area of activity, or a subsidiary bought exclusively for the purpose of reselling it.
The figures for non-current assets held for sale, disposal groups and discontinued operations are shown on two specific lines in the balance sheet: non-current assets held for sale and liabilities directly correlated with non-current assets held for sale.
The net economic results arising from discontinued operations, and only discontinued operations, pending the disposal process, any gains or losses on disposal and the corresponding comparative figures for the previous year or period are recognized in a specific line of the income statement: "Profit/loss from discontinued operations".

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Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit and loss. A financial liability is classified at fair value through profit and loss when it is held for trading, represents a derivative or is designated at such at the time it is first booked. Financial liabilities measured at fair value through profit or loss are measured at fair value with any changes, including interest expense, noted on the income statement. Other financial liabilities are measured thereafter at amortized cost, using the effective interest rate criterion. Interest expense and foreign exchange gains/(losses) are booked on the income statement, as are any gains or losses deriving from derecognition.
The Group proceeds to derecognize a financial liability when the obligation specified in the contract has been fulfilled or canceled.
Financial liabilities are entered under current and non-current financial liabilities, other non-current liabilities, trade payables, current tax liabilities and other current liabilities. Current and non-current financial liabilities include bond payables, bank loans, current account overdrafts, liabilities due to other lenders (namely leasing, factoring and payables in accordance with IFRS 16), liabilities for hedging derivatives and the price balance on acquisitions.
Financial liabilities, apart from derivatives, are initially carried at cost, which is approximately the equivalent of fair value, net of costs incurred for the transaction. Thereafter, any difference between the cost and value of repayment throughout the term of the loan, using the effective interest method. Loans are classified as current liabilities unless the Group has the unconditional right to defer the termination of this liability at least twelve months after the reference date. As regards leasing and liabilities in accordance with IFRS 16, reference is made, for measurement, to the paragraph entitled “Leasing” of these Notes, while for derivatives, please refer to the paragraph on “Derivative financial instruments and hedging”.
As regards other non-current liabilities, trade payables, current tax liabilities and other current liabilities, they are entered at nominal value, which is believed to represent their extinguishing value; please note that these items do not include a significant portion of financing.
Payables for put options are recognized in accordance with IAS 32 paragraph 23, which states that a contract that contains an obligation for an entity to purchase its own equity instruments (in this case referring to minority interest capital) in exchange for cash or other financial assets gives rise to a financial liability for the present value of the redemption amount (i.e., the present value of the forward purchase price, the strike price of the option or other redemption amount).
In the case of a transferred put option, the financial liability is initially recognized at the present value of the strike price of the option and is reclassified from equity. Then the liability is measured in accordance with IFRS 9. Specifically, in application of this principle:

- shares subject to transferred put options relating to minority interests are considered already acquired by the company/group, even in cases where the risks and benefits associated with ownership of the shares remain with the minority shareholders and they continue to remain exposed to equity risk;
- the payable deriving from the emergence of the obligation and any subsequent changes in it that are not dependent on the mere passage of time are recorded as a balancing entry in equity reserves; changes in the payable dependent on the passage of time (discounting of the strike price) are charged to equity.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognized at fair value on the date on which they are stipulated. Thereafter, this fair value is periodically reviewed and any changes booked to the period statement of comprehensive income. They are recognized as assets when the fair value is positive and as a liability when it is negative. Embedded derivatives are separated out from the primary contract and booked separately when the primary contract is not a financial asset and when certain criteria are met. The Group carries out transactions with derivative instruments with a view to hedging the risk of fluctuations in the prices of

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commodities, interest rates and exchange rates. Derivatives are classified, consistently with IFRS 9, as hedging instruments when:

- the hedging relationship consists solely of admissible hedging instruments and admissible hedged elements;
- At the inception of the hedging relationship there is a designation and formal documentation of the hedging relationship, the Group's risk management objectives and the hedging strategy;
- the hedge ratio satisfies all the requirements of effectiveness (existence of an economic relationship between the hedged element and the hedging instrument, credit risk that does not dominate the value changes that result from that economic relationship, the hedging relationship is the same as that determined by the quantity of the hedged element that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge said quantity of hedged element).

When derivatives hedge the risk of fluctuation in the fair value of the underlying asset (fair value hedges), they are measured at fair value with the effects of the change in value of the instrument intended to offset the change, typically in the opposite direction, in the value of the hedged underlying asset recognized in profit or loss. When derivatives hedge the risk of changes in the cash flows of the underlying asset (cash flow hedge), the effective portion of changes in the fair value of the derivatives is initially recognized in equity (accounted through "other comprehensive income") and subsequently recognized in the income statement, consistently with the economic effects of the hedged transaction.
Changes in the fair value of derivatives that do not meet the formal requirements to qualify as hedging for IAS/IFRS purposes are recognized in the income statement.

Treasury shares

Treasury shares are booked as a reduction of shareholders' equity. Their original cost and any economic effects from any subsequent sale are equally recorded as changes in equity.

Provisions

The Group recognizes provisions for current, legal or implicit obligations associated with past events (current and non-current) in the item provisions for risks and charges, provided that two precise conditions are met: (i) there is a high probability that, over time, the Group's resources will need to be used to meet such obligations and (ii) a reliable estimate can be made of the amount of the obligations in question. The allocations reflect the best possible estimate based on the information available. The provisions are then reviewed at each reference date and potentially adjusted to reflect the best current estimate; any changes in estimate are reflected in the income statement of the period in which the change occurred. When the financial effect of time is significant and the payment dates of the obligations can be estimated, the provision is discounted using a rate that reflects the current valuation of the cost of money in relation to time. The increase in the provision related to the time elapsed is recorded in the income statement under "Financial income and Financial expenses and exchange differences".
In the event of lawsuits, the amount of the provisions is determined according to the risk assessment, in order to determine the probability, timing and amounts concerned. When the liability relates to property, plant and equipment (such as the dismantling and reclamation of sites), the provision is recognized as a counter-entry to the asset to which it refers and recorded in the income statement through the depreciation process.
The Notes to the financial statements provide information on significant contingent liabilities represented by:

- possible (but unlikely) obligations arising from past events whose existence will only be confirmed if one or more future events occur that are not entirely under the control of the company;
- current obligations arising from past events whose amount cannot be estimated reliably or whose fulfillment may not be onerous.

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Employee benefits

Short-term benefits
Short-term employee benefits are accounted for in the income statement during the period in which they are employed.

Post-employment benefits
Employees of Group companies are assigned benefits on termination or post-employment that can be defined contribution or defined benefit pension plans and other long-term benefits, according to the conditions applied locally in the countries in which the companies operate. The relative liability, net of any assets used for the plan, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued as at the reference date (the "projected unit credit" method). The liability is recognized on an accruals basis throughout the period for which the right is accrued and measured by an independent actuary for all Group companies.

The accounting of pension plans and other post-employment benefits depends on their nature.

Defined contribution plans are post-employment benefits on which basis the Group companies pay fixed contributions to a legally different entity on a mandatory, contractual or voluntary basis, without there being any legal or implicit obligation to make additional payments if the entity does not have sufficient assets to pay all pension benefits accrued in relation to the work carried out this year and previous years. The contributions to be paid are recorded on the income statement through accruals accounting and classified amongst payroll costs.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to finance provisions for defined benefit pension plans and the related annual cost noted on the income statement are determined on the basis of independent actuarial valuations using the projected unit credit method, according to one or more factors such as age, years of service and future remuneration envisaged. Actuarial gains and losses relative to defined benefits plans deriving from changes in the actuarial hypotheses and adjustments based on past experience, are noted immediately in the period in which they arise in the statement of comprehensive income and are never carried as profit and loss in subsequent periods. Recognized liabilities for post-employment benefits reflect the present value of liabilities for defined-benefit plans, adjusted to consider unrecognized actuarial gains, reduced by the fair value of plan assets, where such exist. Any net assets determined by applying this calculation are entered up to the amount of the actuarial losses and the cost relating to past performance, not recognized previously, as well as the current value of repayments available and the reductions of future contributions to the plan. Costs relating to defined benefits plans are classified under payroll and related costs apart from costs relating to the increase of the current value of the obligation deriving from the approach to the time when benefits classified amongst financial expense, fall due. As regards the Italian companies, severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code, was considered up until December 31, 2006 a defined benefits plan. The regulation of this provision has been significantly altered by Italian Law no. 296 of December 27, 2006 ("2007 Financial Law") and subsequent Decrees and Regulations. More specifically, the new provisions have required, for companies with a workforce in excess of 50 employees as at the date on which the reform is introduced, to consider severance indemnity a defined benefits plan only for portions accrued as at January 1, 2007 (and not yet liquidated as at the reporting date); after that date, it is considered as equivalent to a defined contribution plans. Consequently, the portions of severance indemnity accrued after that date take on the nature of defined contribution plans, except, therefore, for actuarial estimating components used to determine the accrued cost. The portions of severance indemnity accrued as at December 31, 2006 remain valued as defined benefits plan, according to actuarial procedures, with the calculation, however, excluding the component relative to future salary increases.

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Share-based payments

The 2020-2022 LTI Plan for directors and employees recognizes a monetary incentive related to the achievement of certain performance and shareholder value creation objectives, subject to the fulfillment of the access conditions ("Gate") and the continuation of employment with the Group. The Plan also provides for a portion of these incentives to be indexed to Parent Company share performance. Services rendered and liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a payable recognized in "Other current liabilities". The 2023-2025 Performances Share Plan for directors and employees, on the other hand, recognizes the vesting of Parent Company shares upon the achievement of specific performance targets, including ESG targets, subject to continued employment with the Group. Services rendered and liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a shareholders' equity reserve. For more information, please also refer to the "2023-2025 Performance Share Plan" section of the Directors' Report on Operations.

Revenues and costs

Revenues are generated primarily by three "core" sectors such as the Distribution sector (activities dedicated to the distribution of fruit and vegetables), the Shipping sector (dedicated to maritime transport, primarily of bananas and pineapples), and the Holding & Services sector (provision of services in the customs area, the IT sector and holding coordination activities).
The Group recognizes revenues when (or gradually as) it fulfills the performance obligation by transferring the promised good or service to the customer. The asset is transferred when (or gradually as) the customer acquires control of it (capacity to decide the use of the asset and derive substantially all remaining benefits from it). At the same time, the Group is entitled to claim payment for the service rendered.
Transactions between goods and services of a similar nature and value, as they are not representative of sales transactions, do not determine the recognition of revenues and costs.
According to IFRS 15, the Group must recognize as revenue the price of the transaction assigned to the performance obligation, considering all the terms of the contract and its commercial procedures. The price of the transaction is the amount of the consideration to which the Group expects to be entitled in exchange for the transfer of promised goods and services to the customer, excluding the amounts collected on behalf of third parties. The consideration may include fixed or variable amounts or both.
Financial revenues are recognized on an accrual basis. Income and expenses are recorded in accordance with the accrual principle, with the appropriate recognition, where necessary, of the related accruals and deferrals.

Capital and operating contributions

Contributions are recognized when it is reasonably certain that they will be received and that all conditions for attaining them will be met. Contributions to "capital account" are recognized in the balance sheet as an adjustment to the recognition value of the asset to which they relate. Contributions in "operating account" are recognized as income and are distributed systematically in the various years as compensation of the related costs. In order to ensure a correct economic representation, contributions are recognized in the income statement gradually, in relation to the dynamics of amortization relating to the investments made, for which the contributions are received. For the fixed assets covered by the contribution, the correlation is respected each year between the cost represented by amortization and the portion of capital contribution recognized in the income statement in an amount equal to the amortization. The contributions obtained in respect of

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investments made in capitalized fixed assets are entered as liabilities under "Other non-current liabilities" and "Other current liabilities".

Financial income, financial expense and exchange differences

Financial income includes interest on bank and postal deposits, exchange rate gains and differences and financial income deriving from the discounting of receivables related to sales deferred beyond the year. Interest income is recognized in the income statement at maturity, at the effective rate of return.
Financial expenses include interest expense on financial payables, calculated using the effective interest method, exchange rate losses and differences. They are also recognized in the income statement at maturity.

Dividends

Dividends received are recognized when, after the resolution of the Shareholders' Meeting is passed, the right to receive the payment is established, typically coinciding with the collection; dividends distributed by companies included in the scope of consolidation, subsidiaries as well as associates measured at equity are reversed with counter-entry under "Retained earnings".

Period income tax, deferred tax assets and liabilities

Current taxes are determined on the basis of the estimate of taxable income in accordance with the provisions in force, taking into account the applicable exemptions, tax receivables and the effects of adherence to the "tax consolidation". Income taxes are recognized in the income statement, except when they pertain to items directly charged from or credited to an equity reserve, the tax effect of which is recognized directly in equity, in which case they are reported in the statement of comprehensive income.
The consolidated financial statements include the allocation of deferred assets and liabilities related to temporary differences connected to the adjustments made to the financial statements of consolidated companies for adjustment to the Group's homogeneous accounting standards and to the temporary differences between the statutory results and the related taxable income. In addition, they include deferred assets and liabilities, if any, arising from temporary deductible and taxable differences between the carrying amount of assets and liabilities and the resulting recognition for tax purposes, as well as consolidation adjustments. Deferred tax assets are recognized in the financial statements, calculated on the basis of the tax rates applicable in the period when the deferral is realized only if their future recovery is probable. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when it is legally possible and when such deferred taxes are linked to taxes due to the same tax authority and the Parent Company is willing to settle current tax assets and liabilities on a net basis. All Italian subsidiaries, with the exception of the ship-owning company which has opted for the tonnage tax, adhere to the tax consolidation system established by Orsero pursuant to articles 117 et seq. of the Consolidated Income Tax Act, and a similar system has been activated in France for AZ France and its subsidiaries, Postifruit and Fruttica.

Conversion criteria for foreign currency items

Costs and revenues denominated in currencies other than the Euro, as well as investments in technical fixed assets and equity investments, are accounted for using the historical changes at the dates of the related transactions. Receivables and payables in foreign currency are initially recorded based on historical exchange rates of the related transactions, with the exchange rate differences realized at the time of collection or payment

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recorded in the income statement; receivables and payables in foreign currency outstanding at the end of the year are valued at December 31. Related exchange rate gains and losses are recognized in the income statement.

Earnings per share

Earnings/loss per share are calculated by dividing the profit/loss for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the reference period, excluding treasury shares. To calculate diluted earnings/loss per share, the weighted average number of outstanding shares is adjusted by assuming the conversion of all potential shares having a dilutive effect.

Use of estimates, risks and uncertainties

The preparation of the consolidated financial statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of revenues, costs of assets and liabilities of the financial statements and on the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience, other relevant factors and the information available. Therefore, the actual results achieved may differ from said estimates. The estimates and assumptions may vary from one year to the next and they are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate is reviewed.
The main estimates for which the use of subjective valuations by the management is most required are typically used for:

- determination of provisions for bad debts and any other asset write-downs;
- calculation of the fair value of biological assets;
- acquisitions of companies and the relative determination of fair value for the identification of the value of goodwill, also on a provisional basis;
- definition of the useful life of non-current assets and related depreciation and amortization;
- allocations for provisions for environmental risks and for liabilities related to litigation of a legal and fiscal nature; in particular, the valuation processes relate both to determining the degree of probability of conditions that may entail a financial outlay and the quantification of the relevant amount;
- calculation of deferred tax assets, the recognition of which is supported by the Group’s profitability prospects resulting from the expected profitability of the business plans and the forecast of composition of the “tax consolidation”;
- verification of the value of intangible assets, tangible assets and equity investments based, with regard to the estimate of the value in use, on the use of financial plans drawn up based on a series of assumptions and hypotheses regarding future events that will not necessarily occur. Similar estimating processes are required when reference is made to the presumable realizable value due to the uncertainty inherent in each trade.

Impairment test

IAS 36 requires specific assets recorded in the statement of financial position to be tested for impairment in order to verify that their book value does not exceed the amount recoverable through their sale (“direct”) or use (“indirect”). IAS 36 specifies that at the end of each reporting period an entity shall assess whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. In assessing whether the aforesaid indication exists, the Group shall consider the presence of any “impairment indicators”, as required by paragraph 12 of IAS 36. An impairment loss shall be recognized in the income statement when the book value of an asset or cash-generating unit exceeds its

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recoverable amount. Intangible assets with an indefinite useful life and goodwill are tested at least annually and every time there is an indication of a possible impairment to determine whether impairment exists.

As of 2023, following the analysis conducted with the support of an outside consultant and consistent with the structure, breakdown, functioning and monitoring of the Group's activities, the Directors have deemed it appropriate to allocate the goodwill deriving from acquisitions of companies operating in the "Distribution" sector to the Distribution Business Unit CGU Group instead of the individual Country-CGU. Therefore, the Group tests the book value of each year's net invested capital for impairment, identifying as cash generating units:

a) the individual companies belonging to the Distribution sector based on geographical area (i.e. Italy, France, Iberian Peninsula, Greece, Mexico CGU), which are then grouped in the Distribution CGU Group in order to test the goodwill for impairment;

b) the shipbuilder company, for which a different DCF (Discounted Cash Flow) application methodology is adopted, as explained below, the "Shipping/Cosiarma" CGU.

In more detail, the main reasons for the different approach regarding the allocation of goodwill and the impairment test are:

1) **Gradual implementation of the Group's growth strategy:**

   Gradual expansion of the footprint through acquisitions and internal growth, leading to the finalization of several acquisitions (nine acquisition deals in Italy, Spain and France) and some major total or partial divestments (Mono Azul in Argentina, port and dry port operations in Italy and France, and banana production in Costa Rica). As a result of these transactions, today the Group is a Mediterranean Europe market leader in the distribution of fruit and vegetables, with the main strategic aims of:

   a) widespread distribution and high service quality throughout Mediterranean Europe;
   b) as extensive a product mix as possible, with a specific focus on mix quality and with growth targeting higher value-added products and the consolidation of positions on commodity product lines characterized by large volumes and low margins;
   c) balance among the sales channels (large retail, wholesalers and small distributors and retailers).

   At the same time, the organizational profile has been gradually adapted with the emergence of Distribution coordination roles at holding company level and rising commercial synergies with suppliers in some key product areas that are increasingly common and shared across the Group's distribution companies.

2) **Exploitation of Group synergies:**

   The recent French acquisitions in 2023 fit within this context, with the aim of:

   a) developing suppliers of high value-added products that are part of the portfolio of the acquired companies in other European countries as well;
   b) taking advantage of new distribution networks for the market expansion of certain products already available in the Group;
   c) sharing excellent organizational management practices in French stores to apply them in market stands in Italy and Spain as well in order to increase sales channel profitability.

3) **Strategic investments and monitoring reporting:**

   Strategic investment and commercial choices are aimed at strengthening the Distribution Business Unit by also looking at the European distribution footprint, developing talent usable across all geographies for both business and corporate functions, and defining the best development policies, by also looking at major European customers whose size and geographic coverage increasingly require a widespread distribution structure across multiple countries.
   At reporting level, disaggregated data analysis takes place at operational level, by individual profit center, for periodic monitoring needs and is shared with the top management in the form of

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management statistics with a frequency and level of aggregation that varies according to different analysis requirements. Strategic investment decisions, on the other hand, are based on the operating and accounting results of the operating segments (BU Distribution and Shipping), in line with the documentation analyzed internally by the top management and the information disseminated to the Market.

Based on the above, the impairment test on goodwill is carried out by comparing the Group's book value of the "Distribution" CGU with its recoverable value, determined on the basis of the value in use, which is obtained from the sum of the following discounted elements:

- Operating cash flow deriving from budgets drafted every year by the companies belonging to the Distribution BU, and duly approved by the Board of Directors of the Parent Company;
- Inertial demand for the second and third years of the budget data used for the first year, except for some adjustments for companies for which specific future evolutions are planned;
- Terminal Value that the management estimates the companies will be able to generate.

The result of the above total constitutes the Enterprise Value, which is compared with the book value of the asset tested for impairment, and in particular:

- with Net Invested Capital (hereafter "NIC") of the CGUs/GCGUs expressed within the scope of consolidation, i.e., including the goodwill calculated and other adjustment entries made on consolidation;
- with the total book value of the investments, making sure to subtract the value of the Net Financial Position, based on the findings of the triggering events analysis for the separate financial statements.

For the Shipping/Cosiarma CGU, represented by the ship-owning company Cosiarma, on the other hand, the estimated cash flows are broken down on the basis of a time frame of the CGU's operations equal to the remaining useful life of the ships, using their “scrap value” as the terminal value. This different methodology is due to the significant value of the assets, i.e., ships, used in the business. It should be noted that an Adjusted EBITDA conservatively estimated on the basis of the budget figure is used for the time span between the year following the reference budget and the expected year of the end of the ships' useful life.
An analysis of indicators of impairment - Triggering Events is prepared for individual subsidiaries in accordance with IAS 36.
In preparing the impairment test, the 2024 budget figures approved at the Parent Company’s Board of Directors' meeting on February 6, 2024 were used.
For discounting, the post-tax WACC is used as the discount rate, which takes into account the specific risks of the asset and reflects current market valuations of the cost of money. It is based on weighting the cost of debt and the cost of equity, calculated based on the values of companies comparable to those belonging to the Group and subject to impairment.
For the 2023 impairment test, as in the previous year, an independent professional was appointed to determine the parameters applied in the test as indicated below.
The calculations performed led to the determination of the Enterprise Values summarized in the table below, compared with the respective Net Invested Capital of the CGUs and GCGUs, highlighting their respective head-rooms. In compliance with the requirements of the standard, the table also shows monitoring results with respect to last year's structure, that is, the test on individual CGUs organized by geographical area.
The results of the calculations showed the extensive head-room between the book value of the CGUs and GCGUs, consisting of their respective Net Invested Capital and values in use, represented by the Enterprise Values:

Thousands of €	WACC	"g" rate	Enterprise Value	Cons. NIC	Head-room
- Italy	8.54%	0.85%	147,471	93,587	53,884
- France	8.35%	1.00%	214,454	120,921	93,533
- Iberian Peninsula	8.33%	1.00%	92,738	65,531	27,207
- Greece	8.58%	1.00%	12,756	3,819	8,937
- Mexico	11.70%	1.00%	12,439	5,493	6,946
- Distribution	**8.49%**	**1.00%**	**483,285**	**288,963**	**194,322**
- Cosiarma	**12.86%**	**-**	**65,507**	**47,634**	**17,874**

Please note that the "Cons. NIC" values are the sums of the NIC of the various companies belonging to the CGUs, less the costs of the investments held in companies belonging to the same CGU and increased by goodwill and/or other adjustments made at the time of acquisition, as calculated in the consolidated financial statements.
The Sensitivity analysis was carried out highlighting, on the basis of impairment testing data, how much adjusted EBITDA should reduce, without prejudice to the parameters of WACC and "g" rate to zero the head-room of the various CGUs and GCGUs, just like the WACC should come in at that value, without prejudice to the values of adjusted EBITDA and "g" rate, to zero the head-room and the same for the "g" rate, without prejudice to the adjusted EBITDA and WACC values. The table below summarizes the results of this test.

CGU	Adjusted EBITDA	WACC	"g" rate
- Italy	-18.20%	12.82%	-4.62%
- France	-23.48%	14.02%	-6.43%
- Iberian Peninsula	-13.61%	11.40%	-2.86%
- Greece	-39.26%	23.53%	-22.95%
- Mexico	-32.87%	26.51%	-26.72%
- Distribution	**-20.57%**	**13.47%**	**-5.45%**
- Cosiarma	**-29.69%**	**24.41%**	**-**

Other information

Segment reporting

Within the Group, several segments can be identified differently, which provide a homogeneous group of products and services (business segment) or which supply products and services within a given geographic area (geographic segment).
More specifically, in the Orsero Group, three areas of business have been identified:

- Distribution Sector: this sector is a group of companies engaged in the import and distribution of fruit and vegetables in the territories for which they are responsible. The Group's distribution companies are based and operate mainly in the Italian, French, Iberian Peninsula a,nd Greek markets, in addition to the business basically focusing on exports of the Mexican companies

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- Shipping Sector: this sector is a group of companies mainly engaged in the maritime transport of bananas and pineapples;
- Holding & Services Sector: this sector represents a residual sector that includes companies engaged in the provision of services related to customs, information technology, and holding coordination activities.

In compliance with the provisions of IFRS 8, segment information is given in the dedicated paragraph under “Segment reporting” (Note 22).

Management of financial risk

IFRS 7 requires additional information to evaluate the significance of financial instruments in relation to the Group’s economic performance and financial position. This accounting standard requires a description of the objectives, policies and procedures implemented by the Management for the different types of financial risk (liquidity, market and credit), to which the Group is exposed (foreign exchange, interest rate, bunker).
The Group operates in the trade of commodities that is impacted by various elements that can, in turn, affect the Group’s economic, equity and financial performance. These factors are managed through hedges or corporate policies aimed at mitigating any impacts of such elements on corporate results. The Group is exposed to the following financial risks in going about its business:

- liquidity risk, with reference to the availability of financial resources and access to the credit market;
- market risk, including the foreign exchange risk, interest rate risk and price risk;
- credit risk, relating to above all commercial relations with customers.

The company’s main financial instruments include current accounts and short-term deposits, as well as financial liabilities to banks in the short and long term, bond payables, liabilities due to other lenders and derivatives. The purpose is to finance the Group’s operating activities. Additionally, the company has trade receivables and payables from its business activities. Management of the cash needs and related risks (mainly interest rate risk, foreign exchange and bunker risk) is carried out by the centralized treasury on the basis of the guidelines defined by the Treasury Manager with the Corporate Accounting Reporting Officer and approved by the Co-CEOs.
Please note that the risks mentioned above are constantly monitored, taking action with a view to dealing with and limiting the potential negative effects through the use of appropriate policies and, in general, where deemed necessary, also through specific hedges. This section provides reference qualitative and quantitative information on the incidence of such risks on the Group, in addition to the information provided in the relevant section of the Report on Operations. The quantitative data presented below are not predictions and cannot reflect the complexity and the related reactions of markets that could derive from each hypothetical change.

Liquidity risk
The Group manages liquidity risk with a view to ensuring the presence, on a consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. Credit facilities, even if negotiated on a Group level, are granted for individual companies. The Group has also financed its investments with medium/long-term credit facilities that guarantee a liquidity position that is adequate for its core business. There is plenty of opportunity to use short-term trade credit facilities if trade working capital is needed in connection with organic growth and development.
Please also note that the Group operates in a sector that is relatively protected in terms of liquidity, insofar as there is a specific European regulation (Art. 4 of Decree Law 198/2021), which requires payments of perishable assets to be made within 30 days of the end of the delivery period. This means that collection and payment terms are relatively short, precisely due to the type of assets marketed. If we then also add the fact that inventories have very rapid stock rotation times and, in any case, an average of 1 or 2 weeks, we can see that the working capital cycle is virtuous and does not entail any liquidity risk in normal market operations. In addition, in June 2021 the Group activated a policy with a leading bank for an even better and more flexible management of its working capital.

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The table below offers an analysis of deadlines, based on contractual obligations for reimbursement, relative to financial, trade, tax and other payables in place as at December 31, 2023.

Thousands of €	Balance at December 31, 2023	Within 1 year	1 - 5 years	Over 5 years
Bond payables	25,000	5,000	20,000	-
Medium- to long- term bank loans (Non-current/Current)	103,617	23,948	78,348	1,322
Other lenders (Non-current/Current)	1,425	799	626	-
Other lenders (Non-current/Current) IFRS 16	60,759	12,855	26,119	21,785
Non-current liabilities for derivative (Non-current/Current)	1,232	1,057	175	-
Bank overdrafts	2,548	2,548	-	-
Other current lenders short term	511	511	-	-
Payables for price balance on acquisitions (Non-current/Current)	23,574	5,858	17,716	-
Other non-current liabilities	548	-	548	-
Trade payables	159,973	159,973	-	-
Current tax liabilities	6,815	6,815	-	-
Other current liabilities	27,879	27,879	-	-
Non-current/current liabilities at 31.12.2023	413,881	247,243	143,531	23,107

It is reported that all amounts indicated in the table above represent values determined with reference to the residual contract end dates. The Group expects to cope with these commitments using cash flow from operations.

Foreign exchange risk

The Group is exposed to the risk of changes in foreign exchange rates (in particular US dollars), for currencies that differ from that used to express commercial and financial transactions. In particular, in the Distribution sector it purchases part of its goods (fruit) in US dollars to then import them and sell them in euros in Southern European markets. On the other hand, in the Shipping Sector, revenues in US dollars are higher than costs incurred in euros, thus limiting in part the Group's currency balance, which is in any event naturally exposed to the US dollar. Over the last three years a growing number of European mass distribution chains have begun to request fixed annual prices in auctions for bananas, one of the main products marketed by the Group and one of the few that are purchased at a fixed price in USD. The Group has adopted a medium/long-term strategy to reduce the weight of bananas in the basket of products marketed by the Group. In addition, in the presence of fixed sale prices in euros, and therefore exchange rate risk, the Group has implemented a hedging strategy with forward purchases, while for the remainder of sales not subject to pre-established sale prices, it has chosen not to adopt any hedges insofar as the prices of sales in euros are defined every day or every week with customers, and this significantly dilutes any effects deriving from the fluctuation of exchange rates and helps to maintain flexibility, a fundamental element in the fruit and vegetable marketing sector. The Group, for sales whose price has not been defined, believes that this operating procedure is consistent with the commercial dynamics of the sector and the most appropriate to minimize the impact of fluctuations in the EUR/USD exchange rate.

Interest rate risk

The Group helps finance its medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate; a suitable partial plain vanilla IRS hedge has been activated on the main ones (2022-2028 pool loan for an original figure of Euro 90 million and 2020-2029 pool loan originally for Euro 15 million, in addition to the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time; instead, in the case of the only debenture loan issued,

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the option was chosen for an entirely fixed rate structure. As at December 31, 2023, the interest rate hedges hedge approximately 45.2% of medium and long-term variable rate bank loans, thereby meaning that approximately 59.7% of the Group's entire medium/long-term bond and bank debt is at fixed rate. It is stressed that, in the Group's opinion, such choices have turned out to be highly satisfactory in light of the occurred increase in the reference rates in Europe.
Please note that at December 31, 2023, two hedging contracts are in place, stipulated by the Parent Company with two banks in accordance with the Pool Loan Agreement, which contain a cross default clause that entitles the related bank to terminate and/or withdraw from (as applicable) the related hedging contract, in the event of significant default by subsidiaries, parents and/or joint ventures, with the concept of control regulated by the possession of the majority of votes.

Sensitivity analysis on interest rates

In 2023, the Group's net financial position increased from Euro 67,379 to Euro 127,842 thousand, of which the component recognized according to IFRS 16 is Euro 60,759 thousand. Below is the ratio of debt to equity as at December 31, 2023 and December 31, 2022. Please note that the financial covenants existing on the bond and pool loans must be counted, as envisaged by the related contracts, on a net financial position that excludes the application of IFRS 16 for the entire term of said loans.

Thousands of €	12.31.2023	12.31.2022
Net financial debt	127,842	67,379
Shareholders' Equity	238,523	201,483
Ratio	**0.54**	**0.33**
Comparison of indicators without IFRS 16 effect		
Net financial debt	67,083	25,805
Shareholders' Equity	239,115	202,120
Ratio	**0.28**	**0.13**

The table below shows the decreased incidence during the period of fixed-rate debt or variable-rate debt hedged by IRSs, due to the new Euro 90 million Orsero pool loan taken out, on which the incidence of hedging is proportionally lower. The incidence of said debt on total "onerous" debt is also indicated, thereby meaning not only bank debt and the debenture loan but also: (i) short-term bank debt; (ii) finance lease payables; and (iii) factoring, all essentially variable rate. As compared with gross financial debt, as shown in the financial statements, "non interest-bearing" payables are excluded, like the mark-to-market positions on derivatives, the price shares to be paid on acquisitions made and payables linked to the application of IFRS 16.

Thousands of €	12.31.2023	12.31.2022
Total medium- to long- term bank/bond loans (A)	**128,617**	**86,643**
of which fixed rate	76,801	57,440
Percentage - fixed rate	59.7%	66.3%
of which floating rate	51,816	29,203
Percentage - floating rate	40.3%	33.7%
Total other onerous debt (B)	**4,484**	**7,348**
Total onerous debt (A+B)	**133,101**	**93,991**
Percentage - fixed rate	57.7%	61.1%
Percentage - floating rate	42.3%	38.9%

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As at December 31, 2023, total interest-bearing debt declined by approximately Euro 3 million compared to the previous year, mainly due to less use of short-term lines and the reduction of finance leases. Within the medium/long-term bank debt, the portion of Euro 42.8 million is represented by variable rate loans hedged by means of derivatives, amounting to 49.3% of the nominal debt: please note that this hedging is effective against interest rate rises but clearly does not cancel out the effect of any spreads, envisaged contractually if the ratio between Net Financial Position and Adjusted EBITDA should take a turn for the worse.
The table below shows the breakdown of financial expense for the two-year period according to nature (excluding interest cost and interest income from third parties, except income from derivatives), whilst below that the table relating to the sensitivity analysis illustrates what the effect would have been, in relation to interest linked to medium/long-term bank loans, of the higher expenses that would have arisen in 2023 in the event of a higher level of interest rates by between 25 and 100 basis points:

Thousands of €	12.31.2023	12.31.2022
Evolution of net financial charges		
- on fixed rate bond/bank loans	(1,162)	(1,150)
- on fixed rate bank loans through derivative	(986)	(573)
- on floating rate bank loans	(3,279)	(284)
- on bank overdrafts and other financial liabilities	(1,931)	(768)
- IFRS 16 interest	(1,821)	(1,123)
- Earn-out interests	(805)	-
- Put/call interests	(320)	-
- amortizing interests	(279)	(184)
Total	**(10,585)**	**(4,082)**

Thousands of €	12.31.2023	12.31.2022
Actual expense on floating rate bank loans	(3,279)	(284)
+ 25 bp	(173)	(39)
+ 50 bp	(346)	(79)
+ 75 bp	(519)	(122)
+ 100 bp	(692)	(164)

Price volatility risk of fruit and vegetable commodities

Operating in a sector of agricultural commodities, which by nature are exposed to the variability of the quantities produced as a result of exogenous factors such as, for example, weather and environmental events beyond the control of the industry operators, the Group manages two situations connected with agricultural commodities: procurement and purchase price of raw materials. The first element is the most sensitive and, therefore, the Group diversifies its product portfolio as much as possible, through the number of items marketed, the supplier base and the country of origin. In thus doing, the concentration of the risk of product shortages for individual items and supplies is mitigated and the product portfolio is balanced with respect to any production shortages of specific items and/or origins. The second situation regards the variation of prices of commodities purchased, which is handled through the pricing policy of products on sale. The two dimensions are, in fact, closely linked insofar as the daily or weekly definition of prices of sale allows for the adjustment of any price changes during procurement, up or down. Volatility is also handled by the Group using the methods whereby relations are regulated with suppliers, in whose regard operations very often take place with commission account or sales account schemes. In short, the price paid to the supplier for the products

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purchased is defined according to the price of product sale; this situation effectively considerably dilutes the price volatility risk on commodities.

Price volatility risk of fuels for ships
The bunker (fuel) used for the owned ships is the main commodity subject to pricing volatility, to which the Group - and more specifically the Shipping Sector - is exposed, with consequent potential fallout (negative or positive) on the Group's economic results. Considering the high degree of volatility of the oil and derivatives (including those used as fuel for the owned ships) market reference indexes, the Group employs two forms of hedging: financial, forward purchasing the bunker over a six-monthly or annual item frame for a percentage that varies between 20% and 30% of the estimated consumption (corresponding in essence to the transport service provided to Group companies. Indeed, it should be recalled that ships are used approximately 50% for imports of volumes of bananas and pineapples marketed directly by the Group, referred to as "captive use"). The second part is managed through the definition of commercial contracts with third party customers, which include a "BAF" ("Bunker Adjustment Factor") clause aimed at restoring balance to fluctuations in fuel prices, by adding or taking away from the tariff agreed annually with the shipping service customer, an economic value that neutralizes or in any case mitigates fuel price fluctuations. In thus doing, the fuel price evolution has a less significant impact on the Group's results and such as to be able to be kept under control. The market context has historically seen the application of BAF clauses in refrigerated shipping and there are no suggestions that the possibility of stipulating such contracts with third party customers should cease to apply nor that it may become difficult to find suitable financial hedges on the oil market. Below is an analysis that shows how the ship fuel price impacts the results of the Shipping Sector in the reference period.

Thousands of €	12.31.2023	%	12.31.2022	%
Total bunker's cost	38,010	28.64%	42,691	29.97%
Net sales Shipping sector	**132,737**		**142,423**	

Credit risk
The Group is exposed to credit risk, mainly deriving from commercial relations with its customers and, in particular, any delays or non-payments by such, which, should such occur, may have negative effects on the Group's economic, equity and financial position. The Group operates with a very extensive customer base comprising the large retail channel and "traditional" wholesaler and retailer customers. In consideration of the heterogeneous nature of the customer base, particularly on a European level, the Group adopts risk hedging policies through credit insurance policies with leading international companies. The Group also adopts risk management policies aimed at interrupting supplies if past-due credit thresholds should be reached, connected with aging and/or amount. Such actions allow the Group to record a very negligible loss on loans in respect to total turnover and one that remains basically constant over time. Additionally, in consideration of the type of assets in which the Group is involved (primary and basic consumer goods for the western diet) and the stability of the sales channels, no changes are expected in the customer base such as to impact the current dimension of credit risk.
The table below provides a breakdown of trade receivables as at December 31, 2023, grouped by past-due, net of the provision for bad debts:

Thousands of €	12.31.2023	Not due	Overdue within 30 days	Overdue between 31-90 days	Overdue between 91-120 days	Overdue over 120 days
Gross Trade receivables	155,783	94,590	35,038	12,142	1,144	12,868
Provision for bad debts	(11,546)	(126)	(122)	(225)	(251)	(10,821)
Trade receivables	**144,237**	**94,464**	**34,916**	**11,918**	**893**	**2,046**

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The high amount of the provisions for bad debts stems from the specific tax need not to derecognize receivables that are now "lost" and written-off entirely until completion of the related bankruptcy proceedings (insolvency, arrangements with creditors), as otherwise the tax deductibility of the losses, ceases.

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in FY 2023 the Company carried out atypical and/or unusual transactions as defined in that Communication, as the two new French companies Capexo and Blampin Groupe have joined the Group, as discussed extensively above.

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2023, the Group incurred costs relating to non-recurring transactions. In accordance with Consob Communication 15519 of February 28, 2005, please note that the item "Other operating income/expense" includes Euro 2,533 thousand in non-recurring income and Euro 10,383 thousand in non-recurring costs; for the details, please refer to Note 26 "Other operating income/expense" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

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

The following standards, interpretations and amendments to the existing standards became applicable as of January 1, 2023, with no significant effects on the Consolidated Financial Statements:

- Amendments to IAS 1 - Classifying liabilities as current or non-current and subsequent deferral of initial application date (IASB publication dates January 2020, July 2020);
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (IASB publication date February 2021);
- Amendment to IAS 8 - Definition of accounting estimates (IASB publication date February 2021);
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (IASB publication date May 2021);
- IFRS 17 - Insurance Contracts, including amendments issued in June 2020 (IASB publication date May 2018). IFRS 17 is a new accounting standard for the recognition, measurement, presentation and disclosure of insurance contracts issued by an entity and/or reinsurance contracts held by an entity.
- Amendments to IFRS 17 and IFRS 9 - Comparative information as part of the initial application of IFRS 17 and IFRS 9 (IASB publication date December 2021);
- International Tax Reform - Pillar 2 Model Rules (Amendments to IAS 12).
- The company adopted the amendments to IAS 12 for the first time in the current financial year. The IASB has amended the scope of IAS 12 to clarify that the standard applies to income taxes arising from tax laws enacted, or substantially enacted, to implement the Global Minimum Tax ("Pillar Two") rules published by the OECD (and adopted by the European Union by means of Directive No. 2523/2022), including tax laws implementing the qualified domestic minimum taxes described in such rules. Commission Regulation (EU) 2023/2468 of November 8, 2023, published in the Official Journal on

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November 9, 2023, implemented the amendments to IAS 12. The amendments introduce a temporary exception to the deferred tax accounting requirements of IAS 12 so that an entity does not recognize or disclose information on deferred tax assets and liabilities relating to Pillar Two. As a result of the amendments, the company is required to report the application of the exception and separately disclose current tax (income) expense relating to taxes pertaining to Pillar Two. With respect to supplementary information, in periods when Pillar Two legislation is in force or substantially in force but has not yet taken effect, companies must provide information that is known or can be reasonably estimated that helps users of financial statements understand their exposure to Pillar Two income taxes.

Accounting standards, IFRS and IFRIC amendments and interpretations published, but not yet adopted by the European Union at December 31, 2023

The new standards or amendments to standards that are applicable for financial years beginning after January 1, 2023 and whose early application is permitted are indicated below. However, the Group decided not to adopt them in advance for the preparation of these Consolidated Financial Statements.
As of January 1, 2024, the following become effective:

- Amendments to IFRS 16 “Leases” Lease liability in a sale and leaseback;
- Amendments to IAS 1 “Presentation of financial statements” on classification of non-current assets and liabilities with covenants.

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Notes - disclosures on the statement of financial position and the income statement

This chapter provides useful information to explain the most significant changes compared to the previous year in the items of the financial statements, indicating, where appropriate, any possible effects of changes in the scope of consolidation.

NOTE 1. Goodwill

Goodwill was recorded for Euro 127,447 thousand (Euro 48,425 thousand at December 31, 2022).

Thousands of €	Goodwill
Carrying amount at December 31, 2021	**48.245**
Change of year:	
Investments	-
Disposal	-
Reclassification and impairment losses	-
Change of consolidation scope	-
Translation differences	-
Carrying amount at December 31, 2022	**48.245**
Change of year:	
Investments	79.202
Disposal	-
Reclassification and impairment losses	-
Change of consolidation scope	-
Translation differences	-
Carrying amount at December 31, 2023	**127.447**

The item shows the amount paid by the Group over the book value of the company's business units and/or equity of the companies acquired and subsequently incorporated.
At December 31, 2022, goodwill was allocated to the Distribution segment cash generating units (CGUs) based on their geographical area. Specifically, goodwill was allocated to the Italy CGU for Euro 26,113 thousand, the Iberian Peninsula CGU for Euro 12,668 thousand and the France CGU for Euro 9,465 thousand. As of December 31, 2023, goodwill with a total value of Euro 127,447 thousand, including the effect of new acquisitions in the French market, was fully allocated to the broader Distribution CGU Group.

Goodwill at December 31, 2023 refers:

- Euro 720 thousand for Nuova Banfrutta S.r.l. (company incorporated into Fruttital S.r.l., in 2017): specifically, this value derives mainly from the acquisition of Ferfrutta S.r.l.;
- for Euro 171 thousand to Az France S.A.S.;
- to differences in consolidation for the acquisitions of Eurofrutas S.A. and Nuova Banfrutta S.r.l. (company merged by incorporation into Fruttital S.r.l. in 2017). The acquisition of the former refers to

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the 50% recorded in 2013 and with residual value at December 31, 2014 equal to Euro 1,440 thousand, while the latter was acquired in 2010 and has a residual value of Euro 1,375 thousand;

- for Euro 9,978 thousand to Hermanos Fernández López S.A.: this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 1,992 thousand to Galandi S.p.A.: this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 17,300 thousand to Fruttital Firenze S.p.A. (now merged into Fruttital S.r.l.): this value derives from the acquisition of the residual 50% which took place in 2017, also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously;
- for Euro 1,250 thousand relating to the 2019 acquisition of Sevimpor S.L. (now merged into Hermanos Fernández López S.A.);
- for Euro 9,294 thousand relating to the 2019 acquisition of the Fruttica Group;
- for Euro 3,309 thousand relating to the 2019 acquisition of Fruttital Cagliari S.r.l. (now merged into Fruttital S.r.l.): this value derives from the acquisition of the residual 75%, also including the amount recorded pursuant to IFRS 3 for the 25% stake acquired previously;
- for Euro 1,417 thousand relating to the 2020 acquisition of 50% of Moncada Frutta S.r.l. (now merged into Fruttital S.r.l.), also including the amount recorded pursuant to IFRS 3 for the 50% stake acquired previously.
- Euro 41,142 thousand relating to the acquisition in 2023 of 93.3% of Blampin Group, a French company active in the import and distribution of fruit and vegetables;
- Euro 37,220 thousand relating to the acquisition in 2023 of 100% of Capexo S.A., a French company active in the import and distribution of fruit and vegetables;
- Euro 840 thousand relating to the acquisition in 2023 of 51% of I Frutti di Gil S.r.l., an Italian company active in the distribution of red fruits.

With reference to the reasons for the different allocation and the stability of goodwill values, see the comment on impairment testing given in the “Impairment test” paragraph in the section on measurement criteria.

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NOTE 2. Intangible assets other than goodwill

Thousands of €	Intellectual property rights	Concessions, licenses and trademarks	Assets in progress and advances	Other intangible assets	Total
Carrying amount	**3,914**	**11,530**	**5,615**	**898**	**21,958**
Accumulated amortization	**(3,288)**	**(8,792)**	**-**	**(856)**	**(12,936)**
Carrying amount at December 31, 2021	**626**	**2,739**	**5,615**	**42**	**9,022**
Change of year:					
Investments	2,221	421	86	24	2,752
Disposal – Carrying amount	(1,068)	(91)	-	-	(1,158)
Disposal – accumulated amortization	1,068	60	-	-	1,128
Reclassification – carrying amount	5,258	352	(5,535)	2	77
Reclassification – accumulated amortization	-	-	-	-	-
Changes of consolidated companies – Carrying amount	-	(1)	-	-	(1)
Changes of consolidated companies – accumulated amortization	-	-	-	-	-
Amortization	(1,257)	(517)	-	(25)	(1,799)
Carrying amount	**10,325**	**12,211**	**167**	**924**	**23,627**
Accumulated amortization	**(3,478)**	**(9,249)**	**-**	**(881)**	**(13,607)**
Carrying amount at December 31, 2022	**6,848**	**2,962**	**167**	**43**	**10,020**

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Thousands of €	Intellectual property rights	Concessions, licenses and trademarks	Assets in progress and advances	Other intangible assets	Total
Carrying amount	**10,325**	**12,211**	**167**	**924**	**23,627**
Accumulated amortization	**(3,478)**	**(9,249)**	**-**	**(881)**	**(13,607)**
Carrying amount at December 31, 2022	**6,848**	**2,962**	**167**	**43**	**10,020**
Change of year:					
Investments	1,334	134	210	9	1,687
Disposal - Carrying amount	-	(204)	-	-	(204)
Disposal - accumulated amortization	-	204	-	-	204
Reclassification - carrying amount	(6)	175	(18)	(14)	137
Reclassification - accumulated amortization	9	-	-	14	24
Changes of consolidated companies - Carrying amount	71	350	-	110	531
Changes of consolidated companies - accumulated amortization	(62)	(270)	-	(2)	(334)
Amortization	(1,001)	(615)	-	(15)	(1,631)
Carrying amount	**11,723**	**12,667**	**359**	**1,029**	**25,778**
Accumulated amortization	**(4,532)**	**(9,930)**	**-**	**(884)**	**(15,345)**
Carrying amount at December 31, 2023	**7,192**	**2,737**	**359**	**145**	**10,433**

In 2023, intangible assets other than goodwill rose by Euro 413 thousand primarily as a result of investments of Euro 1,687 thousand, the change in the scope for Euro 197 thousand and reclassifications for Euro 160 thousand, partially offset by amortization of Euro 1,631 thousand.
It should be noted that in the period in question, no changes in estimates were made in assessing the useful life of intangible assets other than goodwill or in the choice of the amortization method and no internal or external indicators of impairment of intangible assets were identified.
No intangible assets other than goodwill were reclassified as "Assets held for sale".

Industrial patent rights and use of intellectual property
The item shows costs incurred in connection with the software programs and licenses the Group has obtained; the change of Euro 344 thousand refers primarily to investments of Euro 1,334 thousand, partially offset by amortization of Euro 1,001 thousand.

Concessions, licenses and trademarks
This line item essentially reflects the amount paid as concession for the exercise of commercial activities (warehouses and points of sale) located within general markets, amortized based on the duration of the concession, as well as the costs of using licensed software programs, amortized on average over a three-year period, and commercial trademarks, amortized over 10 years. The decrease of Euro 225 thousand reflects mainly amortization of Euro 615 thousand, partially offset by investments of Euro 421 thousand, reclassifications of Euro 175 thousand, increases of Euro 134 thousand and the scope effect of Euro 80 thousand.

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Assets in progress and advances
The item reflects investments made during the year and not yet operational at the end of the year, for Euro 210 thousand.

Other intangible assets
This is a residual category that includes expenses incurred for the development of internal programs, amortized according to the respective periods of use. The increase for the year is essentially attributable to the scope effect for Euro 108 thousand.

NOTE 3. Property, plant and equipment

Thousands of €	Lands and buildings	Plantations	Plant and machinery	Industrial and comm. equipment	Other tangible assets	Assets in progress and advances	Total
Carrying amount	**121,529**	**3,155**	**282,931**	**13,069**	**23,425**	**2,867**	**446,977**
Accumulated depreciation	**(44,871)**	**(1,157)**	**(212,845)**	**(7,219)**	**(16,478)**	**-**	**(282,570)**
Balance at December 31,2021	**76,659**	**1,998**	**70,086**	**5,850**	**6,947**	**2,867**	**164,407**
Change of year:							
Investments	8,725	-	4,437	5,780	3,631	3,989	26,562
Disposal - Carrying amount	(2,365)	-	(918)	(3,215)	(2,077)	-	(8,575)
Disposal - accumulated depreciation	2,141	-	642	3,215	1,723	-	7,721
Reclassification - carrying amount	733	-	2,210	(408)	(3)	(2,610)	(78)
Reclassification - accumulated depreciation	-	-	(326)	244	24	-	(57)
Changes of consolidated companies - Carrying amount	-	-	-	-	-	-	-
Changes of consolidated companies - accumulated depreciation	-	-	-	-	-	-	-
Translation differences - carrying amount	153	120	270	5	86	-	634
Translation differences - accumulated depreciation	(75)	(48)	(148)	(5)	(56)	-	(332)
Depreciation	(6,312)	(211)	(14,476)	(2,908)	(2,408)	-	(26,315)
Carrying amount	**128,776**	**3,275**	**288,931**	**15,231**	**25,062**	**4,246**	**465,521**
Accumulated depreciation	**(49,116)**	**(1,416)**	**(227,153)**	**(6,672)**	**(17,196)**	**-**	**(301,554)**
Balance at December 31,2022	**79,660**	**1,859**	**61,778**	**8,559**	**7,866**	**4,246**	**163,967**

Thousands of €	Lands and buildings	Plantations	Plant and machinery	Industrial and comm. equipment	Other tangible assets	Assets in progress and advances	Total
Carrying amount	**128,776**	**3,275**	**288,931**	**15,231**	**25,062**	**4,246**	**465,521**
Accumulated depreciation	**(49,116)**	**(1,416)**	**(227,153)**	**(6,672)**	**(17,196)**	**-**	**(301,554)**
Balance at December 31,2022	**79,660**	**1,859**	**61,778**	**8,559**	**7,866**	**4,246**	**163,967**
Change of year:							
Investments	13,454	-	14,247	5,004	3,839	3,647	40,191
Disposal - Carrying amount	(6,896)	-	(11,975)	(1,342)	(1,518)	(185)	(21,915)
Disposal - accumulated depreciation	4,862	-	11,775	1,203	1,234	-	19,073
Reclassification - carrying amount	1,204	-	483	-	35	(1,849)	(127)
Reclassification - accumulated depreciation	-	-	-	-	(37)	-	(37)
Changes of consolidated companies - Carrying amount	7,510	-	12,161	-	2,500	-	22,171
Changes of consolidated companies - accumulated depreciation	(215)	-	(7,182)	-	(1,578)	-	(8,975)
Translation differences - carrying amount	180	139	320	6	87	-	732
Translation differences - accumulated depreciation	(95)	(60)	(195)	(6)	(60)	-	(415)
Depreciation	(8,026)	(214)	(15,528)	(3,084)	(3,010)	-	(29,861)
Carrying amount	**144,228**	**3,414**	**304,167**	**18,899**	**30,006**	**5,858**	**506,573**
Accumulated depreciation	**(52,590)**	**(1,690)**	**(238,283)**	**(8,559)**	**(20,647)**	**-**	**(321,769)**
Balance at December 31,2023	**91,638**	**1,724**	**65,884**	**10,340**	**9,359**	**5,858**	**184,804**

At December 31, 2023, tangible assets totaled Euro 184,804 thousand, a net increase of Euro 20,837 thousand compared to the balance as at December 31, 2022 as a result of:

- investments of Euro 40,191 thousand, broken down as follows: "Distribution" for Euro 22,594 thousand (of which Euro 11,838 thousand for rights of use), "Shipping" for Euro 16,416 thousand (of which Euro 15,984 thousand for rights of use), "Holding & Services" for Euro 1,181 thousand (of which Euro 835 thousand for rights of use);
- depreciation for the period, Euro 29,861 thousand;
- reclassifications for a net amount of Euro 164 thousand;
- asset disposals for a net amount of Euro 2,842 thousand;
- effect of change in perimeter of consolidation for net euro 13,196 thousand;
- increase due to the net exchange rate effect of Euro 317 thousand, essentially referring to the assets of the Mexico-based companies due to the Mexican Peso which went from 20.856 Pesos/Euro at December 31, 2022 to 18.723 Pesos/Euro as at December 31, 2023.

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Land and buildings
The change in the year recorded a total net increase of Euro 11,979 thousand, resulting primarily from investments for Euro 13,454 thousand, the change in the scope of consolidation for Euro 7,296 thousand, exchange rate differences for Euro 85 thousand and reclassifications of Euro 1,204 thousand, partially mitigated by depreciation of Euro 8,026 thousand and disposals of Euro 2,034 thousand. Investments amounting to Euro 2,685 thousand essentially concerned the acquisition of land in Verona adjacent to the warehouse already owned, the refurbishment and expansion of the offices in Greece, and France, modernization work were also performed on the Rungis and Alverca warehouses, in addition to Euro 10,769 thousand for new contracts, rather than renewals and/or expansions, for warehouse and office leases subject to IFRS 16. It should be noted that the main investments relating to recognition according to IFRS 16 relate to the renewal of the Italian concession on the Florence Warehouse, the renewal of market stands in Bologna, and rolling renewals of market stands in Marseilles and Rungis.
Within this category, the value of land amounted to Euro 14,139 thousand, stated on the basis of the original sale and purchase deeds where existing or separated from the general purchase price of the building on the basis of percentages close to 20%.

Plantations
The item in question saw a decrease of Euro 135 thousand, linked to depreciation for the year of Euro 214 thousand, partially offset by the revaluation of the Mexican peso, for a net amount of Euro 79 thousand.

Plant and machinery
This line item includes cold rooms, banana ripening rooms, plants for product calibration and packaging, fruit storage and packaging facilities (Distribution sector) and ships (Shipping sector).
There was a net increase for the year of Euro 4,106 thousand, mainly related to investments of Euro 3,407 thousand that involved upgrades and improvements at the warehouses in Barcelona, Granadilla, Verona, Florence and Rungis in addition to the normal investments in upgrading equipment at the various Group warehouses, as well as Euro 10,840 thousand for the renewal of the charter contract on the fifth ship subject to IFRS 16 and Euro 4,978 thousand for increases due to the net effect of the change in the scope of consolidation.
There was an increase of Euro 483 thousand due to reclassifications of plant and machinery that came into operation during the year, a positive effect of Euro 126 thousand for foreign exchange differences. These effects are mitigated by depreciation amounting to Euro 15,528 thousand and disposals of Euro 200 thousand.
The management has tested the values of the four Cale Rosse units for impairment based the foreseeable future performance of the business and did not identify any need to adjust the values of the ships.

Industrial and commercial equipment
In this sector (essentially consisting of the container fleet of the Shipping company), the increase of Euro 1,781 thousand is essentially related to investments of Euro 5,004 thousand (of which 4,941 thousand for IFRS 16 contracts), partially offset by depreciation of Euro 3,084 thousand.

Other tangible assets
The item includes the assets owned by the Group such as furniture and furnishings, computer and electronic equipment, car fleet, etc.
The increase of Euro 1,493 thousand during the period mainly reflects the effect of investments for Euro 3,839 thousand (of which 2,107 thousand for IFRS 16 contracts), the change in the scope of consolidation for Euro 922 thousand and exchange rate differences of Euro 28 thousand, offset by depreciation of Euro 3,010 thousand and disposals for a net amount of Euro 284 thousand.

Assets in progress and advances
The increase in this item of Euro 1,613 thousand is due to the recognition of Euro 3,647 thousand in investments, mainly connected with the refurbishment and expansion of the Alverca, Rungis and Granadilla warehouses, as well as the Auxiliary Engine Block to be installed on the ships of the ship-owning company (Euro 420 thousand). This change was partially offset by a reduction of Euro 1,849 thousand due to the entry into service of assets linked to the modernization of buildings and plant and machinery at the Portuguese, French and Spanish sites.

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At December 31, 2023, the Group verified that there were no internal or external indicators of possible impairment for its property, plant and equipment. Consequently, the value of Property, plant and equipment has not been subject to impairment testing.

Leasing – IFRS 16

The Group has applied IFRS 16 as of January 1, 2019 using the modified retrospective method and in accordance with it has recorded the "Right of use" under "Property, plant and equipment" within each category to which it belongs. To complement the information provided in the table above, details are provided below of changes in the amount of rights of use recognized by the Group for the years 2022 and 2023.

Thousands of €	Lands and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Carrying amount	**29,659**	**10,216**	**10,979**	**3,135**	**53,988**
Accumulated depreciation	**(8,511)**	**(245)**	**(5,723)**	**(1,191)**	**(15,670)**
Balance at December 31, 2021	**21,148**	**9,971**	**5,255**	**1,944**	**38,318**
Change:					
Perimeter of consolidation	-	-	-	-	-
Investments	8,024	748	5,706	874	15,352
Disposal - Carrying amount	(1,973)	(133)	(3,215)	(748)	(6,069)
Disposal - accumulated depreciation	1,811	133	3,215	736	5,896
Reclassification - Carrying amount	-	-	-	-	-
Reclassification - accumulated depreciation	-	-	-	-	-
Depreciations	(3,662)	(5,380)	(2,814)	(704)	(12,560)
Carrying amount	**35,710**	**10,831**	**13,470**	**3,261**	**63,271**
Accumulated depreciation	**(10,361)**	**(5,492)**	**(5,323)**	**(1,158)**	**(22,334)**
Balance at December 31, 2022	**25,348**	**5,339**	**8,147**	**2,102**	**40,937**
Change:					
Perimeter of consolidation	7,296	-	-	156	7,452
Investments	10,769	10,840	4,941	2,107	28,658
Disposal - Carrying amount	(6,842)	(10,831)	(1,342)	(452)	(19,467)
Disposal - accumulated depreciation	4,820	10,831	1,202	381	17,234
Reclassification - Carrying amount	-	-	-	-	-
Reclassification - accumulated depreciation	-	-	-	-	-
Depreciations	(5,390)	(5,339)	(3,003)	(916)	(14,647)
Carrying amount	**46,932**	**10,840**	**17,069**	**5,072**	**79,914**
Accumulated depreciation	**(10,931)**	**-**	**(7,123)**	**(1,693)**	**(19,747)**
Balance at December 31, 2023	**36,002**	**10,840**	**9,946**	**3,379**	**60,167**

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At December 31, 2023, the financial liability associated with the application of IFRS 16 amounted to Euro 60,759 thousand (compared to Euro 41,574 thousand at December 31, 2022), against increases of Euro 28,658 thousand for new contracts entered into in 2023, the scope effect following new acquisitions for Euro 7,452 thousand, decreases of Euro 14,660 thousand for payments for the period and Euro 2,266 thousand for reductions due to the suspension of lease/rental contracts.
At December 31, the current weighted average rate on contracts was 4.71%.
For the Group, the application of IFRS 16 has a significant impact in terms of net financial position and Adjusted EBITDA, given the existence of numerous warehouse and fruit and vegetable market point of sale concession and/or rental agreements, as well as operating leases on the fifth ship and on the reefer container fleet used by the ship-owning company, with an impact on Adjusted EBITDA in 2023 of Euro 16,514 thousand compared to Euro 13,788 in 2022.

NOTE 4. Investments accounted for with the equity method

Thousands of €	Agricola Azzurra S.r.l.	Tirrenofruit S.r.l.	Moño Azul S.A.	Bonaoro S.L.U.	Fruport Tarragona S.L.	Totale
Balance at 12.31.2022	**9,742**	**2,594**	**3,429**	**1,575**	**2,056**	**19,397**
Profit/loss	1,363	290	(557)	23	495	1,614
Investments	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Dividends	(250)	(160)	-	-	(707)	(1,117)
Other Changes	(11)	-	688	3	7	687
Balance at 12.31.2023	**10,844**	**2,724**	**3,560**	**1,602**	**1,851**	**20,581**

The table shows the increase in investments accounted for using the equity method of Euro 1,184 thousand, originating mainly from the pro-rata profits achieved in 2023, especially that of Agricola Azzurra S.r.l., a company acquired in 2021, in addition to Tirrenofruit S.r.l. (in 2022), in order to strengthen the Group's strategic position with regard to the marketing of domestic fruit and vegetables to the mass distribution channel. The overall change in this item was also affected by the distribution of dividends and other minor changes.
At December 31, 2023, dividends received from companies accounted for using the equity method amounted to Euro 1,117 thousand.
No indication of impairment has been seen for these equity investments. Please refer to the "Impairment test" section for more details.

NOTE 5. Non-current financial assets

Thousands of €	12.31.2023	12.31.2022	Change
Investments in other companies	974	723	251
Other non-current financial assets	4,317	4,903	(586)
Non-current financial assets	**5,291**	**5,626**	**(335)**

At December 31, 2023, this item includes other minor investments measured at cost approximating fair value, security deposits as well as other medium-term receivables from third parties and associates. The increase in

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“Investments in other companies” is entirely due to the change in the scope relating to the newly acquired French company Blampin Groupe, while “Other non-current financial assets” shows a decrease of Euro 586 thousand mainly related to a reduction in non-current receivables of euro 572 thousand and a reduction of euro 708 thousand in the mark-to-market of interest rate hedging derivatives, partially offset for euro 393 thousand by the perimeter effect (euro 530 thousand as of 01 January 2023) and an increase in security deposits.

NOTE 6. Deferred tax assets

Thousands of €	12.31.2023	12.31.2022	Change
Deferred tax assets	7.540	8.323	(783)

Deferred tax assets are recognized with a prudential criterion when their recovery by means of future taxable amounts is deemed to be reasonable and probable; they can derive from the temporary differences between the value of the assets and liabilities reflected in the financial statements relative to their value for tax purposes as well as from the tax losses that can be carried forward to the following years.
Deferred tax assets as at December 31, 2023, amounting to Euro 7,540 thousand, are recognized in relation to the valuation of prior tax losses of the Italian and foreign companies, as well as cost and revenue taxability/deductibility time differences according to the respective tax regulations, for example increases in provisions for risks and write-downs on receivables, as well as IFRS transition entries, such as the determination of the liability for defined employee benefits, according to the actuarial methodology.
For more information on the breakdown and changes in this item, please refer to the table below and Note 29 “Income Tax expense”.

Thousands of €	12.31.2023	12.31.2022
Previous tax losses	4,670	5,397
Effect IAS 19	709	567
Depreciation/Goodwill/trademarks	519	571
Reductions in value and provisions	823	1,005
Financial derivatives	270	149
Others	549	635
Deferred tax assets	**7,540**	**8,323**

NOTE 7. Inventories

Thousands of €	12.31.2023	12.31.2022	Change
Raw materials, supplies and consumables	12,675	12,696	(20)
Biological Assets	348	54	295
Finished products and goods for resale	40,094	34,608	5,487
Inventories	**53,118**	**47,357**	**5,761**

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Inventories of raw materials and consumables are represented essentially by the packaging materials used by the distribution companies and fuels, lubricants and spare parts of transport companies and are measured at FIFO. Biological assets refer to the company Productores Aguacate Jalisco S.A.C.V. in relation to fruit still ripening on the plant for Euro 348 thousand and Euro 54 thousand at December 31, 2023 and December 31, 2022, respectively, harvested and sold in the following months. As at December 31, 2023, the value of inventories increased compared to the previous year by Euro 5,761 thousand, mainly linked to the scope effect for Euro 3,023 thousand (Euro 3,387 as at January 1, 2023) and higher exact year-end stocks in inventory, also due to increased unit price values caused by inflation.

NOTE 8. Trade receivables

Thousands of €	12.31.2023	12.31.2022	Change
Trade receivables from third parties	154,258	130,094	24,164
Receivables from subsidiaries and associates of the Group not fully consolidated	1,394	439	955
Receivables from related parties	131	218	(87)
Provision for bad debts	(11,546)	(11,644)	99
Trade receivables	**144,237**	**119,107**	**25,130**

All trade receivables are due within one year and derive from normal sales conditions. It should be noted that receivables are shown net of the provision for write-downs allocated over the years to cover bad or doubtful debts that are still in the financial statements pending the conclusion of the related bankruptcy proceedings or out-of-court settlement attempts. There are no receivables due beyond five years. It is believed that the provision for bad debts is appropriate to cope with the risk of potential non-collection of past due receivables. As at December 31, 2023, the item “Trade Receivables” showed an increase of Euro 25,130 thousand mainly related to the increase in receivables of distribution companies, also due to the entry of the two newly acquired French companies that contribute to the increase by Euro 30,787 thousand (Euro 28,315 thousand as at January 1, 2023), and the increase in turnover and the different trends in collection volumes in the days immediately preceding and following December 31. The balance of receivables due from related and associated Group companies mainly refers to normal trade receivables; an analysis of the positions is given in Note 34 on related parties. The change in the provision for bad debts is reported below, which the Group prepares based on a realistic view of the actual recoverability of the individual receivables, as governed by IFRS 9 “Expected losses” and which is also inclusive of an amount of Euro 50 thousand relating to the more generic risk of non-collection of all financial assets posted to the financial statements. As at the reporting date, Euro 11.6 million are entered, of which the most significant part, almost Euro 8.7 million, assigned to the main Italian distribution company, and the Portuguese, Greek and Spanish companies in view of past-due receivables and almost entirely written off in the over one year segment.

Thousands of €	Provision for bad debts
Balance at December 31, 2022	**(11,644)**
Change of year	
Accruals	(2,132)
Utilizations	3,012
Change of consolidation scope	(782)
Others	-
Balance at December 31, 2023	**(11,546)**

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The following is the breakdown of the receivables by geographical area:

Thousands of €	12.31.2023	12.31.2022	Change
Italy	59,919	57,832	2,087
EU countries	80,642	58,174	22,467
Non-Eu countries	3,676	3,101	575
Trade receivables	**144,237**	**119,107**	**25,130**

NOTE 9. Current tax assets

Thousands of €	12.31.2023	12.31.2022	Change
For value added tax	9,693	12,569	(2,876)
For income tax	2,742	4,360	(1,618)
Current tax assets	**12,435**	**16,929**	**(4,494)**

As at December 31, 2023, tax assets decreased by a total of Euro 4,494 thousand due to a different VAT credit of Euro 2,876 thousand and a lower income tax credit of Euro 1,618 thousand.

NOTE 10. Other receivables and other current assets

Thousands of €	12.31.2023	12.31.2022	Change
Advances to suppliers	5,180	5,635	(455)
Other receivables	5,805	5,085	720
Accruals and pre-payments	3,586	3,219	367
Current financial assets	12	217	(206)
Other receivables and other current assets	**14,582**	**14,156**	**426**

As at December 31, 2023 this item recorded an overall increase of Euro 426 thousand due to the increase in “Other receivables” for Euro 720 thousand, mainly due to the scope effect relating to the newly acquired French companies. In addition to this change, there was an increase in Accruals and pre-payments of Euro 367 thousand, partially offset by the decrease in Advances to suppliers of Euro 455 thousand and Current financial assets of Euro 206 thousand. The latter change is due to the collection of the financial receivable linked to the derivative financial instrument on bunker.
As already noted in previous reports starting from the 2017 financial statements, the balance of “Other receivables” was not affected by the receivable from the related party, Argentina S.r.l., for Euro 8,000 thousand, as it has been entirely written off (Note 34).The item “Accruals and pr-payments” refers to the normal allocations for the recognition and proper allocation of costs related to the following year, typically insurance expenses, leases, and interest.

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NOTE 11. Cash and cash equivalents

Thousands of €	12.31.2023	12.31.2022	Change
Cash and cash equivalents	90,062	68,830	21,233

The balance reflects the current account balances of Group companies. The change in the item can be analyzed in detail in the cash flow statement.

NOTE 12. Shareholders' equity attributable to shareholders of the parent company

The share capital at December 31, 2023, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company's shareholders' meeting.
The change in shareholders' equity at December 31, 2023 compared to the previous December 31 essentially reflects the recognition of the result achieved during the year which was more than proportional to the decrease due to the dividend paid and the purchase of treasury shares.
As at December 31, 2023, Orsero held 753,137 treasury shares, equal to 4.26% of the share capital, for a value of Euro 8,769 thousand, shown as a direct decrease in shareholders' equity. In the course of 2023, the Parent Company acquired a total of 275,623 treasury shares at an average price of Euro 14.44 per share for Euro 3,981 thousand. As at December 31, 2023, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.
The amount of the share capital as at December 31, 2022, in compliance with the provisions of IAS 32, is to be considered net of treasury shares for Euro 4,788 thousand and costs for the purchase of equity investments for Euro 153 thousand, while as at December 31, 2023 it is to be considered net of treasury shares for Euro 8,769 thousand and costs for the purchase of equity investments for Euro 153 thousand. The share premium reserve comes to Euro 77,438 thousand at December 31, 2023, whilst the legal reserve is Euro 1,360 thousand.
The reserve of exchange rate differences on transaction incorporates all the foreign exchange differences deriving from the conversion of the financial statements of foreign operations. The change for the year amounts to Euro 944 thousand, the validation of which, together with the derivative mark-to-market spreads, is shown in the total amount of Euro 1,030 thousand (both negative) in the statement of comprehensive income.
The reserve of cash flow hedges, recognized for Euro 392 thousand (negative), shows the change relating to the adjustment to fair value as at December 31, 2023 net of the tax effect with an indication thereof in the statement of comprehensive income of the derivative on the bunker, for Euro 109 thousand (negative effect), the derivatives on interest rates for Euro 672 thousand (negative change) and the derivative on exchange rates for Euro 250 thousand (negative change due to the negative fair value), all accounted for with the cash flow hedging method. The reserve of the remeasurements of defined benefits plans, established in compliance with the application of IAS 19, changed by Euro 640 thousand on December 31, 2022.
The Shareholders' Meeting of April 26, 2023 resolved to allocate the profit for the year of Euro 7,261 thousand as proposed by the Board of Directors and in particular to distribute an ordinary monetary dividend of Euro 0.35 per share, gross of withholding taxes, for each existing share entitled to receive a dividend, thus excluding from the calculation 477,514 treasury shares held by the company, for a total dividend of Euro 6,022 thousand. The ex-dividend date was May 08, 2023, the record date was May 9 and payments began on May 10, 2023.
The consolidated statement of changes in shareholders' equity, included in the consolidated financial statements to which reference is made, illustrates the changes between December 31, 2021 and December 31, 2022 and between December 31, 2022 and December 31, 2023, of the individual reserve items.

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The following is a reconciliation as at December 31, 2023 between the Parent Company's equity and equity attributable to shareholders of the parent company and between the Parent Company's profit for the year and profit for the year attributable to shareholders of the parent company.

Thousands of €	Share capital and reserves 12.31.2023	Profit/loss at 12.31.2023	Shareholders' equity at 12.31.2023
Orsero S.p.A. (Parent company)	**140,830**	**22,165**	**162,995**
The difference between the carrying amount and the corresponding equity	(120,404)	-	(120,404)
Pro-quota gains/losses achieved by subsidiaries	-	63,129	63,129
Pro-quota recognition of associated companies consolidated using the equity method	863	1,614	2,477
Dividends distributed by consolidated companies to the Parent company	38,913	(38,913)	-
Consolidation differences	126,557	-	126,557
Elimination of capital gain and/or other transactions carried out by subsidiaries	2,764	(719)	2,045
Total Group equity and net profit attributable to Parent company	**189,523**	**47,276**	**236,800**
Minority interests and net profit attributable to non-controlling interests	871	853	1,724
Total shareholders' equity and profit/loss	**190,394**	**48,129**	**238,523**

In regard to the above reconciliation, please note the following:

- the derecognition of intergroup dividends relates to dividends paid by the subsidiaries consolidated on a line-by-line basis (Productores Aguacate Jalisco a Comercializadora de Frutas; Comercializadora de Frutas and Postifruit to AZ France; Simba, Capexo, Cosiarma, Blampin and Fresco to Orsero), as well as the dividend of the associates Agricola Azzurra and Fruport to Orsero and Tirrenofruit to Orsero Produzione;
- the amounts relating to the effect of the derecognition of capital gains and/or other transactions implemented by subsidiaries, derive essentially from the recognition of depreciation on the greater value attributed to the buildings entered by the company Hermanos Fernández López and determined during the acquisition.

Below is a list of shareholders with an investment in excess of 5% (considering the classification of the Issuer as an SME in accordance with Art. 1, paragraph 1, letter w-quater.1 of Italian Legislative Decree no. 58/1998, as subsequently amended and supplemented (the “Consolidated Law on Finance” or “TUF”)), as resulting from the Consob communications received in accordance with Art. 120 of the TUF and other information available to the Company.

Shareholder's name (1)	Number of shares	% on the total share capital
FIF Holding S.p.A.	5,899,323	33.36%
Grupo Fernandez S.A.	1,180,000	6.67%
Praude Asset Management Ltd. (3)	1,709,577	9.67%
First Capital S.p.A. (4)	995,010	5.63%
Global Portfolio Investments S.L.(2)	969,231	5.48%

(1) Updated situation at May 10, 2023

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(2) The reporting company placed at the top of the chain of control is Indumenta Pueri S.L. .
(3) Includes shareholdings managed by Praude Asset Management Ltd. and held by the following parties: Hermes Linder Fund SICAV Plc.; PRAUDE FUNDS ICAV; Altinum Funds Sicav Plc.; Plavis Gas SRL.
(4) Through its wholly-owned subsidiary First SICAF S.p.A.

NOTE 13. Minority interests

The change in the item Minority interests is due to the applicable profit for the period. Minority interests in the capital of consolidated companies are as shown in the table below.

Companies consolidated (figures in thousands of €)	% non-controlling interests	Capital and reserves	Profit/ (Loss)	Non-controlling interests
Productores Aguacate Jalisco S.A.C.V.	30.00%	242	313	555
Blampin Groupe	6.70%	376	567	943
I Frutti di Gil S.r.l.	49.00%	250	(27)	223
Kiwisol LDA	0.25%	3	-	3

NOTE 14. Financial liabilities

The financial liabilities disclosure provided below is combined, including both the non-current and current portion, in order to make it more immediately understandable. The financial exposure is as follows:

Thousands of €	12.31.2023	12.31.2022	Change
Bond payables (over 12 months)	20,000	25,000	(5,000)
Non-current medium term bank loans (over 12 months)	79,669	44,838	34,831
Non-current other lenders (over 12 months)	626	1,424	(798)
Non-current other lenders (over 12 months) IFRS 16	47,904	29,834	18,070
Non-current liabilities for derivative (over 12 months)	175	-	175
Non-current payables for price balance on acquisitions (over 12 months)	17,716	-	17,716
Non - current financial liabilities	**166,090**	**101,096**	**64,994**
Bond payables (current)	5,000	5,000	-
Current medium term bank loans	23,948	11,805	12,143
Bank overdrafts	2,548	3,933	(1,385)
Current other lenders	799	940	(141)
Current other lenders IFRS 16	12,855	11,740	1,114
Other current lenders short term	511	1,051	(541)
Current liabilities for the derivatives	1,057	619	438
Current payables for price balance on acquisitions	5,858	1,700	4,158
Current financial liabilities	**52,576**	**36,789**	**15,788**

The change in FY 2023 of a total of Euro 80,782 thousand (between non-current and current) reflects the primary components, mostly related to medium-term loans, as detailed below:

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- disbursement, on January 10, 2023, of the second and third tranches of the new loan (for a total of Euro 90,000 thousand) amounting to Euro 56,238 thousand (including Euro 462 thousand in relation to the amortized cost), intended to support the financial outlay linked to the two French acquisitions. Please note that this loan is subject to covenants calculated as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity at the reporting date, which were fully respected.
- the payment by the Parent Company of the installments due of Euro 11,220 thousand on the pool loan, along with Euro 261 thousand accounted for as implicit interest deriving from the recognition of the item with the amortized cost method. Please recall that at December 31, hedges are in place on 43.1% of that loan against interest rate fluctuations, for which the mark to market value is a net negative Euro 117 thousand.
- the payment of Euro 1,101 thousand in interest on the debenture loan of Euro 30,000 thousand the payment of the first principal installment for Euro 5,000 thousand. Please also note that the debenture loan calls for compliance with the financial covenants, such as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity at the reporting date; as at this date, full compliance was noted;
- the repayment by the Parent Company of the installment for Euro 1,028 thousand of the Crédit Agricole loan. Please recall that an IRS hedge was activated on this loan for 100% of the loan value (original Euro 5,500 thousand), the mark-to-market value of which as of December 31, 2023 is a positive Euro 241 thousand;
- the payment of Euro 549 thousand for the installment falling due on the Credem loan;
- the payment of Euro 757 thousand for the installment falling due on the BPER Banca loan;
- a new 2023-2028 loan agreement entered into with Credem for Euro 3,000 thousand;
- payment by Fruttital of the June 30 and December 31 installments of the pool mortgage loan totaling Euro 1,129 thousand (inclusive of the recognition of Euro 18 thousand in implicit interest). At December 31, a hedge is in place on 85% of that loan against interest rate fluctuations, for which the mark to market value is a positive Euro 451 thousand. This loan is subject to respect for financial covenants, verified on an annual basis and fully respected at December 31;
- the regular payment by Fruttital of the due instalments of the outstanding medium-term loans for a total of Euro 797, and the consequent conclusion of the loans;
- the regular payment by Cosiarma of the installments falling due on the existing loan for a total of Euro 506 thousand;
- the payment by the Company Thor S.r.l. of Euro 253 thousand, with early repayment of the outstanding loan;
- for AZ France S.A.S., the regular repayment of loan installments falling due for a total of Euro 846 thousand;
- for Hermanos Fernández López S.A the regular repayment at maturity of installments on outstanding loans totaling Euro 599 thousand;
- increase in debt due to the change in the scope of consolidation following the acquisition of Capexo for Euro 3,078 thousand and the payment of mortgage installments for Euro 1,008 thousand;
- increase in debt due to the change in the scope of consolidation following the acquisition of Blampin Groupe for Euro 4,154 thousand and the payment of mortgage installments for Euro 1,065 thousand;
- payments on finance lease contracts by Hermanos Fernández López S.A. amounting to Euro 849 thousand;
- the payment of finance leases for the company Eurofrutas for Euro 77 thousand;
- the regular repayment of the lease installments of the Mexican company Productores Aguacate Jalisco for Euro 14 thousand;
- within the item other financial payables, the IFRS 16 component is equal to Euro 60,759 thousand, against a scope effect following the acquisition of Blampin Groupe and Capexo of Euro 7,452 thousand, increases totaling Euro 28,658 thousand relating to new contracts, renewals and adjustments, and repayments and write-offs following the early termination of contracts for Euro 16,925 thousand;
- increase in the item price installments to be paid on acquisitions from Euro 1,700 thousand to the current Euro 23,574 thousand (of which Euro 5,858 thousand current), mainly related for Euro 23,936

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to the recognition of contingent consideration for the two acquisitions, the recognition of the liability for the 13.3% put/call option, partially offset by the payment of the balance of the price for the acquisition of Agricola Azzurra in January 2023 for Euro 1,500 thousand and the payment of euro 3,858 thousand of the first tranche of Earn-out to Capexo. In FY 2023, Euro 805 thousand in interest relating to the discounting of earn-outs was recognized, in addition to Euro 320 thousand in interest related to the discounting of the put/call option and, moreover, the liability relating to the recognition of the put/call option was revalued in the amount of Euro 2,371 thousand (with an equity reserve as a counter-entry);

- with reference to mark-to-markets on hedging derivatives, the booking of the mark-to-market on interest rate hedging of Euro 175 thousand, a deterioration of Euro 329 thousand for exchange rate hedges (from a negative Euro 619 thousand to Euro 948 thousand), and the recognition of negative mark-to-markets on the bunker by Euro 109 thousand.

Please note that the following loans have change of control clauses:

- Orsero debenture loan for an original Euro 30 million, falling due in 2028;
- Orsero pool loan for an original Euro 90 million, falling due in 2028;
- Orsero BPER loan for an original amount of Euro 4 million, falling due in 2027;
- Fruttital pool mortgage loan for an original Euro 15 million, falling due in 2029;
- Banque Populaire loan in AZ France for an original amount of Euro 1.4 million, falling due in 2027;
- Loan from Credit Lyonnais to AZ France originally amounting to Euro 0.8 million maturing in 2025, in addition to the mortgage loan originally for Euro 1.65 million maturing in 2029;
- La Caixa loan in Hermanos Fernández López originally for Euro 0.5 million, falling due in 2024.

The medium-term debt maturity with banks and other lenders as at December 31, 2022 and December 31, 2023 is detailed in the table below, broken down into current and non-current portions, with the latter further broken down into portions falling within/beyond five years.

Thousands of €	Total	12.31.23	> 12.31.23		12.31.23-12.31.27	> 12.31.27
Bond payables (non-current/current)	30,000	5,000	25,000		20,000	5,000
Medium term bank loans (non-current/ current)	56,643	11,805	44,838		39,430	5,408
Other lenders (non-current/ current)	2,364	940	1,423		1,423	-
Other lenders (non-current/ current) IFRS 16	41,574	11,740	29,834		12,793	17,040
Liabilities for the derivatives (non-current/current)	619	619	-	as follows	-	-
Bank overdrafts	3,933	3,933	-		-	-
Other current lenders short term	1,051	1,051	-		-	-
Payables for price balance on acquisitions (non-current/current)	1,700	1,700	-		-	-
Non-current/current financial liabilities at 12.31.2022	**137,884**	**36,789**	**101,096**		**73,646**	**27,449**

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Thousands of €	Total	12.31.24	> 12.31.24		12.31.24-12.31.28	> 12.31.28
Bond payables (non-current/current)	25,000	5,000	20,000		20,000	-
Medium term bank loans (non-current/ current)	103,617	23,948	79,669		78,348	1,322
Other lenders (non-current/ current)	1,425	799	626		626	-
Other lenders (non-current/ current) IFRS 16	60,759	12,855	47,904		26,119	21,785
Liabilities for the derivatives (non-current/current)	1,232	1,057	175	as follows	175	-
Bank overdrafts	2,548	2,548	-		-	-
Other current lenders short term	511	511	-		-	-
Payables for price balance on acquisitions (non-current/current)	23,574	5,858	17,716		17,716	-
Non-current/current financial liabilities at 12.31.2023	**218,666**	**52,576**	**166,090**		**142,983**	**23,107**

Regarding the hedges taken out by the Group, it should be noted that as at December 31, 2023 there are:

- a hedge on interest rates relating to the Pool loan disbursed in the amount of Euro 90 million, the mark to market of which was a negative Euro 117 thousand (net of positive Euro 58 thousand and negative Euro 175 thousand) the mortgage loan originally amounting to Euro 15 million, the mark to market of which was a positive Euro 451 thousand, and the loan originally amounting to Euro 5.5 million, whose mark to market at the reporting date is positive and equal to Euro 241 thousand;
- a hedge on 2023 purchases of US dollars, with a negative mark to market of Euro 950 thousand;
- a hedge on part of the 2023 bunker consumption of the ship-owning company, the mark to market of which is equal to Euro 109 thousand.

Please note that in view of the loans granted, as at December 31, 2023, mortgages were posted on corporate assets, as follows:

- Fruttital S.r.l.: mortgage on three former NBI warehouses in Verona, Rome and Molfetta acquired in January 2020 for an amount equal to the residual value of the loan;
- AZ France S.A.S.: mortgage on the property in the favor of Credit Lyonnais for an amount equal to the residual loan value.

Please note that the pool loan contract and the debenture loan envisage compliance with financial and equity covenants, summarized in the table below. Please note that the financial covenants existing on the bond and pool loans of the Parent Company must be counted, as envisaged by the relative contracts, on a net financial position that excludes the application of the new standard IFRS 16 for the entire term of such loans. Such covenants were respected in full at the reporting date.

Thousands of €	Duration	Period	Parameter	Limit	Respected
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net financial position / Total Shareholders' Equity	<1.25	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net Financial Position / Adjusted EBITDA	<3/4*	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Adjusted EBITDA/ Net financial expenses	>5	Yes
Pool loan 90 M€ - Parent company	2022-2028	Annually	Net financial position / Total Shareholders' Equity	<1.5	Yes

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Pool loan 90 M€ - Parent company	2022-2028	Annually	Net Financial Position / Adjusted EBITDA	<3.25	Yes
Medium term loan 15 M€ - Fruttital	2020-2029	Annually	Net financial position / Total Shareholders' Equity	<1.5	Yes
Medium term loan 15 M€ - Fruttital	2020-2029	Annually	Net Financial Position / Adjusted EBITDA	<3.0	Yes

* The former parameter must be met on annual verification while the latter on a semi-annual basis

As required by Consob communication no. 6064293 dated July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 “Recommendation for the standardized implementation of the European Commission Regulation on information prospectuses”, below is the net financial debt of the Group as at December 31, 2023.

Thousands of €		12.31.2023	12.31.2022
A	Cash	90,062	68,830
B	Cash equivalents	12	10
C	Other current financial assets	750	1,666
D	**Liquidity (A + B + C)**	**90,825**	**70,506**
E	Current financial debt*	(9,974)	(7,303)
F	Current portion of non-current financial debt **	(42,602)	(29,486)
G	**Current financial indebtedness (E + F)**	**(52,576)**	**(36,789)**
H	**Net current financial indebtedness (G - D)**	**38,248**	**33,717**
I	Non-current financial debt ***	(146,090)	(76,096)
J	debt instruments	(20,000)	(25,000)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(166,090)**	**(101,096)**
M	**Total financial indebtedness (H + L)**	**(127,842)**	**(67,379)**

* Debt instruments are included, but the current portion of non-current financial debt is excluded.
** Includes payables for rental and lease agreements under IFRS 16 for Euro 12,855 thousand at December 31, 2023 and Euro 11,740 thousand at December 31, 2022
*** Debt instruments are excluded. Includes payables for rental and lease agreements under IFRS 16 for Euro 47,904 thousand at December 31, 2023 and Euro 29,834 thousand at December 31, 2022

The table below shows the change in liquidity for the year in relation to cash flows generated by operating, investing and financing activities as detailed in the cash flow statement.

Thousands of €	12.31.2023	12.31.2022
Cash flow from operating activities	75,169	54,870
Cash flow from investing activities	(63,102)	(31,073)
Cash flow from financing activities	9,166	(10,012)
Increase/decrease in cash and cash equivalent	21,233	13,786
Net cash and cash equivalents, at beginning of the period	**68,830**	**55,043**
Net cash and cash equivalents, at end of the period	**90,062**	**68,830**

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In terms of changes in liabilities as a result of financing activities, information is provided that allows users of the financial statements to evaluate the changes that occurred in compliance with IAS 7.

Cash flow from financing activities – thousands of €	12.31.22	New loans	Repayments	Cash Flow	Derivatives	Changes of consolidation scope	Ex-rate changes/ others	12.31.23
Bond payables (over 12 months)	30,000	-	(5,000)	-	-	-	-	25,000
Non-current medium term bank loans	56,643	59,238	(19,496)	-	-	7,233		103,617
Non-current other lenders (over 12 months)	2,364	-	(939)	-	-	-	-	1,425
IFRS 16 Effect	41,574	28,658	(16,925)	-	-	7,452	-	60,759
Factor	1,051	511	(1,051)	-	-	-	-	511
Current other lenders short term	-	-	(7,306)	-	-	7,306	-	-
Current liabilities for the derivatives	619	-	-	-	613	-	-	1,232
Bank overdrafts	3,933	-	-	(1,386)	-	2	-	2,548
Payables for price balance on acquisitions (Non-current-current)	1,700	-	(4,834)	-	-	400	26,307	23,574
Current financial assets	(1,676)	-	-	206	708	-	-	(762)
Total	**136,209**	**88,407**	**(55,552)**	**(1,180)**	**1,321**	**22,392**	**26,307**	**217,904**

NOTE 15. Other non-current liabilities

Thousands of €	12.31.2023	12.31.2022	Change
Other non-current liabilities	**548**	**735**	**(187)**

"Other non-current liabilities" amounted to Euro 548 thousand as at December 31, 2023, with a decrease of Euro 187 thousand relative to December 31, 2022, due to the reduction of deferred income for income and contributions expected to be released to the income statement in future years.

NOTE 16. Deferred tax liabilities

Thousands of €	12.31.2023	12.31.2022	Change
Deferred tax liabilities	**4,215**	**4,593**	**(377)**

Deferred tax liabilities are allocated on the basis of temporary differences, subject to deferred taxation, resulting from adjustments made to individual financial statements of consolidated companies in accordance with homogeneous Group accounting standards and on temporary differences between the value of assets and liabilities recorded in the consolidated financial statements and their value for tax purposes. As at December 31, 2023, the item shows a decrease of Euro 377 thousand, mostly related to the release of deferred taxes on

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the mark-to-market values of hedging derivatives with respect to interest rates and as a result of the actuarial valuation of the liability for employee benefits. For further details, reference is made to Note 29 "Income tax expenses".

NOTE 17. Provisions

Thousands of €	12.31.2023	12.31.2022	Change
Provision for the return of containers	3,892	3,545	347
Provisions for risks and charges	1,056	2,213	(1,157)
Provisions	**4,948**	**5,759**	**(810)**

The item "Provisions" includes provisions made on the basis of the disputes existing as at December 31, 2023 in the various Group companies, which are the result of accurate estimates made by the Directors, as well as the provision set up for the expected maintenance costs to be incurred when the containers used in shipping activities are returned at the end of the contract.
During 2023, the Provision for container returns increased by Euro 347 thousand due to accruals of Euro 558 thousand and utilizations of Euro 211 thousand.
The allocations recognized in the provisions, which represent the estimate of future cash outflows prepared also based on historical experience, were not subject to actuarial valuation since the effect was considered negligible in the consolidated financial statements.
On the other hand, as regards the provisions for risks and charges, the change resulted from allocations of Euro 496 thousand and the scope effect of Euro 163 thousand, against uses of Euro 1,979 thousand, the latter essentially linked to the release of Euro 1,600 thousand, connected to the customs dispute, as already fully described. Please recall that IAS 37 establishes that directors must make provisions to the financial statements only if the risk is considered likely and quantifiable, with the purpose, therefore, of expressing the most truthful and correct situation, whilst for other risks which lack this characteristic, the international accounting standards exclude any provisioning for purely "prudent" reasons.

(a) Customs dispute

- Regarding the dispute with the Savona Customs Agency for Simba and Fresco, concerning certain banana imports made by the Group in the years 1997 to 2001, decisive steps were taken toward its resolution during 2023 as explained below. Please recall that with regard to these proceedings, in 2020 Simba S.p.A. took out a Litigation Buy-out Insurance Policy aimed at covering the possible impact of an adverse outcome in the proceedings. Pending the resumption of the case before the Tax Court, the insurance company exercised its right to terminate the insurance contract and denied any coverage for the claim, contravening what is defined in the contract and forcing Simba to take legal action in order to have its insurance coverage obligations under the LBO Policy met. In this situation and taking into account the intervening notification in May 2023 of numerous payment notices relating to the latest procedural developments concerning the referral of the litigation to the Regional Tax Commission, Simba - regardless of the actions against the Insurance Company - took action through its attorneys to try to reach a settlement agreement with the Customs Agency, which was signed on June 29, 2023, to settle the entire dispute, with the resulting abandonment of all pending litigation. It should be noted that this settlement does not constitute any acknowledgment of liability in terms of conduct, nor does it constitute any admission concerning the merits of the claims and/or demands and/or actions brought against it by the Agency. Under the terms of the agreement, Simba has committed to the payment, for full and final settlement of any further claims by the entity, of the residual tax amounting to Euro 2,732 thousand, substantially referring to customs duties. The agreement establishes the Agency's waiver of the collection of interest on the duties in the amount of Euro 3,022 thousand and

the return to Simba of interest collected and paid to the Revenue Agency as a result of the previous execution relating to judgment no. 160/2012 in the amount of Euro 241 thousand.
The settlement turned out to be very positive for the Group, which was thus able to resolve a long-standing dispute with the Customs Agency that had been going on for 20 years with the associated ancillary costs, both internal and legal in nature, and was able to do so against a potential risk that would have exceeded even the limit of the amounts insured under the LBO policy (the total potential risk in the event of losing the case in final judgment, as of the date of notification of the individual requests for payment in 2009, would have initially amounted to Euro 4.6 million in duties and VAT (reduced to Euro 2.9 million after the latest procedural developments) in addition to interest and ancillary costs of approximately Euro 3.5 million, to which additional interest would have been added until the settlement of the dispute, resulting in the maximum insured amount being exceeded). Furthermore, as it relates to customs duties, this settlement is fully tax deductible and therefore even more cost effective from the financial perspective. On the other hand please note, with respect to the provision for risks of Euro 1,600 thousand, as already set forth in the 2022 financial statements, in July 2022 the Joint Divisions of the Court of Cassation partially upheld the appeal, setting aside the appealed judgment and referring the case to the Venice Court of Appeals, in a different composition, and the State's attorney continued the proceedings with vocatio in December 2023. However, in view of the fact that the claim for damages was constructed and based by the Authorities substantially only on the amount of the alleged evaded duties and the ruling of the Joint Divisions, cited above, completely disregarded this reasoning, as of today the possibility for the Authorities to manage to meet the burden of proof incumbent on them even specifically with reference to the quantification of the damages claimed and therefore obtain a judgment of compensation for damages in their favor appears to be remote. During 2023, following the updated analysis of this judgment with the support of the Group's consultants, the remote nature of the risk was confirmed in this regard and therefore the company decided to release the provision. It should also be noted that the release of this provision generated a non-taxable contingent asset for income tax purposes.

(b) Tax dispute

- At December 31, 2023, the Mexican subsidiary Comercializadora de Frutas Acapulco concluded the tax dispute that had originated following a tax audit on tax period 2013, covering income tax (ISR), Imposta Empresarial a Tasa Unica (IETU) and VAT, with a positive outcome for the company, which did not have to pay higher taxes.
- As at December 31, 2023, the Portuguese subsidiary Eurofrutas continues to be involved in a dispute concerning a tax assessment notice relative to 2014, through which the Portuguese tax administration ascertained presumptively greater revenues for Euro 1,677 thousand, which led to greater VAT including interest, for Euro 111 thousand. As noted in previous reports, the company had started a dispute against said assessment, with the suspension of payment of the amounts challenged; the results are still pending. It should be noted that in a February 12 ruling, the court upheld the Company's claims, and the tax authorities still have time to file an appeal. The Company has not made any provision for risks on this dispute insofar as, with the support of local advisors, it considers the risk of losing remote.

(c) Civil dispute

As at the date of this Report, there are a number of civil disputes in progress, for insignificant amounts, the most significant of which are described below:

- As noted in the previous report as at December 31, 2023, the company Fruttital (into which Fruttital Firenze merged) continues to be involved in proceedings lodged by Sun World, also against CONAD and Tropico S.r.l., which claimed the alleged infringement of a plant variety patent and a distinctive mark owned by the plaintiff and the alleged commission of acts of unfair competition pursuant to Article 2598 nos. 1, 2 and 3 of the Italian Civil Code, relating to which with ruling of April 21, 2023 the court rejected the claims of the plaintiff, requiring it to reimburse court costs in favor of all defendant parties. An appeal was lodged on September 12, 2023. The minutes of the last hearing containing the judge's order have not yet been received.

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- During the last two years, Fruttital was party to a series of lawsuits filed against it by various workers who had performed work under the contract between Fruttital S.r.l. and some cooperatives at the Fruttital warehouse in Milan. The claim made concerned a request for the establishment of a subordinate employment relationship, which Fruttital rejected, also because the warehouse was no longer operational, seeking a negotiated solution, which was found and implemented with the majority of the claimants, the cost of which was expensed. As at December 31, 2023, a minimal part of these disputes is still pending, against which a sum has been allocated to the provision for risks in line with the settlements finalized during the year. A similar situation has occurred for some employees of the cooperatives that operated at the Florence warehouse, with whom settlement agreements are expected to be reached, against which a provision has been recognized in the financial statements.

NOTE 18. Employee benefits liabilities

A statement of changes in the liabilities for employee benefits at December 31, 2023 is attached.

Thousands of €	Employees benefits liabilities
Balance at December 31, 2022	**8,297**
Change of year:	
Accruals	667
Benefits paid and transferred	(983)
Interest cost	253
Gain/losses resulting from changes in actuarial assumptions	640
Change of consolidation scope	30
Other changes	59
Balance at December 31, 2023	**8,963**

The Provision for employee benefits includes obligations for post-employment employee benefits and other long-term benefits. The methods whereby the benefits are guaranteed varies according to the legal, tax and economic conditions of the states in which the Group companies operate. The benefits are usually based on the employees' remuneration and length of service. Obligations refer to active employees. The liability relative to the provision for employee benefits refers to the Italian and foreign companies of the Group, in accordance with the various national regulations, and essentially includes employee severance indemnity accrued by employees in service at December 31, net of advances paid to employees. In accordance with IAS 19, the Provision for employee benefits is measured using the actuarial valuation methodology, through the support of an external specialist, and adjusted in relation to the occurrence of relevant events.
The main financial and demographic assumptions used in determining the present value of the liability relative to the Provision for employee benefits are described below.

Discount rate	
Italy	Cosiarma 3.080%, Fruttital and Orsero 2.995%, Galandi 2.973%, Simba 3.035%, Fresco and Orsero Servizi 3.127%
France	AZ France 2.950%, Blampin Groupe 2.973%, Capexo 2.995
Portugal	3.655%
Spain	3.035%
Greece	2.973%
Mexico	Iboxx GEMX Aggregate 7-10 as of 29th December 2023_ 9.196%

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Inflation rate	
Italy	2024: 3.0%, 2025 and following: 2.5%
France, Greece, Spain, Portugal	Included in wage growth rate except Mexico
Mexico	n.a.
Annual probability of advance on employee severance indemnities	
Italy	Cosiarma and Simba 1.5%, Fresco 2.0%, Fruttital and Orsero Servizi 2.5%, Galandi 3.0%, and Orsero 3.5%,
Percentage of provision for employee severance indemnities requested in advance	
Italy	Simba 50.0%, Orsero 55.0%, Cosiarma, Fruttital, Galandi, Orsero Servizi and Fresco 70.0%
Wage growth rate	
Italy	Equal to inflation
France, Portugal, Spain, Greece	2024: 3.0%, 2025 and following: 2.5%
Mexico	n.a.
Mortality rate	
Italy	SIMF 2022
Mexico	Mexico Table 2019
Spain	Spanish table 2021
Portugal	Portugal Life Table 2022
Greece	Greek Life table 2019
France	France Life Table 2021
Access to pension	
Italy	Minimum requirements established by the Monti-Fornero Reforms
Portugal, Spain, Mexico, Greece, France	Minimum requirements established by current legislation
Average staff exit percentage	
Italy	Cosiarma 3.0%, Orsero Services 3.5%, Fresco 4.0%, Galandi 5.2%, Fruttital and Orsero 6.5%, and Simba 8.0%
France	Blampin Groupe 7.0%, AZ France and Capexo 10.0%
Greece	White Collar 6.50%, Blue Collar 7.50%
Spain	Tarragona 3.5%, Barcelona 4.5%, Alicante 5.5%, Seville and Madrid 7.5%
Portugal	7.00%
Mexico	Acapulco 7.0%, Jalisco 6.5%

The equity adjustment for actuarial gains/losses includes an actuarial loss of Euro 748 thousand, including the tax effect of Euro 109 thousand linked to expectations of future returns, at lower levels than the interest rate curve with respect to the previous year. Discounting with lower rates produces, other factors being equal, an increase in the actuarial liability corresponding to the actuarial loss.
The actuarial gains and losses are booked to shareholders' equity through the statement of comprehensive income, while the provision for the year is recorded in an appropriate item relating to "personnel costs".

NOTE 19. Trade payables

Thousands of €	12.31.2023	12.31.2022	Change
Payables to suppliers	157,624	131,432	26,192
Payables to subsidiaries and associates of the Group not fully consolidated	1,979	2,448	(470)
Payables to related parties	371	927	(556)
Trade payables	**159,973**	**134,807**	**25,166**

There are no trade payables with a residual maturity of more than 5 years recognized in the financial statements. As at December 31, 2023, there are no past-due payables of significant value.
As at December 31, 2023, the item showed a net increase of Euro 25,166 thousand resulting nearly entirely from the increase of Euro 26,192 thousand in trade payables (also due to the entry of the two newly acquired French companies that contribute Euro 26,777 thousand to the increase; Euro 22,673 thousand as at January 1, 2023), partially offset by the reduction of Euro 470 thousand in payables to Group companies not consolidated on a line-by-line basis, and Euro 556 thousand in payables to related parties. Regarding the change in payables to related parties, the reduction relates to the lower amount owed to the company Nuova Beni Immobiliari as a result of the sale of offices leased to the Group to a third party counterparty.
The geographic breakdown of the payables is as follows:

Thousands of €	12.31.2023	12.31.2022	Change
Italy	75,419	71,230	4,189
EU countries	81,396	58,856	22,540
Non-Eu countries	3,157	4,721	(1,564)
Trade payables	**159,973**	**134,807**	**25,166**

NOTE 20. Current tax liabilities

Thousands of €	12.31.2023	12.31.2022	Change
For value added tax (VAT)	1,610	718	892
For income tax of the year	2,159	1,415	744
For withholding tax	1,716	1,307	408
For indirect taxes and others	1,330	1,289	40
Current tax liabilities	**6,815**	**4,730**	**2,085**

As at December 31, 2023, this item had a balance of Euro 6,815 thousand, up compared to the balance at December 31, 2022 by a total of Euro 2,805 thousand, of which Euro 892 thousand for the higher VAT payable, Euro 744 thousand for income taxes, Euro 408 thousand for indirect taxes and Euro 40 thousand for other payables. The increases can be attributed in part to the scope effect of the two newly acquired French companies.
There are currently no past due amounts related to the item in question.

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NOTE 21. Other current liabilities

Thousands of €	12.31.2023	12.31.2022	Change
Social security contributions	5,921	3,474	2,447
Payables to personnel	14,301	12,213	2,087
Payables relating to operations on behalf of third parties	1,202	682	521
Other current payables	5,539	6,211	(672)
Accrued expenses and deferred income	916	1,089	(173)
Other current liabilities	**27,879**	**23,669**	**4,210**

As at December 31, 2023, the item "Other current liabilities" showed an increase of Euro 4,210 thousand, mainly due to the increase in the item payables to public and social security institutions in the amount of Euro 2,447 thousand linked for Euro 2,348 thousand to the scope effect of the two newly acquired French companies and for Euro 2,087 thousand to the item payables to personnel.
Payables to personnel relate to current items for December, as well as accrued and unused holidays, 13th and 14th month accruals, and year-end bonuses, inclusive of those institutionally due to the workforce of the French and Mexican companies on the basis of local regulations.
It should be noted that as at December 31, 2023, payables amounting to Euro 2,010 thousand were recognized for the LTI 2020-2022 incentives payable in 2024, in addition to Euro 1,151 thousand for the 2023 MBO bonus of the Parent Company. It should be noted that other current liabilities include payables to natural person related parties for a total of Euro 2,841 thousand linked to remuneration for employment, remuneration as members of the Board of Directors of the Parent Company and provisions for key manager MBO and LTI incentives.

NOTE 22. Segment reporting

Based on the current organizational structure of the Orsero Group, the information required by IFRS 8, broken down by "business segment", is shown below. The performances and trend of the three sectors in which the Group operates are monitored and mainly valued on the basis of revenues and Adjusted EBITDA; this latter parameter, though not defined by international accounting standards, is the indicator that shows the Group's true business performance. Adjusted EBITDA is calculated as the operating result (EBIT) less depreciation, amortization and provisions, non-recurring costs/income, and costs associated with Top Management incentives. The parameter thus determined does not take into account financial income, financial expenses and foreign exchange differences, income tax expenses, other investment income/expense and the share of profit/loss of associates accounted for using the equity method.

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Year 2023

Thousands of €	Distribution	Shipping	Holding & Services	Eliminations/ Consolidated adjustments	Total
Net sales to third parties	1,452,945	83,933	3,935	-	1,540,813
Inter-segment net sales	85	48,805	7,058	(55,948)	-
Net sales of the sector	**1,453,029**	**132,737**	**10,994**	**(55,948)**	**1,540,813**
Adjusted EBITDA	**73,711**	**41,567**	**(8,164)**	**-**	**107,114**
Adjusted EBIT	**53,841**	**28,210**	**(9,271)**	**-**	**72,780**
Amortization and depreciation	(17,586)	(12,798)	(1,108)	-	(31,492)
Accruals of provision	(2,283)	(558)	-	-	(2,841)
Non-recurring income	1,800	733	-	-	2,533
Non-recurring expense	(7,570)	(161)	(2,652)	-	(10,383)
Financial income	472	132	1,220	(313)	1,512
Financial expenses	(4,061)	(444)	(7,442)	313	(11,634)
Exchange rate differences	(834)	8	3	-	(823)
Share of profit from companies consolidated at equity	-	-	-	1,614	1,614
Revaluations of securities and investments	1	-	-	-	1
Devaluations of securities and investments	-	-	-	-	-
Intra-group dividends	-	-	36,439	(36,439)	-
Result of securities and investments negotiation	520	-	3	-	523
Profit/loss before tax	**44,169**	**28,479**	**18,300**	**(34,824)**	**56,124**
Income tax expense	(11,523)	(360)	3,888	-	(7,995)
Profit/loss for the period	**32,646**	**28,119**	**22,188**	**(34,824)**	**48,129**

December 31, 2023

Thousands of €	Distribution	Shipping	Holding & Services	Total
Total assets without investments in associates	413,979	113,677	349,987	877,643
Investments in associates	5,119	-	13,301	18,421
Total aggregate assets	**419,098**	**113,677**	**363,288**	**896,064**
Total aggregate liabilities	**275,253**	**47,399**	**199,958**	**522,610**
Total aggregate shareholders' equity	**143,846**	**66,279**	**163,329**	**373,454**

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Year 2022

Thousands of €	Distribution	Shipping	Holding & Services	Eliminations/ Consolidated adjustments	Total
Net sales to third parties	1,091,640	99,891	4,753	-	1,196,284
Inter-segment net sales	56	42,533	6,837	(49,426)	-
Net sales of the sector	**1,091,696**	**142,423**	**11,590**	**(49,426)**	**1,196,284**
Adjusted EBITDA	**35,017**	**48,292**	**(7,251)**	**-**	**76,058**
Adjusted EBIT	**19,199**	**34,850**	**(8,350)**	**-**	**45,699**
Amortization and depreciation	(14,484)	(12,582)	(1,047)	-	(28,114)
Accruals of provision	(1,334)	(859)	(51)	-	(2,245)
Non-recurring income	-	-	72	(72)	-
Non-recurring expense	(1,570)	(59)	(4,201)	72	(5,758)
Financial income	210	66	232	(187)	321
Financial expenses	(1,767)	(400)	(2,101)	187	(4,081)
Exchange rate differences	(1,643)	8	26	-	(1,609)
Share of profit from companies consolidated at equity	-	-	-	2,041	2,041
Revaluations of securities and investments	1	-	-	-	1
Devaluations of securities and investments	(1)	-	-	-	(1)
Intra-group dividends	-	-	19,839	(19,839)	-
Result of securities and investments negotiation	10	-	(25)	(467)	(483)
Profit/loss before tax	**14,439**	**34,466**	**5,491**	**(18,265)**	**36,131**
Income tax expense	(4,612)	(716)	1,658	-	(3,671)
Profit/loss for the period	**9,827**	**33,749**	**7,149**	**(18,265)**	**32,460**

December 31,2022

Thousands of €	Distribution	Shipping	Holding & Services	Total
Total assets without investments in associates	341.935	103.491	271.797	717.223
Investments in associates	5.119	-	13.301	18.421
Total aggregate assets	**347.054**	**103.491**	**285.098**	**735.643**
Total aggregate liabilities	**243.425**	**35.240**	**131.464**	**410.129**
Total aggregate shareholders' equity	**103.629**	**68.251**	**153.634**	**325.515**

In compliance with what is indicated in IFRS 8, in the table above a disclosure is given on total assets, total liabilities, the amount of the investment in associates and, lastly, aggregate shareholders' equity by sector. It is specified that the sector data indicated in the notes should be read together with the performance indicators expressed in the Directors' Report on Operations.

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Main customer
It should be noted that there are no revenues from transactions with a single external customer equal to or greater than 10% of the Group's total revenues.

NOTE 23. Net sales

Thousands of €	12.31.2023	12.31.2022	Change
Revenues from sales	1,452,726	1,091,466	361,260
Revenues from services	88,087	104,817	(16,731)
Net Sales	**1,540,813**	**1,196,284**	**344,529**

At December 31, 2023, turnover was Euro 1,540,813 thousand, an increase of Euro 344,529 thousand compared to December 31, 2022. For a detailed analysis of sales, please refer to the single Report on Operations, in the section "Commentary on performance of the business sectors". Please note that Group revenues mainly derive from the sale of fresh fruit and vegetables from many of the world's countries, in the territories under its purview.

Geographical information
The analysis of the information by geographical area shows details of the Group's revenues, divided up into the main geographical areas (thereby meaning those in which the related Orsero Group company is based that generated the revenue) for FYs 2023 and 2022, showing the Group's substantially eurocentric nature.

Thousands of €	12.31.2023	12.31.2022	Change
Europe	**1,493,868**	**1,147,389**	**346,479**
of which Italy	*554,966*	*538,233*	*16,733*
of which France	*494,669*	*190,456*	*304,213*
of which Peninsula Iberic	*408,304*	*388,645*	*19,659*
Latin America and Central America	**46,945**	**48,894**	**(1,950)**
Total net sales	**1,540,813**	**1,196,284**	**344,529**

As shown in the table above, the Eurozone constituted the real heart of the Orsero Group business, whilst the revenues achieved in America derive from the activities carried out in Mexico, as well as those carried out in Costa Rica, Chile, Argentina and Colombia. The change in revenues from one year to the next for the European companies reflects changes in the volumes and average unit prices of the fruit and vegetables sold, to which it is necessary to add the revenues of the ship-owning company, which, being linked to the dollar (the currency in which maritime freight rates are typically denominated), are significantly affected by exchange rate fluctuations and the adjustment of freight rates on the basis of fuel cost fluctuations (BAF clause effect). For Latin America the variability is essentially linked to the trends in volumes and unit prices of avocado exports. Finally, please note that for Group revenues, the currency component is insignificant, given that the revenues of distributors, apart from the Mexican company, are all in euros.

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NOTE 24. Cost of goods sold

The following table shows the cost of goods sold by allocation and by nature.

Thousands of €	12.31.2023	12.31.2022	Change
Raw materials and finished goods costs	1,034,949	769,439	265,509
Cost of commissions on purchases and sales	2,761	1,992	769
Transport and handling costs	180,234	163,483	16,751
Personnel costs	43,907	30,306	13,601
Depreciation and amortization	25,255	22,368	2,887
Accruals of provision	613	911	(299)
External production and maintenance costs	36,839	35,842	997
Energy costs	10,715	14,617	(3,902)
Bunker 'cost	38,010	42,691	(4,680)
Rental costs for ships and containers	3,269	4,228	(959)
Leases and rentals	1,610	1,075	534
Other costs	853	1,141	(288)
Other operating revenues and cost recoveries	(9,679)	(10,660)	980
Cost of goods sold	**1,369,334**	**1,077,434**	**291,901**

The increase in cost of sales consists mainly of the higher purchase cost of fruits and vegetables, which is closely related to the increase in revenue. As set out in the Directors' Report, please note the general increase in costs caused by inflation, which to a large extent we were able to pass on to the selling prices of our goods and services without significantly affecting the Group's profitability.
It should be noted that the cost of sales value as at December 31, 2023 is discounted by Euro 237,886 thousand due to the effect of the change in the scope of consolidation. In addition, it is necessary to highlight a 31% reduction in energy costs on a like-for-like basis, linked to the decline in the cost of raw materials compared to the previous year, the signing of more favorable agreements with major power companies, and a general focus on consumption savings. For the Shipping sector, there was a decrease in the bunker cost related to a decrease in the cost of fuel: it should be noted that a change in the bunker cost is essentially neutral due to the application of the BAF (Bunker Adjustment Factor) clause, which transfers changes in the cost of fuel to the customer.
The reduction in the cost for ship charters and container rentals is affected by the recovery under IFRS 16 of the cost of the fifth ship used by the ship-owning company which, moreover, is offset in the form of an increase in depreciation rates for the period.
Regarding depreciation and amortization, it should be noted that the increase of 2,887 thousand is attributable to the scope effect as a result of the two newly acquired French companies in the amount of Euro 2,555 thousand, of which Euro 1,672 thousand in accordance with IFRS 16.
Note that the item "Raw material and finished goods costs" comprises Euro 14,216 thousand of costs due to associates, valued at market value and included in the balances indicated in Note 34, to which reference is made.
Instead, the item "Transport and handling costs" comprises Euro 5,565 thousand to the Group's associated companies and Euro 3,704 thousand to related companies; these balances are also included in the details provided in Note 34.
The item "Other operating revenues and cost recoveries" comprises Euro 244 thousand in revenues from associates of the Group and Euro 6 thousand in revenues from related companies. For further details, reference is made to Note 34.

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NOTE 25. Overheads and administrative expense

The table below details the overhead and administrative expense by allocation and by nature.

Thousands of €	12.31.2023	12.31.2022	Change
Corporate bodies fees	1,646	1,293	353
Professional, legal, tax and notary services	5,573	4,135	1,438
Commercial, advertising, promotional expenses	2,271	2,218	52
Personnel costs	58,772	41,902	16,870
Depreciation and amortization	6,237	5,746	491
Provision	2,283	1,333	950
Costs for maintenance, external labor and various other services	8,221	7,622	600
Insurance expenses	2,783	2,182	601
Utilities	1,860	1,678	182
Travel expenses	2,214	1,388	826
Costs of company car fleet	1,447	840	607
Rental costs and various rentals	806	603	203
Service costs with associated and related companies	352	494	(142)
Other costs	3,930	3,007	923
Acquisition costs of stationery and material of consumption	461	429	32
Commission and guarantee expenses	1,399	960	438
General and administrative expense	**100,254**	**75,831**	**24,423**

The table shows an increase in overheads and administrative expense compared to the previous year basically in the internal labor cost components following the entry of employees from the two newly acquired French companies, which have 241 and 59 employees, respectively.
There was also an increase in other costs due primarily to an increase in: i) travel expenses of Euro 826 thousand as a result of the post-pandemic recovery, ii) the car fleet cost, for Euro 607 thousand mainly due to the scope effect of the two newly acquired French companies of Euro 532 thousand, and iii) taxes, indirect taxes and non-deductible VAT of Euro 824 thousand included in the account “Other costs”. Regarding costs for maintenance and miscellaneous services, the increase is mainly related to higher hardware and software support costs. Regarding the item provisions, please refer to what was described previously in Notes 8 and 17. There was an increase in depreciation and amortization due to the change in the scope of consolidation because of Blampin Groupe and Capexo due to investments made both of an operational nature and related to the application of IFRS 16. The item “costs to associated and related companies” includes Euro 25 thousand to associated companies and Euro 327 thousand to related companies, while it should be noted that the figures relating to labor costs and compensation to corporate bodies for 2023 include costs of Euro 2,676 and 88 thousand relating to related parties who are individuals. For further details, reference is made to Note 34.

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NOTE 26. Other operating income/expense

Thousands of €	12.31.2023	12.31.2022	Change
Other operating income	8,341	5,588	2,753
Other operating expenses	(14,634)	(8,666)	(5,969)
Total other operating income/expense	**(6,293)**	**(3,077)**	**(3,216)**

Annexed are details of the items "Other operating income" and "Other operating expenses" for the years 2023 and 2022 with separate indication of ordinary positions with respect to non-recurring items.

Thousands of €	12.31.2023	12.31.2022	Change
Revenues from recovery of costs and insurance reimbursements	584	314	270
Plusvalues and contingent revenues in ordinary course of business	2,961	2,187	774
Others	2,263	3,088	(825)
Other ordinary operating income	**5,808**	**5,588**	**219**
Release of the provision	1,600	-	1,600
Others	933	-	933
Other non-recurring operating income	**2,533**	**-**	**2,533**

Other ordinary revenue, like the item "Other ordinary expenses" below, includes cost and revenue elements not already classified in the above sections of the income statement and elements such as contingent assets and liabilities of costs and revenues linked to previous years due to differences in estimates, which as such recur every year (for example, reversals of premiums received from and/or given to customers and suppliers, differences on insurance reimbursements collected compared to forecasts, etc.). They also include any contributions for operating expenses, capital gains and capital losses on current disposals of assets and the capitalization of costs linked to investment initiatives. In 2023, capitalization was recorded with reference to the progress status of the new ERP system implementation for Euro 678 thousand. During 2023, there were non-recurring revenues of Euro 1,600 thousand related to the release of the provision set aside for a customs dispute involving the importing company, as already mentioned in the report (see Note 17). In addition, non-recurring revenues of Euro 933 thousand were recognized, relating to settlement agreements entered into. Please note that the item "Other operating income" comprises Euro 53 thousand from associated companies and Euro 46 thousand from related companies.

Thousands of €	12.31.2023	12.31.2022	Change
Penalties, sanctions, and costs for damage to third parties	(57)	(104)	47
Minus values and contingent losses in ordinary course of business	(4,195)	(2,803)	(1,391)
Other ordinary operating expenses	**(4,252)**	**(2,908)**	**(1,344)**
Settlement Agreement with the Customs Agency	(2,732)	-	(2,732)
Top management incentives	(3,185)	(3,033)	(152)
M&A expenses	-	(1,553)	1,553
Profit sharing established by law for employees	(1,019)	(227)	(793)
Others	(3,447)	(945)	(2,501)
Other non-recurring operating expenses	**(10,383)**	**(5,758)**	**(4,625)**

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Given what is noted above with respect to the nature of the ordinary costs shown in this table, during 2023 there were deviations of Euro 1,344 thousand linked mainly to the recognition of costs for charitable donations of Euro 1,686 thousand, of which Euro 1,566 thousand for the approximately 1,008 tons of fruit and vegetables donated to food banks (as at December 31, 2022, they amounted to Euro 641 thousand, of which Euro 606 thousand for the roughly 623 tons of donations to food banks).
With regard to non-recurring items, it should be noted that at December 31, 2022 and December 31, 2023 the Group recognized provisions for Top Management incentives in the amount of Euro 3,033 thousand and Euro 3,185 thousand, broken down into Euro 1,151 for MBO (bonus component that will be paid following the approval of the 2023 financial statements), Euro 1,244 thousand relating to the new 2023-2025 Performance Share Plan as the target for 2023 was reached, thus resulting in the assignment of 96,410 shares, Euro 733 thousand for the LTI linked to the 2020-2022 Plan and Euro 57 thousand for the dividend equivalent.
It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation. For further details, reference should be made to the "2023-2025 Performance Share Plan" section of the Directors' Report on Operations.
Please also note the cost of profit sharing for employees of the French and Mexican companies, as required by the relevant regulations, which rose significantly as a result of the newly acquired companies Blampin and Capexo.
Within the item "Other non-recurring items" for the year 2023, the most significant component relates to the write-down of certain assets and settlement agreements, while for 2022 the reversal of Euro 489 thousand of tax credits on R&D activities, which had been used in previous years and for which a voluntary reversal was recognized, as described below. Unlike last year, there are no M&A costs recorded (Euro 1,553 thousand as at December 31, 2022 for the acquisitions of the two French companies). The item "Other operating expenses" does not include charges to associates but includes Euro 1,998 thousand to related parties. For further details, reference is made to Note 34.

NOTE 27. Financial income, financial expense and exchange differences

The item "Financial income, financial expense and exchange differences" is broken down as follows:

Thousands of €	12.31.2023	12.31.2022	Change
Financial income	1,512	321	1,191
Financial expense	(11,634)	(4,081)	(7,553)
Exchange rate differences	(823)	(1,609)	786
Financial income, financial expense, exchange differences	**(10,945)**	**(5,369)**	**(5,577)**

For each item included in the item in question, details are provided below:

Thousands of €	12.31.2023	12.31.2022	Change
Interest income to third parties	1,512	273	1,239
Interest income to associates/related parties	-	12	(12)
Interest for IAS 19	-	37	(37)
Financial income	**1,512**	**321**	**1,191**

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Thousands of €	12.31.2023	12.31.2022	Change
Interest expenses from bank/bond	(6,905)	(2,300)	(4,605)
Interest expenses to third parties	(1,531)	(658)	(873)
Interest cost on employee's benefits	(252)	-	(252)
Interest expenses on Put/Call options	(320)	-	(320)
Interest expenses on Earn - out	(805)	-	(805)
Interest expenses IFRS 16	(1,821)	(1,123)	(698)
Financial expense	**(11,634)**	**(4,081)**	**(7,553)**

Interest expense linked to the recognition of the put/call option refers to charges due to the release of discounting on the payable for the purchase of 13.3% of Blampin Groupe, while interest related to the recognition of the earn-out reflects the discounting of the contingent consideration of Blampin Groupe and Capexo.

Thousands of €	12.31.2023	12.31.2022	Change
Realized exchange rate differences	(365)	(1,573)	1.208
Unrealized exchange rate differences	(458)	(36)	(422)
Exchange rate differences	**(823)**	**(1,609)**	**786**

Note the impact of exchange rate differences due mainly to the fluctuation of the Mexican peso and the dollar.

NOTE 28. Other investment income/expense and Share of profit/loss of associates accounted for for using the equity method

Thousands of €	12.31.2023	12.31.2022	Change
Dividends	519	9	510
Share of profit from companies consolidated at equity	1,614	2,041	(427)
Revaluations of securities and investments	-	1	-
Devaluations of securities and investments	-	(1)	1
Result of securities and investments negotiation	4	(492)	496
Other investment income/expense and Share of profit/loss of associates accounted for using the equity method	**2,138**	**1,558**	**580**

The change in the amount of "Other investment income/expense" and in the share of profits/losses of investments accounted for using the equity method essentially refers to the pro-rata recognition of the results of associated companies consolidated using the equity method, as specified in detail in Note 4.
It should be noted that within the item "Results from trading in securities and equity investments," as at December 31, 2022, Euro 467 thousand is recorded as the final adjustment of the "contingent consideration" related to the definition of the price for the acquisition of Agricola Azzurra which occurred once the maximum term of 12 months had passed from the transaction date.

NOTE 29. Income tax expense

Almost all Italian subsidiaries participate in the “tax consolidation” system headed by Orsero, in accordance with Articles 117 et seq. of the TUIR, and a similar system has been implemented in France by AZ France and its French subsidiaries.
The changes in taxes are summarized in the following table.

Thousands of €	12.31.2023	12.31.2022	Change
Current taxes for the year	(12,273)	(5,933)	(6,340)
Income tax from statutory tax consolidation	4,895	2,393	2,502
Deferred taxes incomes and liabilities	(617)	(131)	(486)
Income tax expense	**(7,995)**	**(3,671)**	**(4,324)**

The following table shows the intervening increase in the effective tax rate compared to 2022, caused by the higher pre-tax result, specifically in the Distribution sector, which can be attributed not only to the excellent results obtained on a like-for-like basis, but also the effect of the two newly acquired French companies.

Thousands of €	2023 – Tax rate 24%		2022 – Tax rate 24%	
	Taxable	Tax rate 24%	Taxable	Tax rate 24%
Profit/loss before tax	**56,124**		**36,131**	
Theoretical tax		**(13,470)**		**(8,672)**
Tonnage Tax		6,631		7,838
Share of profit from companies consolidated at equity	(1,614)	387	(2,041)	490
Foreign companies for different tax rate		(367)		(198)
Taxed dividends from Group companies	38,913	(467)	23,830	(286)
Non imposable items/recoveries		593		(1,990)
Effective tax		**(6,692)**		**(2,818)**
Irap/Cvae taxes		(1,303)		(854)
Income tax expense in the consolidated financial statement		**(7,995)**		**(3,671)**
Effective rate		14.2%		10.2%

The table above details the reconciliation of theoretical and actual tax for the two years, clearly showing the differences; especially linked to the benefit associated with “Tonnage Tax” taxation. A separate line shows the IRAP and CVAE (France) taxes calculated on a different tax base. The table below shows the changes in the various deferred tax asset components by type.

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Thousands of €	Statement of financial position		Income statement		Comprehensive Income statement	
	2023	2022	2023	2022	2023	2022
Previous tax losses	4,670	5,397	(727)	377	-	-
Effect IAS 19	709	567	57	(149)	54	(87)
Depreciation/Goodwill/trademarks	519	571	(39)	(24)	-	-
Reductions in value and provisions	823	1,005	(182)	12	-	-
Financial derivatives	270	149	-	-	121	91
Others	549	635	(87)	(359)	-	-
Deferred tax assets	**7,540**	**8,323**	**(977)**	**(144)**	**175**	**4**

The table below shows the changes in the various deferred tax liability components by type.

Thousands of €	Statement of financial position		Income statement		Comprehensive Income statement	
	2023	2022	2023	2022	2023	2022
Leasing	(1,631)	(1,749)	98	(21)	-	-
FV Warehouses Fernández	(1,690)	(1,755)	65	65	-	-
Ships depreciation	(298)	(298)	-	-	-	-
Financial derivatives	(180)	(350)	-	-	170	(146)
Effect IAS 19	(6)	(63)	2	(29)	55	(125)
Others	(411)	(378)	196	(2)	-	-
Deferred tax liabilities	**(4,215)**	**(4,593)**	**361**	**13**	**225**	**(271)**

As at December 31, 2023, there are no significant tax disputes in progress, apart from those mentioned previously in Note 17.
There are no other significant amendments to tax legislation with the exception of what is indicated with regard to Pillar Two.

NOTE 30. Reconciliation of the Adjusted EBITDA with the period result

A reconciliation is provided of the Adjusted EBITDA, used by the Group's management team as a performance indicator monitored on a consolidated level, with the profit/loss for the year presented in the income statement.

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Thousands of €	12.31.2023	12.31.2022	Change
Profit/loss for the period	**48,129**	**32,460**	**15,669**
Income tax expense	7,995	3,671	4,324
Financial income	(1,512)	(321)	(938)
Financial expense and exchange rate differences	12,457	5,690	6,515
Other investment income/expense	(524)	483	(1,008)
Share of profit/loss of associates and joint ventures accounted for using equity method and Other investment income/expense	(1,614)	(2,041)	427
Operating result (Ebit)	**64,931**	**39,942**	**24,989**
Amortization and depreciation	31,492	28,114	3,378
Accruals of provision	2,841	2,245	597
Top Management incentives	3,185	3,033	152
Non-recurring income	(2,533)	-	(2,533)
Non-recurring expense	7,198	2,725	4,473
Adjusted EBITDA*	**107,114**	**76,058**	**31,056**

* It should be noted that the Adjusted EBITDA as at December 31, 2023 of Euro 107,114 thousand (Euro 76,058 thousand at December 30, 2022) incorporates the improvement effect from the application of IFRS 16 “leases” for Euro 16,514 thousand (Euro 13,788 thousand at December 31, 2022). This improvement effect is almost entirely offset by higher depreciation and amortization of Euro 14,647 thousand (Euro 12,560 thousand at December 31, 2022) and financial expenses of Euro 1.821 thousand (Euro 1.123 thousand at December 31, 2022).

NOTE 31. Earnings per share

The basic earnings per share are calculated, in accordance with IAS 33, dividing the Group’s portion of the profit by the average number of shares outstanding during the period. The “Fully Diluted” earnings per share are calculated dividing the net profit of the Group by the average number of outstanding shares including special shares and warrants, in both cases excluding treasury shares in the portfolio.

Thousands of €	2023	2022
Profit/loss attributable to Owners of Parent	**47,276,495**	**32,264,921**
Average number of outstanding shares during the period	**17,142,642**	**17,282,156**
Earnings per share "base" in euro	**2,758**	**1,867**
Average number of outstanding shares during the period	17,142,642	17,282,156
Average number of special shares and warrant	61,016	-
Diluted average number of outstanding shares during the period	**17,203,657**	**17,282,156**
Earnings per share "Fully Diluted" in euro	**2.748**	**1.867**

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NOTE 32. Disclosures on financial instruments - additional disclosures

The table below shows a detailed analysis of the assets and liabilities envisaged by IFRS 7, in accordance with the categories envisaged by IFRS 9 for 2023 and 2022.

Thousands of €	Balance at 31.12.2023	Assets at amortized cost	Assets at FV, with changes recognized in PL*	Assets at FV, with changes recognized in CI*	Liabilities measured at amortized cost	Liabilities at FV with changes recognized in the CI *
Financial assets						
Investments in other companies	974	974	-	-	-	-
Other non-current financial assets	4,317	3.567	-	750	-	-
Trade receivables	144,237	144,237	-	-	-	-
Current tax assets	12,435	12,435	-	-	-	-
Other receivables and other current assets	14,582	14,571	12	-	-	-
Cash and cash equivalent	90,062	90,062	-	-	-	-
Financial assets	**266,608**	**265,846**	**12**	**750**	**-**	**-**
Financial liabilities						
Financial liabilities of which:						
Bond payables	*(20,000)*	-	-	-	*(20.000)*	-
Non-current medium term bank loans (over 12 months)	*(79,669)*	-	-	-	*(79.669)*	-
Non-current other lenders (over 12 months)	*(626)*	-	-	-	*(626)*	-
Non-current other lenders (over 12 months) IFRS 16	*(47,904)*	-	-	-	*(47.904)*	-
Non-current liabilities for derivative (over 12 months)	*(175)*	-	-	-	-	*(175)*
Non-current payables for price balance on acquisition (over 12 months)	*(17,716)*	-	-	-	*(17.716)*	-
Current bond payables	*(5,000)*	-	-	-	*(5.000)*	-
Current medium term bank loans	*(23,948)*	-	-	-	*(23.948)*	-
Bank overdraft	*(2,548)*	-	-	-	*(2.548)*	-
Current other lenders	*(799)*	-	-	-	*(799)*	-
Current other lenders IFRS 16	*(12,855)*	-	-	-	*(12.855)*	-
Other current lenders short term	*(511)*	-	-	-	*(511)*	-
Current liabilities for derivative	*(1,057)*	-	-	-	-	*(1.057)*
Current payables for price balance on acquisition	*(5,858)*	-	-	-	*(5.858)*	-
Other non-current liabilities	*(548)*	-	-	-	*(548)*	-
Trade payables	*(159,973)*	-	-	-	*(159.973)*	-
Current tax liabilities	*(6,815)*	-	-	-	*(6.815)*	-
Other current liabilities	*(27,879)*	-	-	-	*(27.879)*	-
Financial liabilities	**(413,881)**	**-**	**-**	**-**	**(412.649)**	**(1.232)**

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Thousands of €	Balance at 31.12.2022	Assets at amortized cost	Assets at FV, with changes recognized in PL*	Assets at FV, with changes recognized in CI*	Liabilities measured at amortized cost	Liabilities at FV with changes recognized in the CI *
Financial assets						
Investments in other companies	723	723	-	-	-	-
Other non-current financial assets	4,903	3,445	-	1,459	-	-
Trade receivables	119,107	119,107	-	-	-	-
Current tax assets	16,929	16,929	-	-	-	-
Other receivables and other current assets	14,156	14,146	10	-	-	-
Cash and cash equivalent	68,830	68,830	-	-	-	-
Financial assets	**224,647**	**223,178**	**10**	**1,459**	**-**	**-**
Financial liabilities						
Financial liabilities of which:						
Bond payables	*(25,000)*	-	-	-	*(25,000)*	-
Non-current medium term bank loans (over 12 months)	*(44,838)*	-	-	-	*(44,838)*	-
Non-current other lenders (over 12 months)	*(1,424)*	-	-	-	*(1,424)*	-
Non-current other lenders (over 12 months) IFRS 16	*(29,834)*	-	-	-	*(29,834)*	-
Non-current liabilities for derivative (over 12 months)	-	-	-	-	-	-
Non-current payables for price balance on acquisition (over 12 months)	-	-	-	-	-	-
Current bond payables	*(5,000)*	-	-	-	*(5,000)*	-
Current medium term bank loans	*(11,805)*	-	-	-	*(11,805)*	-
Bank overdraft	*(3,933)*	-	-	-	*(3,933)*	-
Current other lenders	*(940)*	-	-	-	*(940)*	-
Current other lenders IFRS 16	*(11,740)*	-	-	-	*(11,740)*	-
Other current lenders short term	*(1,051)*	-	-	-	*(1,051)*	-
Current liabilities for derivative	*(619)*	-	-	-	-	*(619)*
Current payables for price balance on acquisition	*(1,700)*	-	-	-	*(1,700)*	-
Other non-current liabilities	(735)	-	-	-	(735)	-
Trade payables	(134,807)	-	-	-	(134,807)	-
Current tax liabilities	(4,730)	-	-	-	(4,730)	-
Other current liabilities	(23,669)	-	-	-	(23,669)	-
Financial liabilities	**(301,825)**	**-**	**-**	**-**	**(301,206)**	**(619)**

* Statement of comprehensive income, ** Income statement

It should be noted that among financial assets only “Other non-current financial assets” and “Other receivables and other current assets” include securities, i.e. financial instruments measured at fair value through profit or loss, and they also include the positive fair value of hedging derivatives through other comprehensive income. Trade and other receivables are measured at the nominal value that, considering the speed of collection, coincides with the value determined by the application of amortized cost, in compliance with IFRS 9. Among

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financial liabilities, trading derivatives fall within the category "Liabilities measured at fair value", while hedging derivatives are recorded at fair value; the related change is accounted for in a shareholders' equity reserve that constitutes the comprehensive income statement. In this regard, it is noted that the Group has derivative contracts outstanding as at December 31, 2023 related to interest rate, bunker and exchange rate hedges, as already reported in Notes 5 and 14.
Indeed, at December 31, 2023, there was a hedging instrument (swap) on the bunker that the ship-owning company activated in order to reduce and control the risks associated with changes in the price of the raw material, the negative fair value of which is Euro 109 thousand, recognized in current financial liabilities with an specially designated equity reserve as counter-entry.
As at December 31, 2023, there is an interest rate hedging instrument in place, linked to the loan of Euro 90 million, whose negative fair value amounts to Euro 117 thousand (net of Euro 58 thousand positive and Euro 175 thousand negative), booked to the items non-current financial assets and financial liabilities, with a specially designated shareholders' equity reserve as counter-entry.
There is also a second interest rate hedge in place, linked to the loan of Euro 5.5 million, whose positive fair value amounts to Euro 241 thousand, booked to the item non-current financial assets, with a specially designated shareholders' equity reserve as contra-entry.
Finally, there is a third interest rate hedging instrument on the loan of Euro 15,000 thousand, held by Fruttital S.r.l., whose mark to market at the reporting date is positive and equal to Euro 451 thousand, recorded under non-current financial assets with a shareholders' equity reserve as contra-entry. In addition, there is a hedge on purchases of USD, the mark to market of which is negative and equal to Euro 950 thousand, posted under the item Current financial liabilities with a shareholders' equity reserve as contra-entry.

NOTE 33. Disclosures on assets and liabilities measured at fair value

Several standards and disclosure requirements require the Group to measure the fair value of financial and non-financial assets and liabilities. Based on the requirements of IFRS 13 "Fair value measurement", the following disclosure is provided.
Fair value of financial instruments:

- for financial assets and liabilities that are liquid or have a very short maturity, the book amount is considered to approximate fair value; this hypothesis also applies to term deposits, disposable securities and floating rate financial instruments;
- for the measurement of the fair value of hedging instruments, valuation models based on market parameters are used. At the reporting date, interest rate, USD purchase and bunker hedging derivatives had been stipulated, as already described extensively;
- the fair value of non-current financial liabilities is obtained by discounting all future cash flows at the period-end conditions. In the current situation, where for medium-term debt the cost of the loan is aligned with the market value, the nominal values of the debt are considered as fair values.

As regards trade and other receivables and payables, the fair value is equal to the book value, based on the consideration of their close expiry.

Fair value of non-financial instruments:

- for long-term biological assets, the cost method is used net of accumulated depreciation for the determination of the carrying amount;
- for current biological assets (agricultural product on the plant) fair value is used, i.e. the market value net of transportation costs.

It should be noted that, when third party information is used to determine the fair value, such as the prices of brokers or pricing services, the Group evaluates and documents the information obtained from third parties

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to support the fact that these evaluations comply with the provisions of IFRS, including the fair value hierarchy level in which to reclassify the associated valuation.
In the fair value measurement of an asset or liability, the Group uses observable market data as much as possible. Fair value is divided up into various hierarchical levels according to the input data used in the measurement techniques, as explained below.

- Level 1: the valuation techniques use prices listed (not adjusted) on an active market for identical assets or liabilities subject to valuation;
- Level 2: the valuation techniques consider inputs other than the previous prices, but that can, however, be observed directly (prices) or indirectly (derived from prices) on the market;
- Level 3: the techniques use inputs that are not based on observable market data.

If the input data used to measure the fair value of an asset or liability comes under different fair value hierarchy levels, the entire valuation is inserted in the same input hierarchy level at a lower level which is significant for the entire valuation. The Group records transfers between the different levels of the fair value hierarchy at the end of the year in which the transfer took place.

Financial instruments
Derivatives, valued using techniques based on market data, are swaps on bunkers and exchange rates and IRSs on interest rates whose purpose is to hedge both the fair value of underlying instruments and cash flows. The most frequently applied valuation techniques include “forward pricing” and “swap” models, which use the calculations of the present value. The following table analyzes financial instruments measured at fair value based on three different levels of valuation.

Thousands of €	12.31.2023			12.31.2022		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Current financial assets	12	-	-	10	-	-
Hedging derivatives	-	750	-	-	1,459	-
Financial liabilities						
Speculative derivatives	-	-	-	-	-	-
Hedging derivatives	-	(1,232)	-	-	(619)	-

Level 1 valuation was used for non-significant securities.
Level 2 valuation, used for financial instruments measured at fair value, is based on parameters such as bunker, exchange rates and interest rates that are quoted in active or observable markets on official rate curves. The financial asset measured with Level 2 as at December 31, 2023 relates to the positive fair value of the interest rate derivative, while the liability measured with Level 2 as at December 31, 2023 relates to the negative fair values of the exchange rate, bunker and interest rate derivative.

Non-financial instruments
It is noted that there are non-financial instruments measured at fair value as at December 31, 2023, represented by biological assets of the Mexican production company.

NOTE 34. Transactions with related parties

The Company and the Group have enacted a conduct procedure related to transactions with related parties, both companies and natural persons, in order to monitor and trace the necessary information regarding transactions between Group companies as well as those in which directors and executives of the Parent Company have interests, for the purpose of their control and possible authorization. The procedure identifies the subjects required to report the above information, defines what transactions should become the subject of

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communication, and sets the deadlines to submit the information, specifying its content. The main intra-group activities, regulated at market prices, are developed through contractual relations that specifically concerned:

- management of investments;
- regulation of financial flows through centralized treasury and intra-group loans;
- sharing of general, administrative and legal services;
- assistance related to IT services;
- trade agreements.

In addition, there is a fiscal relationship with the Parent Company Orsero, following the option exercised for the national tax consolidation regime, governed by Articles 117 et seq. of the TUIR Tax Code, for nearly all of the Italian companies, and a similar system has been activated in France by AZ France together with its French subsidiaries. Receivables and payables arising from such fiscal relationships are not interest-bearing. Transactions between the companies included in the scope of consolidation have been eliminated from the consolidated financial statements and have not been highlighted. It should be noted that during 2023 no related party transactions were implemented other than those that are part of the Group's ordinary course of business. Below is a summary of the items in the statement of financial position and income statement for transactions between the Group and related parties (other than those with respect to the consolidated subsidiaries) in 2023. Transactions with the companies shown in the table are essentially of a commercial nature and relate to specific sectors of activity, while those with natural person related parties relate to existing employment relationships or to remuneration due in their capacity as directors and statutory auditors of the Board of Directors of Orsero.

Related parties as at December 31, 2023

Thousands of €	Trade receivables	Trade payables	Other current liabilities
Associates			
Moño Azul S.A.	500	-	-
Citrumed S.A.	535	-	-
Bonaoro S.L.	48	229	-
Decofruit S.L.	2	40	-
Fruport S.A.	3	539	-
Agricola Azzurra S.r.l.	293	1,170	-
Total vs Associates	**1,381**	**1,979**	**-**
Relates companies			
Nuova Beni Imm.ri	33	56	-
GF Aviation[1]	(1)	-	-
Immobiliare Ranzi	28	-	-
Argentina S.r.l.	13	-	-
Fif Holding S.p.A.	53	-	-
Grupo Fernández	5	-	-
Trasp Frigo solocanarias	-	60	-
Rocket Logistica SL	-	153	-
Fersotrans	-	102	-
Related parties' natural persons	-	-	2,841
Total vs related parties	**131**	**371**	**2,841**
Total associates and related parties	**1,512**	**2,349**	**2,841**
Financial Statement	**144,237**	**159,973**	**27,879**
% of Financial Statement	**1.0%**	**1.5%**	**10.2%**

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Related parties as at December 31, 2023

Thousands of €	Net sales	Other revenues/cost recoveries *	Other operating income /expense	Financial expense and exchange rate differences	Trade expense *	General & admin.ve expense
Associates						
Moño Azul S.A.	103	-	-	-	(980)	-
Citrumed S.A.	-	79	-	(8)	(977)	-
Bonaoro S.L.	391	-	-	-	(1,520)	(18)
Decofruit S.L.	-	-	29	-	(438)	-
Fruport S.A.	12	-	-	-	(3,682)	(7)
Agricola Azzurra S.r.l.	13	164	24	-	(12,175)	-
Tirrenofruit S.r.l.	40	1	-	-	(8)	-
Total vs associates	**559**	**244**	**53**	**(8)**	**(19,781)**	**(25)**
Related companies						
Nuova Beni Imm.ri	11	-	-	-	-	(13)
GF Aviation	1	-	-	-	-	-
Immobiliare Ranzi	2	-	-	-	-	-
Argentina S.r.l.	3	-	-	-	-	-
Fif Holding S.p.A.	16	-	-	-	-	-
Trasp Frigo solocanarias	-	6	5	-	(1,028)	-
Rocket Logistica SL	-	-	-	-	(1,549)	-
Grupo Fernández	-	-	32	-	-	(280)
Immobiliaria Pacuare	-	-	-	-	-	(34)
Fersotrans	-	-	8	-	1,126	-
Related parties' natural persons	-	-	(1,998)	-	-	(2,764)
Total vs related parties	**32**	**6**	**(1,951)**	**-**	**(3,074)**	**(3,091)**
Total associates and related parties	**592**	**250**	**(1,898)**	**(8)**	**(23,484)**	**(3,116)**
Financial Statement	**1,540,813**	**(1,369,334)**	**(6,293)**	**12.457**	**(1,369,334)**	**(100.254)**
% of Financial Statement	**0.0%**	**0.0%**	**30.2%**	**0.1%**	**1.72%**	**3.1%**

* Within the item Cost of goods sold

Note that the item “Other receivables and other current assets” includes receivables from Argentina S.r.l. for Euro 8,000 thousand, fully written off.
Transactions with related parties are governed by specific contracts, the conditions of which are in line with those of the market.
It should be noted that the relationships with associated and related companies laid out in the table concern the supply of fruit and vegetables (Agricola Azzurra, Tirrenofruit, Bonaoro, Citrumed, Moño Azul) or services (Fruport, Nuova Beni Immobiliari, Fersotrans, Grupo Fernandez, Transp Frigo Solocanarias, Rocket Logistics), to mention the main ones.

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As mentioned above, costs to natural person related parties relate to the remuneration of employees and directors or statutory auditors of the Board of Directors of the Parent Company, in addition to Euro 1,998 thousand for the MBO/LTI bonus included in Other operating income/expense (non-recurring part).
For more details, refer to Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.

NOTE 35. Share-based payments

With reference to the 2023 financial year, the bonuses accrued by Top Management represent a cost of Euro 3,185 thousand divided into Euro 1,151 thousand for MBO (bonus component that will be paid following approval of the 2023 financial statements), Euro 733 thousand for LTI relating to the 2020-2022 Plan (deferred bonus component, payable in 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the “vesting period”, and indexed to the performance of the Orsero share price), Euro 1,244 thousand linked to the 2023-2025 Performance Share Plan (valuing the shares granted at fair value on the assignment date) and Euro 57 thousand as a dividend equivalent component, also in accordance with the Performance Share Plan.
It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation.
As noted above, with reference to the year 2023, a cost of Euro 1,244 thousand has been recorded in connection with the 2023-2025 Performance Share Plan as the target for the year 2023 has been reached, thus resulting in the assignment of 96,410 shares, which will be delivered free of charge within 10 trading days of the date of allocation of the final tranche of the Plan, and in any case no later than the date of the Orsero Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. The value specified above represents the fair value, in accordance with IFRS 2, at the assignment date, determined by an outside consultant to be Euro 11.8984 for shares without lock-up and Euro 11.3804 for shares with lock-up. Note that these shares are already held by the Company, which allocated a portion of the shares owned specifically for this plan. With regard to the costs associated with the Performance Share Plan, a specific reserve was created in shareholders’ equity.

NOTE 36. Employees

The following table shows the number of employees as at December 31, 2023 and 2022.

	12.31.2023	12.31.2022	Change
Distribution Sector			
Number of employees	1,868	1,470	398
Shipping Sector			
Number of employees	147	150	(3)
Holding & Services Sector			
Number of employees	84	89	(5)
Number of employees	**2,099**	**1,709**	**390**

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NOTE 37. Guarantees provided, commitments and other contingent liabilities

The guarantees provided by the Company are as follows:

Thousands of €	12.31.2023	12.31.2022	Change
Guarantees issued in the interest of the Group	3,580	3,585	(5)
Guarantees issued to third parties	2,656	2,627	29
Total guarantees	**6,236**	**6,212**	**24**

The amount of guarantees provided is in line with the end of the previous year.
We are not aware of any other disputes or proceedings that may have repercussions on the Group's economic and financial position, except for those already described in this financial report.

NOTE 38. Fees due to the Directors and the Board of Statutory Auditors

The following table details the remuneration for the members of the corporate bodies of Orsero S.p.A. in 2023.

Thousands of €	2023
Board of directors	534
Board of statutory auditors	88

It should be noted that "Directors' fees" includes Euro 46 thousand for contributions.

NOTE 39. Significant events after December 31, 2023

At the date of this Annual Financial Report of the Orsero Group, there were no significant events in terms of operating activities.
With reference to the latest developments in the international geopolitical situation, the Group's management continues to monitor their developments with the aim of maintaining an efficient import and distribution logistics chain and preserving its cost-effectiveness.

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ANNEX 1. Information in accordance with Art. 149-duodecies of the Consob Issuers' Regulation

The table below, prepared in accordance with Art. 149-duodecies of the Consob Issuers' Regulation, shows the fees for 2022 for auditing and other non-auditing services provided by the independent auditing firm appointed or by companies belonging to its network.

Type of services - Thousands of €	Company that provided the service	Adressee	Fees for 2023
Audit (*)			
	Kpmg S.p.A.	Parent Company	157
		Italian subsidiaries	127
	Kpmg Auditores S.L. KPMG France S.A. Kpmg & Associados S.A.	Foreign subsidiaries	152
Other services			
Purchase price allocation (**)	Kpmg S.p.A.	Parent Company	16
Tax declaration	Kpmg S.p.A.	Parent Company	3
Tax declarations	Kpmg S.p.A.	Italian subsidiaries	16

(*) Includes the audit Tax at December 31, 2023 and the limited review of the interim report as of June 30.
(**) Referred to Blampin Groupe and Capexo.

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ANNEX 2. Financial statements tables in accordance with Consob Resolution 15519/2006

Consolidated statement of financial position 2023 and 2022

Thousands of €	12.31.2023	of which related parties			
		Associates	Related	Total	%
ASSETS					
Goodwill	127,447	-	-	-	-
Intangible asset other than Goodwill	10,433	-	-	-	-
Property, plant and equipment	184,804	-	-	-	-
Investments accounted for using the equity method	20,581	20,581	-	**20,581**	**100%**
Non-current financial assets	5,291	316	-	**316**	**6%**
Deferred tax assets	7,540	-	-	-	-
NON-CURRENT ASSETS	**356,096**	**20,897**	**-**	**20,897**	**6%**
Inventories	53,118	-	-	-	-
Trade receivables	144,237	1,381	131	**1,512**	**1%**
Current tax assets	12,435	-	-	-	-
Other receivables and other current assets	14,582	-	-	-	-
Cash and cash equivalents	90,062	-	-	-	-
CURRENT ASSETS	**314,434**	**1,381**	**131**	**1,512**	**-%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**670,530**	**22,278**	**131**	**22,410**	**3%**
EQUITY					
Share Capital	69,163	-	-	-	-
Other Reserves and Retained Earnings	120,360	-	-	-	-
Profit/loss attributable to Owners of Parent	47,276	-	-	-	-
Equity attributable to Owners of Parent	**236,800**	**-**	**-**	**-**	**-**
Non-controlling interests	**1,724**	**-**	**-**	**-**	**-**
TOTAL EQUITY	**238,523**	**-**	**-**	**-**	**-**
LIABILITIES					
Financial liabilities	166,090	-	-	-	-
Other non-current liabilities	548	-	-	-	-
Deferred tax liabilities	4,215	-	-	-	-
Provisions	4,948	-	-	-	-
Employees benefits liabilities	8,963	-	-	-	-
NON-CURRENT LIABILITIES	**184,764**	**-**	**-**	**-**	**-**
Financial liabilities	52,576	-	-	-	-
Trade payables	159,973	1,979	371	**2,349**	**1%**
Current tax liabilities	6,815	-	-	-	-
Other current liabilities	27,879	-	2,841	**2,841**	**10%**
CURRENT LIABILITIES	**247,243**	**1,979**	**3,212**	**5,190**	**2%**
Liabilities directly associated with assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**670,530**	**1,979**	**3,212**	**5,190**	**1%**

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Thousands of €	31.12.2022	of which related parties			
		Associates	Related	Total	%
ASSETS					
Goodwill	48,245	-	-	-	-
Intangible asset other than Goodwill	10,020	-	-	-	-
Property, plant and equipment	163,967	-	-	-	-
Investments accounted for using the equity method	19,397	19,397	-	**19,397**	**100%**
Non-current financial assets	5,626	586	-	**586**	**10%**
Deferred tax assets	8,323	-	-	-	-
NON-CURRENT ASSETS	**255,578**	**19,983**	**-**	**19,983**	**8%**
Inventories	47,357	-	-	-	-
Trade receivables	119,107	427	218	**645**	**1%**
Current tax assets	16,929	-	-	-	-
Other receivables and other current assets	14,156	-	-	-	-
Cash and cash equivalents	68,830	-	-	-	-
CURRENT ASSETS	**266,378**	**427**	**218**	**645**	**-%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**521,957**	**20,409**	**218**	**20,627**	**4%**
EQUITY					
Share Capital	69,163	-	-	-	-
Other Reserves and Retained Earnings	99,661	-	-	-	-
Profit/loss attributable to Owners of Parent	32,265	-	-	-	-
Equity attributable to Owners of Parent	**201,090**	**-**	**-**	**-**	**-**
Non-controlling interests	**393**	**-**	**-**	**-**	**-**
TOTAL EQUITY	**201,483**	**-**	**-**	**-**	**-**
LIABILITIES					
Financial liabilities	101,096	-	-	-	-
Other non-current liabilities	735	-	-	-	-
Deferred tax liabilities	4,593	-	-	-	-
Provisions	5,759	-	-	-	-
Employees benefits liabilities	8,297	-	-	-	-
NON-CURRENT LIABILITIES	**120,479**	**-**	**-**	**-**	**-**
Financial liabilities	36,789	-	-	-	-
Trade payables	134,807	2,448	927	**3,375**	**3%**
Current tax liabilities	4,730	-	-	-	-
Other current liabilities	23,669	-	3,431	**3,431**	**14%**
CURRENT LIABILITIES	**199,995**	**2,448**	**4,358**	**6,806**	**3%**
Liabilities directly associated with assets held for sale	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**521,957**	**2,448**	**4,358**	**6,806**	**1%**

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Consolidated income statement and Consolidated statement of comprehensive income 2023 and 2022

Thousands of €	Year 2023	of which related parties			
		Associates	Related	Total	%
Net sales	1,540,813	559	32	**592**	**-%**
Cost of sales	(1,369,334)	(19,537)	(3,698)	**(23,235)**	**2%**
Gross profit	**171,478**				
General and administrative expense	(100,254)	(25)	(3,091)	**(3,116)**	**3%**
Other operating income/expense	(6,293)	53	(1.951)	**(1.898)**	**30%**
- of which non-recurring operating income	*2,533*	-	-	-	-
- of which non-recurring operating expense	*(10,383)*	-	*(1,998)*	**(1,998)**	**19%**
Operating result	**64,931**				
Financial income	1,512	-	-	-	**-%**
Financial expense and exchange rate differences	(12,457)	(8)	-	**(8)**	**-%**
Other investment income/expense	524	-	-	-	-
Share of profit/loss of associates accounted for using the equity method	1,614	-	-	-	-
Profit/loss before tax	**56,124**				
Income tax expense	(7,995)	-	-	-	-
Profit/loss from continuing operations	**48,129**				
Profit/loss from discontinued operations	-	-	-	-	-
Profit/loss for the period	**48,129**				
Profit/loss attributable to non-controlling interests	**853**	-	-	-	-
Profit/loss attributable to Owners of Parent	**47,276**				

Thousands of €	Year 2023	of which related parties			
		Associates	Related	Total	%
Profit/loss for the period	**48,129**				
Other comprehensive income that will not be reclassified to profit/loss, before tax	(748)	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	109	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	(2,265)	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	291	-	-	-	-
Comprehensive income	**45,517**				
Comprehensive income attributable to non-controlling interests	**853**				
Comprehensive income attributable to Owners of Parent	**44,664**				

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Thousands of €	Year 2022	of which related parties			
		Associates	Related	Total	%
Net sales	1,196,284	1,164	84	**1,249**	**-%**
Cost of sales	(1,077,434)	(18,995)	(3,543)	**(22,538)**	**2%**
Gross profit	**118,850**				
General and administrative expense	(75,831)	(53)	(2,954)	**(3,006)**	**4%**
Other operating income/expense	(3,077)	19	(2,085)	**(2,066)**	**67%**
- of which non-recurring operating income	-	-	-	-	-
- of which non-recurring operating expense	*(5,758)*	-	*(2,118)*	**(2,118)**	**37%**
Operating result	**39,942**				
Financial income	321	12	-	**12**	**4%**
Financial expense and exchange rate differences	(5,690)	-	-	-	-
Other investment income/expense	(483)	-	-	-	-
Share of profit/loss of associates accounted for using the equity method	2,041	-	-	-	-
Profit/loss before tax	**36,131**				
Income tax expense	(3,671)	-	-	-	-
Profit/loss from continuing operations	**32,460**				
Profit/loss from discontinued operations	-	-	-	-	-
Profit/loss for the period	**32,460**				
Profit/loss attributable to non-controlling interests	**195**				
Profit/loss attributable to Owners of Parent	**32,265**				

Thousands of €	Year 2022	of which related parties			
		Associates	Related	Total	%
Profit/loss for the period	**32,460**				
Other comprehensive income that will not be reclassified to profit/loss, before tax	1,060	-	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	(212)	-	-	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	(341)	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(55)	-	-	-	-
Comprehensive income	**32,913**				
Comprehensive income attributable to non-controlling interests	**195**				
Comprehensive income attributable to Owners of Parent	**32,717**				

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Consolidated cash flow statement 2023 and 2022

Thousands of €	Year 2023	of which related parties		
		Associates	Related	Total
A. Cash flows from operating activities (indirect method)				
Profit/loss for the period	**48,129**			
Adjustments for income tax expense	7,995	-	-	-
Adjustments for interest income/expense	8,301	(8)	-	**(8)**
Adjustments for provisions	2,841	-	-	-
Adjustments for depreciation and amortization expense and impairment loss	16,845	-	-	-
Other adjustments for non-monetary elements	14	-	-	-
Change in inventories	(2,373)	-	-	-
Change in trade receivables	1,036	(955)	87	**(867)**
Change in trade payables	2,492	(470)	(556)	**(1,026)**
Change in other receivables/assets and in other liabilities	4,940	-	(590)	**(590)**
Interest received/(paid)	(8,048)	-	-	-
(Income taxes paid)	(7,004)	8	-	**8**
Cash flow from operating activities (A)	**75,169**			
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(11,533)	-	-	-
Proceeds from sales of property, plant and equipment	609	-	-	-
Purchase of intangible assets	(1,687)	-	-	-
Proceeds from sales of intangible assets	-	-	-	-
Purchase of interests in investments accounted for using equity method	-	-	-	-
Proceeds from sales of investments accounted for using equity method	-	-	-	-
Purchase of other non-current assets	-	-	-	-
Proceeds from sales of other non-current assets	1,198	270	-	**270**
(Acquisitions)/disposal of investments in controlled companies, net of cash	(51,690)	-	-	-
Cash Flow from investing activities (B)	**(63,102)**			
C. Cash Flow from financing activities				
Increase/decrease of financial liabilities	(14,066)	-	-	-
Drawdown of new long-term loans	59,238	-	-	-
Pay back of long-term loans	(25,436)	-	-	-
Capital increase and other changes in increase/decrease	(286)	-	-	-
Disposal/purchase of treasury shares	(3,981)	-	-	-
Dividends paid	(6,303)	-	-	-
Cash Flow from financing activities (C)	**9,166**			
Increase/decrease in cash and cash equivalents (A ± B ± C)	**21,233**			
Cash and cash equivalents at 1st January 23-22	**68,830**			
Cash and Cash equivalents at 31st December 23-22	**90,062**			

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Thousands of €	Year 2022	of which related parties		
		Associates	Related	Total
A. Cash flows from operating activities (indirect method)				
Profit/loss for the period	**32,460**			
Adjustments for income tax expense	3,671	-	-	-
Adjustments for interest income/expense	3,760	(12)	-	**(12)**
Adjustments for provisions	2,245	-	-	-
Adjustments for depreciation and amortization expense and impairment loss	28,114	-	-	-
Other adjustments for non-monetary elements	-	-	-	-
Change in inventories	(4,024)	-	-	-
Change in trade receivables	(5,971)	659	189	**848**
Change in trade payables	7,953	(1,072)	622	**(451)**
Change in other receivables/assets and in other liabilities	(4,455)	-	1,897	**1,897**
Interest received/(paid)	(3,883)	12	-	**12**
(Income taxes paid)	(5,000)	-	-	-
Cash flow from operating activities (A)	**54,870**			
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(26,562)	-	(312)	**(312)**
Proceeds from sales of property, plant and equipment	687	-	-	-
Purchase of intangible assets	(2,828)	-	-	-
Proceeds from sales of intangible assets	31	-	-	-
Purchase of interests in investments accounted for using equity method	(5,394)	(5,394)	-	**(5,394)**
Proceeds from sales of investments accounted for using equity method	751	751	-	**751**
Purchase of other non-current assets	-	-	-	-
Proceeds from sales of other non-current assets	2,243	1,981	-	**1,981**
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	-
Cash Flow from investing activities (B)	**(31,073)**			
C. Cash Flow from financing activities				
Increase/decrease of financial liabilities	(8,736)	-	-	-
Drawdown of new long-term loans	54,217	-	-	-
Pay back of long-term loans	(48,661)	-	-	-
Capital increase and other changes in increase/decrease	980	-	-	-
Disposal/purchase of treasury shares	(2,215)	-	-	-
Dividends paid	(5,595)	-	-	-
Cash Flow from financing activities (C)	**(10,012)**			
Increase/decrease in cash and cash equivalents (A ± B ± C)	**13,786**			
Cash and cash equivalents at 1st January 22-21	**55,043**			
Cash and Cash equivalents at 31st December 22-21	**68,830**			

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INDEPENDENT AUDITOR'S REPORT

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(The accompanying translated consolidated financial statements of the Orsero Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Orsero S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Orsero Group (the "group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and the statements of comprehensive income, the consolidated cash flows and the consolidated changes in equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Orsero Group as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Orsero S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill

Notes to the consolidated financial statements: section "Valuation criteria – Impairment test" and note 1 - Goodwill

Key audit matter	Audit procedures addressing the key audit matter
The goodwill included in the consolidated financial statements at 31 December 2023 amounts to a total of €127.4 million. Goodwill is allocated to the cash-generating units ("CGU") aggregated in line with the group's organisational and operating structure, which coincides with the distribution operating segment for the entire amount of €127.4 million. In line with the procedure approved by the Orsero S.p.A.'s board of directors on 6 March 2024, the goodwill is tested for impairment at least annually and whenever there are triggering events, by comparing the carrying amounts of CGU group, including goodwill, to the related recoverable amounts. The recoverable amount is estimated based on the value in use, calculated using the discounted cash flow model by discounting the CGU group's expected cash flows over the three-year period 2024-2026. The expected operating cash flows were estimated on the basis of the 2024 budget, approved by the Board of Directors on 6 February 2024. The expected operating cash flows for the years 2025 and 2026 and for the terminal value have been determined on the basis of the operating result of year 2024. Impairment testing is complex and entails a high level of judgement, especially in relation to: • the expected operating cash flows, calculated by taking into account the general economic performance and that of the group's sector, the actual cash flows for recent years and the projected growth rates.	Our audit procedures, which also involved our own specialists, included: • updating our understanding of the process adopted to prepare the impairment tests and the forecasts set out in the update to the 2024-2026 plan; • checking any discrepancies between the previous years forecast and actual figures, in order to understand the accuracy of the estimation process; • analysing the reasonableness of i) the key assumptions used by the directors to identify the CGU, the criteria for the allocation of goodwill and to determine the related operating cash flows and ii) the valuation models adopted; • checking the consistency of the expected cash flows used for impairment testing with those used for the forecasts and analysing the reasonableness of any discrepancies; • checking the sensitivity analysis presented in the notes to the consolidated financial statements in relation to the key assumptions used for impairment testing; • assessing the appropriateness of the disclosures provided in the notes to the consolidated financial statements about goodwill and related impairment test.

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Key audit matter	Audit procedures addressing the key audit matter
• the financial parameters used to calculate the discount rate. For the above reasons and due to the materiality of the relevant caption, we believe that the recoverability of the carrying amounts of goodwill is a key audit matter.	

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") 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 the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' 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 auditors' 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 ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;

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- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 24 April 2019, the shareholders of Orsero S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

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Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the directors' report and the report on corporate governance and ownership at 31 December 2023 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership referred to above are consistent with the group's consolidated financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

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Orsero Group
Independent auditors' report
31 December 2023

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Orsero S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, this consolidated non-financial statement is subject to a separate attestation of compliance issued by other auditor.

Genoa, 29 March 2024

KPMG S.p.A.

(signed on the original)

Andrea Fumagallo
Director of Audit

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SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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Parent Company Financial Statements

Statement of Financial Position [19][20]

€	NOTES	12.31.2023	12.31.2022
ASSETS			
Intangible assets other than Goodwill	1	58,219	84,241
Property, plant and equipment	2	4,943,501	4,920,196
Equity investments	3	256,526,112	171,218,477
Non-current financial assets	4	646,946	719,219
Deferred tax assets	5	1,120,812	1,060,108
NON-CURRENT ASSETS		**263,295,590**	**178,002,240**
Receivables	6	43,360,505	53,680,893
Current tax assets	7	1,327,204	1,513,682
Other receivables and other current assets	8	624,742	687,265
Cash and cash equivalents	9	43,651,477	45,215,150
CURRENT ASSETS		**88,963,928**	**101,096,990**
Non-current assets held for sale		**-**	**-**
TOTAL ASSETS		**352,259,519**	**279,099,230**
Share Capital		69,163,340	69,163,340
Other Reserves and Retained Earnings		71,667,131	73,803,494
Profit/loss		22,164,788	7,261,081
EQUITY	**10**	**162,995,260**	**150,227,915**
LIABILITIES			
Financial liabilities	11	100,612,261	61,890,368
Provisions	12	-	-
Employees benefits liabilities	13	2,196,596	2,081,028
Deferred tax liabilities	14	71,790	169,293
NON-CURRENT LIABILITIES		**102,880,647**	**64,140,689**
Financial liabilities	11	30,556,747	14,636,484
Payables	15	50,923,708	44,366,256
Current tax liabilities	16	269,836	240,350
Other current liabilities	17	4,633,321	5,487,536
CURRENT LIABILITIES		**86,383,612**	**64,730,626**
Liabilities directly associated with non-current assets held for sale		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**352,259,519**	**279,099,230**

[19] The notes commenting on the individual items are an integral part of these Separate Financial Statements.
[20] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the condensed consolidated half-yearly financial statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

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Income Statement [21][22]

€	NOTES	Year 2023	Year 2022
Net sales	18	2,362,532	2,358,308
Cost of sales		-	-
Gross profit		**2,362,532**	**2,358,308**
General and administrative expense	19	(12,281,323)	(11,386,028)
Other operating income/expense	20	(2,462,545)	(3,827,354)
Operating result		**(12,381,335)**	**(12,855,074)**
Financial income	21	1,556,732	223,353
Financial expense and exchange rate differences	21	(7,063,395)	(2,082,265)
Other investment income/expense	22	36,151,838	20,163,832
Profit/loss before tax		**18,263,840**	**5,449,846**
Income tax expense	23	3,900,949	1,811,234
Profit/loss from continuing operations		**22,164,788**	**7,261,081**
Profit/loss from discontinued operations		-	-
Profit/loss		**22,164,788**	**7,261,081**

Comprehensive Income Statement

€	NOTES	Year 2023	Year 2022
Profit/loss		**22,164,788**	**7,261,081**
Other comprehensive income that will not be reclassified to profit/loss, before tax	13	(193,085)	180,738
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	23	-	-
Other comprehensive income that will be reclassified to profit/loss, before tax	11	(581,510)	933,948
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	23	139,562	(224,148)
Comprehensive income		**21,529,755**	**8,151,619**

[21] The notes commenting on the individual items are an integral part of these Separate Financial Statements.

[22] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the condensed consolidated half-yearly financial statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

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Statement of cash flows [23][24]

€	Notes	Year 2023	Year 2022
A. Cash flows from operating activities (indirect method)			
Profit/loss		**22,164,788**	**7,261,081**
Adjustments for income tax expense	23	(3,900,949)	(1,811,234)
Adjustments for interest income/expense	21	5,403,209	2,082,265
Adjustments for dividends	22	(36,278,566)	(20,339,035)
Adjustments for depreciation and amortization expense and impairment loss	19	390,989	708,197
Other adjustments for non-monetary elements		1,371,143	-
Change in receivables	6	10,320,388	(13,480,527)
Change in payables	15	6,557,452	19,584,968
Change in other receivables/assets and in other liabilities	*	3,485,202	2,688,499
Interest received/(paid)	21	(5,642,004)	(1,729,972)
(Income taxes paid)	23	-	-
Dividends received	22	36,278,566	20,339,035
Cash flow from operating activities (A)		**40,150,218**	**15,303,277**
B. Cash flows from investing activities			
Purchase of property, plant and equipment	2	(288,057)	(1,192,350)
Proceeds from sales of property, plant and equipment	2	45,592	224,510
Purchase of intangible assets	1	(16,649)	(7,951)
Proceeds from sales of intangible assets	1	-	-
Purchase of interests in equity investments	3	(66,977,300)	(3,500,000)
Proceeds from sales of equity investments	3	-	100,000
Purchase of other non-current assets	4-5	-	-
Proceeds from sales of other non-current assets	4-5	(60,106)	189,036
(Acquisitions)/disposal of investments in controlled companies, net of cash		-	-
Cash Flow from investing activities (B)		**(67,296,519)**	**(4,186,755)**
C. Cash Flow from financing activities			
Increase/decrease of financial liabilities	11	(5,358,333)	318,047
Drawdown of new long-term loans	11	59,238,102	36,988,304
Pay back of long-term loans	11	(18,294,289)	(30,168,751)
Capital increase and other changes in increase/decrease	10	-	885,384
Disposal/purchase of treasury shares	10	(3,981,107)	(2,215,423)
Dividends paid	10	(6,021,745)	(5,206,496)
Cash Flow from financing activities (C)		**25,582,628**	**601,065**
Increase/decrease in cash and cash equivalents (A ± B ± C)		**(1,563,673)**	**11,717,587**
Cash and cash equivalents at 1° January 23-22	**9**	**45,215,150**	**33,497,563**
Cash and Cash equivalents at 31 December 23-22	**9**	**43,651,477**	**45,215,150**

[23] The notes commenting on the individual items are an integral part of these Separate Financial Statements.
[24] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the condensed consolidated half-yearly financial statements and in Annex 2 “Financial statements tables stated in accordance with Consob Resolution 15519/2006”.
*Please refer to notes 7-8-13-14-16-17

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Statement of Changes in Shareholders' Equity [25][26]

€ - NOTA 10	Share Capital*	Share Capital*		Legal reserve	Share premium reserve	Reserve of cash flow hedges	Reserve of remeasurements of defined benefit plans	Reserve of share-based payments	Other reserves	Retained earnings	Profit/Loss	Total Equity
		Treasury shares*	Reserve of shareholding acquisition costs*									
December 31, 2021	**69,163,340**	**(2,572,355)**	**(153,461)**	**646,877**	**77,437,716**	**(173,708)**	**(656,611)**	**-**	**(3,828,128)**	**2,628,847**	**7,010,854**	**149,503,369**
Allocation of the profit/loss	-	-	-	350,543	-	-	-	-	1,453,815	-	(1,804,358)	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(2,215,423)	-	-	-	-	-	-	-	-	-	(2,215,423)
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	180,738	-	-	-	-	180,738
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	709,801	-	-	-	-	-	709,801
Dividends paid	-	-	-	-	-	-	-	-	-	-	(5,206,496)	(5,206,496)
Increase/decrease through share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	(1,393)	-	(3,763)	-	-	(5,156)
Profit/loss	-	-	-	-	-	-	-	-	-	-	7,261,081	7,261,081
December 31, 2022	**69,163,340**	**(4,787,778)**	**(153,461)**	**997,420**	**77,437,716**	**536,093**	**(477,266)**	**-**	**(2,378,076)**	**2,628,847**	**7,261,081**	**150,227,915**

[25] The notes commenting on the individual items are an integral part of these Separate Financial Statements.
[26] In accordance with Consob resolution no. 15519 of July 27, 2006, the effects of related party transactions are given in the explanatory notes to the condensed consolidated half-yearly financial statements and in Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".
(*) Expression of the share capital in compliance with the provisions of IAS 32 net of treasury shares for Euro 3,512 thousand and costs for the acquisition of equity investments of Euro 153 thousand

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	Share Capital**											
€ - NOTA 10	**Share Capital****	**Treasury shares****	**Reserve of shareholding acquisition costs****	**Legal reserve**	**Share premium reserve**	**Reserve of cash flow hedges**	**Reserve of remeasurements of defined benefit plans**	**Reserve of share-based payments**	**Other reserves**	**Retained earnings**	**Profit/Loss**	**Total Equity**
December 31, 2022	**69,163,340**	**(4,787,778)**	**(153,461)**	**997,420**	**77,437,716**	**536,093**	**(477,266)**	**-**	**(2,378,076)**	**2,628,847**	**7,261,081**	**150,227,915**
Allocation of the profit/loss	-	-	-	363,055	-	-	-	-	876,281	-	(1,239,336)	-
Issued of equity	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(3,981,107)	-	-	-	-	-	-	-	-	-	(3,981,107)
Other comprehensive income net of tax, gains/losses on remeasurements of defined benefit plans	-	-	-	-	-	-	(193,085)	-	-	-	-	(193,085)
Other comprehensive income net of tax, cash flow hedges interest rates	-	-	-	-	-	(441,948)	-	-	-	-	-	(441,948)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(6,021,745)	(6,021,745)
Increase/decrease through share-based payment transactions	-	-	-	-	-	-	-	1,244,204	-	-	-	1,244,204
Change of consolidation scope	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	(3,763)	-	-	(3,763)
Profit/loss	-	-	-	-	-	-	-	-	-	-	22,164,788	22,164,788
December 31, 2023	**69,163,340**	**(8,768,886)**	**(153,461)**	**1,360,475**	**77,437,716**	**94,145**	**(670,351)**	**1,244,204**	**(1,505,559)**	**2,628,847**	**22,164,788**	**162,995,260**

(**) Expression of the share capital in compliance with the provisions of IAS 32 net of treasury shares for Euro 8,769 thousand and costs for the acquisition of equity investments of Euro 153 thousand

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Certification of the Separate Financial Statements pursuant to Art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as subsequently amended and supplemented

1. The undersigned Edoardo Dupanloup, Corporate Accounting Reporting Officer of Orsero S.p.A., taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby certifies:

- the adequacy, considering the Company's characteristics, and
- the effective application of administrative and accounting procedures for the preparation of the separate financial statements during the period closed as at December 31, 2023.

2. No significant issues arose.
3. It is further certified that:

3.1 the separate financial statements:

a) are prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
b) coincide with the underlying books and accounting records;
c) are suitable to give a true and fair view of the issuer's economic, equity and financial position.

3.2 The Report on Operations, prepared in a single format for both the separate and consolidated financial statements, contains a reliable analysis of the business outlook and management result, the financial position of the issuer and a description of the main risks and uncertainties it is subject to.

Milan, March 13, 2024

Edoardo Dupanloup
Corporate Accounting Reporting Officer

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Notes to the Financial Statements as at December 31, 2023

Form and content of the Separate Financial Statements and other general information

Nature of the Company

Orsero S.p.A. (the "Parent Company" or the "Company") is a company organized under the laws of the Republic of Italy. The company represents the Parent Company of Orsero Group, whose activities have been extensively described in the pages above with regard to the single Report on Operations. The registered office of the Parent Company is Via Vezza d'Oglio no. 7, Milan, Italy.
As at December 31, 2023, the Company's share capital totals Euro 69,163,340.00, divided up into 17,682,500 ordinary shares with no nominal value.
As of December 23, 2019, Orsero ordinary shares are listed on the EURONEXT STAR Milan Market.

Statement of compliance and preparation criteria

These Separate Financial Statements as at December 31, 2023, prepared on the basis that the business continues to operate as a going concern, were prepared in accordance with Art. 4, paragraph 1 of Italian Legislative Decree no. 38 of 02/28/2005 and in compliance with the International Financial Reporting Standards (IFRS), the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Commission as per the procedure envisaged by Regulation (EC) 1606/2002, issued by the European Parliament and Council in July 2002 and in force as at the reporting date, as well as with the previous International Accounting Standards (IAS). Hereinafter in the Separate Financial Statements, to simplify matters, all these standards and interpretations will together be defined as "IFRS". In preparing this document, consideration was given to the provisions of Art. 9 of Italian Legislative Decree no. 38 of 02/28/2005, the provisions of the Italian Civil Code, Consob Resolutions no. 15519 ("Provisions on the financial statements tables to be issued in implementation of Art. 9, paragraph 3 of Italian Legislative Decree no. 38 of 02/28/2005") and no. 15520 ("Amendments and supplements to the regulation setting out provisions implementing Italian Legislative Decree no. 58/1998"), both dated July 27, 2006, and those of Consob communication no. DEM/6064293 of July 28, 2006 ("Corporate disclosure of listed issuers and issuers with financial instruments disseminated amongst the public pursuant to Art. 116 of the TUF") and Art. 78 of the Issuers' Regulation. It is specified that with reference to Consob Resolution no. 15519 of July 27, 2006 on the financial statements tables, specific additional tables have been added representing the statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows, highlighting significant related party transactions and the effects of non-recurring income and expense in order to avoid compromising the overall legibility of the financial statements tables.
The Separate Financial Statements are prepared in euros, which is the functional currency of the economy in which Orsero operates; the amounts given in the accounting statements are in units of euros, whilst the data given in the notes, is in thousands of euros. These Separate Financial Statements are compared with last year's separate financial statements, which were prepared applying the same criteria except for that described in the paragraph entitled "Accounting standards, amendments and IFRS interpretations applied starting January 1, 2023" in the notes to the Consolidated Financial Statements.
The Separate Financial Statements have been drawn up in accordance with the general historical cost principle, with the exception of financial assets and derivative instruments, which are measured at fair value. Please also note that the Directors have prepared the Separate Financial Statements assuming that the business will continue operating as a going concern, in accordance with paragraphs 25 and 26 of the standard IAS 1; this is possible due to the strong competitive position of the Group and the profitability and solidity of the equity and financial structure achieved. The IFRS were applied on a consistent basis with the indications provided in the

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"Framework for the preparation and presentation of financial statements" and no critical issues which required derogations in accordance with paragraph 19 of IAS 1, arose. Assets and liabilities are stated separately, without netting.
On March 13, 2024, the Board of Directors of Orsero S.p.A. approved the draft separate and consolidated financial statements of Orsero S.p.A. and authorized their publication. The Separate financial statements as at December 31, 2023 were audited by KPMG S.p.A.

Content and form of the Separate Financial Statements
The Separate Financial Statements consist of the statement of financial position, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and these Notes, applying the provisions of IAS 1 "Presentation of the financial statements".
The Company has adopted the following financial statements:

- statement of financial position, which classifies assets and liabilities as current and non-current;
- income statement, in which costs are presented using the "allocation" classification, a structure considered more representative than presentation by type;
- comprehensive income statement, which reports revenue and cost items that are not recognized in profit/loss for the year as required or permitted by IFRS;
- cash flow statement, presented using the "indirect method";
- statement of changes in equity reporting all changes during the year under review.

The choice of these statements allows the Parent Company's equity, economic and financial situation to be represented in a truthful, correct, reliable and more relevant manner. The form chosen is, in fact, consistent with internal reporting and management.
Please also remember that with its Resolution no. 15519 of July 27, 2006, Consob asked that the accounts given in the financial statements should highlight, if of significant value, any additional sub-items to those already specifically required by IAS 1 and the other international accounting standards, so as to highlight separately from the items of reference, the amount of all related party transactions and positions, as well as, insofar as regards the income statement, the positive or negative items of income deriving from non-recurring or unusual transactions. This information, as requested, has been included in Annex 2 and Notes 20 and 26 and in all notes to the Separate Financial Statements.

Management and coordination
The Company does not fulfill the requirements for being subject to management and coordination activities by the company FIF Holding S.p.A. pursuant to Art. 2497 bis of the Italian Civil Code. For more information, please refer to the Directors' Report on Operations.

Valuation criteria

Below are the main criteria adopted for the preparation of the financial statements at December 31, 2023. When, in relation to specific events or as a result of the development of accounting practice, a change is made in the accounting standards applied in a year, the Notes are intended to provide all the appropriate explanations to allow comparison with the previous year, if necessary by providing for the correction/re-alignment of the figures of the related financial statements. It should be noted that in preparing the financial statements as at December 31, 2023, the same principles and accounting policies as those used in the preparation of the financial statements as at December 31, 2022 were applied.

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Intangible assets other than goodwill

Intangible assets other than goodwill are assets that are not physical, identifiable, controlled and that can produce future economic benefits.
Intangible assets other than goodwill are recognized as assets in accordance with IAS 38 - Intangible Assets, when they are identifiable, it is likely that their use will generate future economic benefits and the cost can be reliably determined. These assets are stated at purchase or production cost, inclusive of all ancillary expenses incurred, and amortized on a straight-line basis over their useful lives. Intangible assets with definite useful life are amortized systematically from the time the asset is available for use for the period of their expected usefulness. The useful life is reviewed annually and any changes, where necessary, are made with prospective application. The recoverability of their value is verified according to the criteria set forth in IAS 36. Costs incurred subsequently are capitalized only when the expected future economic benefits which are attributable to the asset they refer to are increased. All other subsequent costs are allocated to profit and loss during the year in which they are incurred.
Patents and intellectual property rights are mainly related to application software licenses, which are amortized on a straight-line basis over their contractual useful life.
Concessions, licenses and trademarks essentially regard expenses for the use of software programs under license, amortized on average over a period of three years.
Assets in progress and advances include the balance of investments in assets not yet in service at year-end and therefore not subject to amortization, but are subject to impairment testing, as required by IAS 36.
Other intangible assets purchased or produced internally are recognized as assets in accordance with IAS 38 (Intangible Assets), when it is likely that their use will generate future economic benefits and when their cost can be reliably determined.

Property, plant and equipment

Property, plant and equipment are assets that are physical, identifiable, controlled by the company, and that can produce future economic benefits. Tangible assets purchased or produced internally are recognized as assets in accordance with IAS 16 - Property, Plant and Equipment, when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. They are recorded at historical cost of purchase, production or transfer, including the ancillary expenses required to make the asset available for use deducted from the cumulative accumulated depreciation and any write-downs made to adjust their value to the expected lower future utility. Subsequent costs are capitalized only when it is probable that the related future economic benefits will flow to the company. Depreciation is calculated on the basis of economic/technical rates related to the expected useful life of the assets, the most representative of which are:

Category	Useful life
Land	Not depreciated
Buildings	20 - 33 years
Plants	7 - 10 years
Vehicles	4 - 5 years
Furniture and fixtures	8 - 9 years
Electronic equipment	5 years

In the event there is an impairment, the asset is written down, regardless of the depreciation already recorded; in subsequent periods if the reasons for the write-down are no longer valid, it is restored to its original value, net of accumulated depreciation that would have been allocated, had impairment not been applied, or the recoverable value, if lower. The recoverability of their value is verified according to the criteria set forth in IAS 36. The residual value and useful life of an asset and the accounting methods used are reviewed yearly and adjusted where necessary at the end of each financial year.

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Gains and losses arising from the sale or disposal of assets are determined as the difference between the sale proceeds and the net book value of the asset and are recognized in the income statement for the year.
Any financial expense incurred for the purchase or production of tangible assets for which a certain period of time normally passes to make the asset ready for use is capitalized and amortized throughout the useful life of the class of assets to which it refers, while all other financial expenses are booked as profit and loss in the year in which they are incurred.
The costs of routine maintenance are fully recognized in the income statement while costs of an incremental nature are allocated to the assets to which they refer and are depreciated in proportion to their residual useful life. If leasehold improvements meet the capitalization requirements, they are classified under tangible assets and depreciated on the basis of the duration of the lease contract. In the presence of legal or implied obligations for the dismantling and removal of assets from sites, the carrying amount of the asset includes the estimated (discounted) costs to be incurred at the time of abandonment of the structures, recognized in counter-entry under a specific provision.
When tangible assets consist of several significant components with different useful lives, depreciation is calculated and carried out separately for each component.
Land is not subject to depreciation, even if purchased in conjunction with a building.

Leasing

The Company has lease agreements in place for the use of offices and apartments for use as temporary accommodation. The contracts are typically entered into for from 3 to 20 or more years, but they may have an extension option. The contractual terms are individually negotiated and contain a broad array of different terms and conditions.
Starting from January 1, 2019, following the initial application of IFRS 16, the Company has recognized for all of those lease agreements, with the exception of short-term ones (i.e., lease agreements with a duration of 12 months or less which do not contain a purchase option) and those concerning low-value assets (i.e., with a unit value of lower than USD 5 thousand), a right of use - recognized under tangible assets - and a corresponding financial liability equal to the sum of the rent established in the contract, discounted according to an appropriate financial cost (borrowing rate) based on the company's standing, the term of the lease and the value of the cost of money when the contract is entered into.
Lease payments relating to short-term and low-value contracts are recognized in the income statement as costs on a straight-line basis throughout the term of the lease.
The value of rights of use decreases over time as a function of depreciation, which is calculated over the contractual term. Only if the lease transfers ownership of the underlying asset to the company at the end of the contract will the right of use be depreciated on the basis of the useful life of the underlying asset, in line with that of the same assets in its category.
After the start date, the amount of liabilities for lease agreements increases to reflect the interests accrued and decreases to reflect the payments made. Each lease payment is broken down between the repayment of the principal on the liability and the interest cost.
The term of the lease is calculated considering the non-cancellable period of the lease as well as the periods covered by the agreement extension option if it is reasonably certain that it will be exercised, or any period covered by an option for the termination of the lease agreement, if it is reasonably certain that it will not be exercised. The Company evaluates if it is reasonably certain that it will or will not exercise the extension or termination options taking into account all relevant factors. The initial valuation is reviewed if a significant event takes place or there is a change in characteristics influencing the valuation itself which are under the control of the Company.
In the financial statements, the Company shows the right of use under Property, plant and equipment and lease liabilities under financial liabilities among non-current and current liabilities, depending on their maturity.

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Impairment

At each reporting date, the Company reviews the book values of its intangible assets and property, plant and equipment to determine whether there is any indication of impairment. If they are found to be impaired, the asset's recoverable value is estimated in order to determine the extent of the write-down. Should it be impossible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently, whenever there is an indication that the asset may have been subject to impairment. The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value at a pre-tax rate that reflects current market valuations of the value of capital and the specific risks connected to the asset. If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value and the impairment is recognized in the income statement. When it is no longer necessary to maintain an impairment, the carrying value of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if it had not been written down for impairment. The write-back is immediately recognized in the income statement.
The chapter on impairment testing details the procedure applied to validate the amounts of assets held by the Group companies.

Investments

Investments in subsidiaries and associates are valued at cost and reduced for any impairment losses. The positive difference, arising at the time of purchase, between the acquisition cost and the share of shareholders' equity at current values of the investee pertaining to the company is therefore included in the book value of the investment. Investments in subsidiaries and associated companies are subjected annually, or more frequently, if necessary, to an impairment analysis, by analyzing whether there are any trigger events and when necessary performing impairment testing. The valuation method used is based on the discounted cash flow or fair value, calculated as the amount obtainable from the sale of the investment in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If there is evidence that these investments have suffered an impairment loss, this is recognized in the income statement as a write-down. In the event that the Company's share, if any, of the investee's losses exceeds the carrying amount of the investment, and the Company has the obligation or intention to cover them, the value of the investment is written off and the Company's share of further losses is recorded as a provision in liabilities. If, subsequently, the impairment is eliminated or reduced, a reversal of the impairment loss is recorded in the income statement within the limits of the cost.
It should be noted that with reference to variable and deferred payments ("contingent consideration") related to the acquisition of investments in subsidiaries, associates and joint ventures, the Company, for the purposes of the separate financial statements, opted to apply the "cost-based approach" in line with what is defined in the IFRS "Conceptual Framework". Therefore, changes in the acquisition cost of equity investments relating to the measurement of "contingent consideration" are added to or deducted from the value of the equity investments. The alternative approach would have been to record them in the income statement in accordance with IFRS 9 and by analogy with what is set forth under IFRS 3 for consolidated financial statements. The approach followed by the Company, insofar as it can be defined as an "accounting policy election," will be prospectively followed for all future acquisitions in which this case arises.
In the section on equity investments, the impairment test was accounted for by verifying the stability of the values of the equity investments directly held by Orsero.

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Non-current/current financial assets

Non-current financial assets include items such as medium-term receivables, grants to be received and security deposits, all valued at nominal value, which normally coincides with their realizable value and are recorded at the time they are generated.
All other financial assets must be recognized initially at the trading date, i.e. when the Company becomes party to the contractual clauses of the financial instrument and must be classified on the basis of the business model of the Company that holds them and considering the cash flows of these assets. IFRS 9 envisages the following types of financial instruments, depending on measurement:

- financial assets measured at amortized cost;
- financial assets at fair value with changes recognized in the income statement;
- financial assets at fair value with changes recognized in the comprehensive income statement.

Initially, all financial assets are measured at fair value, increased in the case of assets other than those at fair value with changes in the income statement of ancillary charges. It should be noted that fair value means the value of the price of the instrument in an active market; in the absence of the latter, it is determined by using a valuation technique that establishes which price the transaction would have had at the valuation date in a free exchange based on normal commercial considerations. The Company determines the classification of its financial assets after initial recognition and, where appropriate and permitted, reviews said classification at the close of each financial year if the business model is changed. The recoverability of their value is verified according to the criteria set forth in IFRS 9 and described below. At the time of subscription, it is considered whether a contract contains implicit derivatives. Derivatives embedded in contracts where the primary element is a financial asset that falls under the field of application of IFRS 9 must never be segregated.
The Company must recognize a provision to cover losses for expected credit losses regarding financial assets measured at amortized cost or at fair value through other comprehensive income, assets deriving from contracts or commitments to disburse loans and financial guarantee contracts.
Financial assets are derecognized when the contractual rights to their cash flows expire or are transferred.
Financial assets measured at amortized cost are those assets held as part of a business model designed to obtain cash flows represented solely by payments of principal and interest. The measurement of financial assets at amortized cost involves the application of the effective interest rate method net of any provision for impairment.
Financial assets at fair value through other comprehensive income are assets held as part of a business model designed to obtain cash flows from both the payment of principal and interest and the sale of the asset. These activities result in the recognition of changes in the fair value of the instrument in the statement of comprehensive income. The cumulative amount of the changes in fair value, entered in the shareholders' equity reserve, is reversed to the income statement upon derecognition of the instrument.
The financial assets that are not measured at amortized cost and that are not designated at fair value through other comprehensive income are measured at fair value through profit or loss. Net profit and loss, including dividends or interest received, is noted in the period income statement.
It should be noted that equity instruments must always be measured at fair value, given that as they are not characterized by secure and constant cash flows, they are not compatible with the amortized cost method.

Trade, tax and other receivables

Trade, tax and other receivables are initially recognized at fair value, equating to their price determined in the relative transaction insofar as there is no significant loan component; thereafter, they are measured according to the amortized cost method, net of impairment.
IFRS 9 defines a new impairment model for such assets, with the aim of providing information to readers of the financial statements in regard to the related expected losses. According to this model, the Company measures receivables adopting an expected loss approach in lieu of the IAS 39 framework, which is typically

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based on the measurement of the incurred losses observed. For trade receivables, the Company takes a simplified approach to measurement, which does not require the recording of periodic changes to the credit risk, as much as it does the booking of an expected credit loss calculated over the entire life of the receivable (known as the "Lifetime Expected Credit Loss").
The policy enacted by the Company envisages the stratification of trade receivables into categories according to the number of days past due, defining the provision on the basis of past experience of losses on loans, rectified to take into account specific provisional factors referring to creditors and the economic environment. The credit risk is measured at the reporting date also for those financial assets whose cash flows have been renegotiated or modified. Receivables are written down entirely if there is no reasonable expectation that they will be collected, or where counterparties are inactive. The book value of the asset is reduced by the use of a provision for doubtful debt and the amount of the loss is recognized to the income statement. When collection of the price is deferred beyond normal terms established, the credit is discounted at a suitable market rate.
The item "Other receivables and other current assets" also includes accruals and deferrals relating to portions of costs and income spanning two or more years, the entity of which varies over time, in application of the accruals accounting approach.
The category also includes intercompany receivables from subsidiaries, associates and related parties with the clarification that receivables from subsidiaries include financial receivables relating to loans disbursed and the cash-pooling system established with Group companies as well as trade and tax receivables for those companies associated with the Parent Company in the national tax consolidation system.

Cash and cash equivalents

This item includes cash and amounts held in on-demand post office/bank current accounts (including fees payable and receivable accrued as at the reporting date) and entered at nominal value, which usually coincides with fair value.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit and loss. A financial liability is classified at fair value through profit and loss when it is held for trading, represents a derivative or is designated at such at the time it is first booked. Financial liabilities measured at fair value through profit or loss are measured at fair value with any changes, including interest expense, noted on the income statement. Other financial liabilities are measured thereafter at amortized cost, using the effective interest rate criterion. Interest expense and foreign exchange gains/(losses) are booked on the income statement, as are any gains or losses deriving from derecognition of the liability.
The Company proceeds to derecognize a financial liability when the obligation specified in the contract has been fulfilled or canceled.
Financial liabilities are entered under current and non-current financial liabilities, other non-current liabilities, trade payables, current tax liabilities and other current liabilities. Current and non-current financial payables include bond payables, bank loans, current account overdrafts, liabilities due to other lenders (namely leasing, factoring and payables in accordance with IFRS 16), liabilities for hedging derivatives and the price balance on acquisitions.
Financial liabilities, apart from derivatives, are initially carried at cost, which is approximately the equivalent of fair value, net of costs incurred for the transaction. Thereafter, any difference between the cost and value of repayment throughout the term of the loan, using the effective interest method. Loans are classified as current liabilities unless the Company has the unconditional right to defer the termination of this liability at least twelve months after the reference date. As regards leasing and liabilities in accordance with IFRS 16, reference is made, for measurement, to the paragraph entitled "Leasing" of these Notes, while for derivatives, please refer to the paragraph on "Derivative financial instruments and hedging".

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Earn-out liabilities from company acquisitions are recognized at fair value. Gains or losses from subsequent fair value measurements of the liability are recognized immediately in the income statement.
As regards other non-current liabilities, trade payables, tax liabilities and other current liabilities, they are entered at nominal value, which is believed to represent their extinguishing value; please note that these items do not include a significant portion of financing.
Similar to what was reported for “Receivables”, “Payables” include intercompany payables to subsidiaries, associates and related parties with the clarification that payables to subsidiaries include financial payables relating to the cash-pooling system established with Group companies as well as trade and tax payables for those companies associated with the Parent Company in the national tax consolidation system.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognized at fair value on the date on which they are stipulated. Thereafter, this fair value is periodically reviewed, and any changes booked to the period statement of comprehensive income. They are recognized as assets when the fair value is positive and as a liability when it is negative. Embedded derivatives are separated out from the primary contract and booked separately when the primary contract is not a financial asset and when certain criteria are met. The Company carries out transactions with derivative instruments with a view to hedging the risk of fluctuations in the prices of interest rates. Derivatives are classified, consistently with IFRS 9, as hedging instruments when:

- the hedging relationship consists solely of admissible hedging instruments and admissible hedged elements;
- at the inception of the hedging relationship there is a designation and formal documentation of the hedging relationship, the Company’s risk management objectives and the hedging strategy;
- the hedging relationship meets all effectiveness requirements.

When derivatives hedge the risk of fluctuation in the fair value of the underlying asset (fair value hedges), they are measured at fair value with the effects of the change in value of the instrument intended to offset the change, typically in the opposite direction, in the value of the hedged underlying asset recognized in profit or loss. When derivatives hedge the risk of changes in the cash flows of the underlying asset (cash flow hedge), the effective portion of changes in the fair value of the derivatives is initially recognized in equity (accounted through “other comprehensive income”) and subsequently recognized in the income statement, consistently with the economic effects of the hedged transaction.
Changes in the fair value of derivatives that do not meet the formal requirements to qualify as hedging for IAS/IFRS purposes are recognized in the income statement.

Treasury shares

Treasury shares are booked as a reduction of shareholders' equity. Their original cost and any economic effects from any subsequent sale are equally recorded as changes in equity.

Provisions

The Company recognizes provisions for current, legal or implicit obligations associated with past events (current and non-current) in the item provisions for risks and charges, provided that two precise conditions are met: (i) there is a high probability that, over time, resources will need to be used to meet such obligations and (ii) a reliable estimate can be made of their amount. The allocations reflect the best possible estimate based on the information available. The provisions are then reviewed at each reference date and potentially adjusted to reflect the best current estimate; any changes in estimate are reflected in the income statement of the period

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in which the change occurred. When the financial effect of time is significant and the payment dates of the obligations can be estimated, the provision is discounted using a rate that reflects the current valuation of the cost of money in relation to time. The increase in the provision related to the time elapsed is recorded in the income statement under “Financial income, financial expenses and exchange differences”.
In the event of lawsuits, the amount of the provisions is determined according to the risk assessment, in order to determine the probability, timing and amounts concerned. When the liability relates to property, plant and equipment (such as the dismantling and reclamation of sites), the provision is recognized as a counter-entry to the asset to which it refers and recorded in the income statement through the depreciation process.
The Notes to the financial statements provide information on significant contingent liabilities represented by:

- possible (but unlikely) obligations arising from past events whose existence will only be confirmed if one or more future events occur that are not entirely under the control of the company;
- current obligations arising from past events whose amount cannot be estimated reliably or whose fulfillment may not be onerous.

Employee benefits

Short-term benefits
Short-term employee benefits are accounted for in the income statement during the period in which they are employed.
Post-employment benefits
The Company's employees receive benefits coincident with or subsequent to termination of employment, which may be either defined contribution or defined benefit pension plans. The relative liability, net of any assets used for the plan, is determined on the basis of actuarial assumptions estimating the amount of future benefits that employees have accrued as at the reference date (the “projected unit credit” method). The liability is recognized on an accruals basis throughout the period for which the right is accrued and measured by an independent actuary.
The accounting of pension plans and other post-employment benefits depends on their nature. Defined contribution plans are post-employment benefits on which basis the Company pays fixed contributions to a legally different entity on a mandatory, contractual or voluntary basis, without there being any legal or implicit obligation to make additional payments if the entity does not have sufficient assets to pay all pension benefits accrued in relation to the work carried out this year and previous years. The contributions to be paid are recorded on the income statement through accruals accounting and classified amongst payroll costs.
Defined benefit plans are post-employment benefit plans other than defined contribution plans. The obligation to finance provisions for defined benefit pension plans and the related annual cost noted on the income statement are determined on the basis of independent actuarial valuations using the projected unit credit method, according to one or more factors such as age, years of service and future remuneration envisaged. Actuarial gains and losses relative to defined benefits plans deriving from changes in the actuarial hypotheses and adjustments based on past experience, are noted immediately in the period in which they arise in the statement of comprehensive income and are never carried as profit and loss in subsequent periods. Recognized liabilities for post-employment benefits reflect the present value of liabilities for defined-benefit plans, adjusted to consider unrecognized actuarial gains, reduced by the fair value of plan assets, where such exist. Any net assets determined by applying this calculation are entered up to the amount of the actuarial losses and the cost relating to past performance, not recognized previously, as well as the current value of repayments available and the reductions of future contributions to the plan. Costs relating to defined benefits plans are classified under payroll and related costs apart from costs relating to the increase of the current value of the obligation deriving from the approach to the time when benefits classified amongst financial expense, fall due.
As regards the Italian companies, severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code, was considered up until December 31, 2006 a defined benefits plan. The regulation of this provision has been significantly altered by Italian Law no. 296 of December 27, 2006 (“2007 Financial Law”) and subsequent Decrees and Regulations. More specifically, the new provisions have required, for companies with a workforce in excess of 50 employees as at the date on which the reform is introduced, to

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consider severance indemnity a defined benefits plan only for portions accrued as at January 1, 2007 (and not yet liquidated as at the reporting date); after that date, it is considered as equivalent to a defined contribution plans. Consequently, the portions of severance indemnity accrued after that date take on the nature of defined contribution plans, except, therefore, for actuarial estimating components used to determine the accrued cost. The portions of severance indemnity accrued as at December 31, 2006 remain valued as defined benefits plan, according to actuarial procedures, with the calculation, however, excluding the component relative to future salary increases.

Share-based payments

The 2020-2022 LTI Plan for directors and employees recognizes a monetary incentive related to the achievement of certain performance and shareholder value creation objectives, subject to the fulfillment of the access conditions (“Gate”) and the continuation of employment with the Group. The Plan also provides for a portion of these incentives to be indexed to Parent Company share performance. Services rendered and liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a payable recognized in “Other current liabilities”. The 2023-2025 Performances Share Plan for directors and employees, on the other hand, recognizes the vesting of Company shares upon the achievement of specific performance targets, including ESG targets, subject to continued employment with the Group. Services rendered and liabilities assumed were measured at fair value in accordance with IFRS 2. This fair value is recognized in the income statement as a cost on the basis of the vesting period, with a counter-entry as a shareholders' equity reserve. For more information, please also refer to the “2023-2025 Performance Share Plan” section of the Directors’ Report on Operations.

Revenues and income

According to IFRS 15, revenues from services are recognized when the service is rendered, based on the stage of completion of the activity at the reporting date.
Dividend and interest income are recognized respectively:

- dividends, in the year in which they are collected;
- interest, applying the effective interest rate method.

Costs and expenses

Costs incurred are accounted for on an accrual basis.
Financial expenses include interest expense on financial payables, calculated using the effective interest method, exchange rate losses and differences. They are also recognized in the income statement at maturity.

Dividends

Dividends received are recognized when, after the resolution of the Shareholders’ Meeting is passed, the right to receive the payment is established, typically coinciding with the collection.

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Period income tax, deferred tax assets and liabilities

Current taxes are recognized and determined based on a realistic estimate of taxable income in accordance with tax regulations in force and taking account of any applicable exemptions and tax credits due.
Orsero and almost all Italian subsidiaries participate in the "tax consolidation" system in accordance with Articles 117 et seq. of the TUIR.
Deferred taxes are determined on the basis of taxable or deductible temporary differences between the book value of assets and liabilities and their tax value. They are classified as non-current assets and liabilities. A deferred tax asset is recognized if it is likely that taxable income will be realized against which the deductible temporary difference can be utilized.
The carrying amount of deferred tax assets is subject to periodic analysis and is reduced to the extent to which it is no longer likely that sufficient taxable income will be generated to allow for the benefit deriving from such deferred asset to be utilized.

Amendments to IAS 12 (Income Taxes) - International Tax Reform - Pillar Two

The company adopted the amendments to IAS 12 for the first time in the current financial year. The IASB has amended the scope of IAS 12 to clarify that the standard applies to income taxes arising from tax laws enacted, or substantially enacted, to implement the Global Minimum Tax ("Pillar Two") rules published by the OECD (and adopted by the European Union by means of Directive No. 2523/2022), including tax laws implementing the qualified domestic minimum taxes described in such rules.
Commission Regulation (EU) 2023/2468 of November 8, 2023, published in the Official Journal on November 9, 2023, implemented the amendments to IAS 12.
The amendments introduce a temporary exception to the deferred tax accounting requirements of IAS 12 so that an entity does not recognize or disclose information on deferred tax assets and liabilities relating to Pillar Two. As a result of the amendments, the company is required to report the application of the exception and separately disclose current tax (income) expense relating to taxes pertaining to Pillar Two.
With respect to supplementary information, in periods when Pillar Two legislation is in force or substantially in force but has not yet taken effect, companies must provide information that is known or can be reasonably estimated that helps users of financial statements understand their exposure to Pillar Two income taxes.

Recognition of Put & Call option

Regarding the valuation of Put & Call Options, in line with best practices, it is necessary to determine the fair value of financial instruments connected to the purchase of non-controlling shares in the companies in which investments are already held. The fair value of financial assets or liabilities arising from option contracts is estimated by considering the instruments as forwards, given the symmetry of the put/call conditions and prepared by an independent external professional.

Conversion criteria for foreign currency items

Costs and revenues denominated in currencies other than the Euro, as well as investments in technical fixed assets and equity investments, are accounted for using the historical changes at the dates of the related transactions. Receivables and payables in foreign currency are initially recorded based on historical exchange rates of the related transactions, with the exchange rate differences realized at the time of collection or payment

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recorded in the income statement; receivables and payables in foreign currency outstanding at the end of the year are valued at December 31. Related exchange rate gains and losses are recognized in the income statement. If the conversion creates a net gain, this amount represents a reserve which cannot be distributed until it is actually realized.

Use of estimates, risks and uncertainties

The preparation of the financial statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of revenues, costs of assets and liabilities of the financial statements and on the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions used are based on experience, other relevant factors and the information available. Therefore, the actual results achieved may differ from said estimates. The estimates and assumptions may vary from one year to the next and they are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate is reviewed if the review only concerns that period, or possibly in subsequent periods if the review concerns both the current and future periods.
The main estimates for which the use of subjective valuations by the management is most required were used, inter alia, for the valuation of subsidiaries and associated companies, deferred taxes, provisions and the fair value of financial instruments.

Impairment test of investments

IAS 36 specifies that at the end of each reporting period an entity shall assess whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. In assessing whether the aforesaid indication exists, the Company shall consider the presence of any “impairment indicators”, as required by paragraph 12 of IAS 36. An impairment loss shall be recognized in the income statement when the book value of an asset or cash-generating unit exceeds its recoverable amount. The book values of the Company’s assets are in any case measured at the reference date of the annual financial statements. Intangible assets with an indefinite useful life are tested at least annually and every time there is an indication of a possible impairment to determine whether impairment exists.
For the purposes of IAS 36, the Company carries out impairment tests every year or more frequently if necessary if there is any indication of impairment, with respect to subsidiaries to verify the recoverability of the carrying amount of investments and ensure that the value recorded in the financial statements does not exceed the recoverable amount.
For more granular monitoring of the maintenance of the book value of Orsero's equity investments, an analysis of indicators/triggering events was conducted, taking care to examine internal and external indicators that could be symptomatic of possible impairment. If the overall analysis of the indicators reveals a potential impairment loss for one of the investee companies, the relative impairment test is performed.
In particular, as a result of the analysis of triggering events, Galandi, AZ France, and Eurofrutas were tested. Following the analysis, no critical issues emerged in terms of the stability of the value of equity investments, considering the valuation of their recoverable value, as shown by the findings described below.
In order to represent the impairment testing results for the companies mentioned above, equity values (equal to Enterprise Value minus Net Financial Position) were used compared with the corresponding values of the equity investments. All calculations were carried out taking into account the application of IFRS 16.
The solidity of the values of equity investments is verified by comparing the book values with the corresponding equity values, equal to the sum of discounted cash flows for the 2024-2026 three-year period and the terminal value that the individual companies, as shown in the analysis of triggering events, will be able to generate according to management estimates, less the net financial position at December 31, 2023.
The cash flows were estimated using data from the 2024 Budget on the basis of which the data for the years 2025 and 2026 were determined, as well as the Terminal Value data. In preparing the impairment test, the 2024 budget figures approved at the Board of Directors' meeting on February 6, 2024 were used.

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For discounting, the post-tax WACC is used as the discount rate, which takes into account the specific risks of the asset and reflects current market valuations of the cost of money. It is based on weighting the cost of debt and the cost of equity, calculated based on the values of companies comparable to those belonging to the Group and subject to impairment.
For the 2023 impairment test, as in the previous year, an independent professional was appointed to determine the parameters applied in the test.
Following the analysis, no critical issues emerged in terms of the stability of the value of equity investments, considering the valuation of their recoverable value, as shown in the table below.

Thousands of €	WACC	"g" rate	Equity Value	Cost of equity investment	Head-room
- Galandi	8.54%	0.85%	5,802	5,667	134
- AZ France	8.35%	1.00%	48,107	21,528	26,579
- Eurofrutas	8.33%	1.00%	6,925	5,174	1,751

In compliance with the requirements of the standard, monitoring results are also shown with respect to last year's structure, that is, the test on individual CGUs organized by geographical area for the separate financial statements as well.

Thousands of €	WACC	"g" rate	Equity Value	Cost of equity investment	Head-room
- Italy	8.54%	0.85%	121,540	56,823	64,716
- France	8.35%	1.00%	218,679	105,341	113,338
- Iberian Peninsula	8.33%	1.00%	80,984	46,531	34,453
- Greece	858%	1.00%	14,652	2,527	12,126
- Cosiarma	12.86%	-	83,418	31,861	51,557

The relative sensitivity analysis (inclusive of last year's structure) follows:

Companies	Adjusted EBITDA	WACC	"g" rate
- Galandi	-1.63%	8.83%	0.51%
- AZ France	-46.71%	148.70%	N/S
- Eurofrutas	-6.79%	9.95%	-0.87%

Companies	Adjusted EBITDA	WACC	"g" rate
- Italy	-22.30%	14.33%	-6.81%
- France	-29.30%	16.56%	-10.45%
- Iberian Peninsula	-17.56%	12.70%	-4.57%
- Greece	-59.97%	91.44%	N/S
- Cosiarma	-85.64%	N/S	-

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Management of financial risk

IFRS 7 requires additional information to evaluate the significance of financial instruments in relation to Orsero's economic performance and financial position. This accounting standard requires a description of the objectives, policies and procedures put in place by management for the various types of financial risk (liquidity, market and credit) to which the Company is exposed, including sensitivity analysis for each type of market risk (interest rate) and disclosures about the concentration, as well as average, minimum, and maximum exposures to the various types of risk during the reporting period, if the exposure at the end of the period was not sufficiently representative.
The Company is a holding of equity investments that assures the centralized management and strategic coordination, marketing and communication, HR management, IT and support services for the Finance Area, for Group companies. The following financial risks are incurred in going about its business:

- liquidity risk, with reference to the availability of financial resources and access to the credit market;
- market risk, in relation to the interest rate risk;
- credit risk, relating to above all commercial relations.

It is reported that in relation to the market risk, Orsero S.p.A. is only subject to the interest rate risk, insofar as it does not operate with currencies other than the Euro and is not subject, in respect of its holding business, to the price risk. The company's main financial instruments include current accounts and short-term deposits, as well as financial liabilities to banks in the short and long term, bond payables, liabilities due to other lenders and derivatives. The purpose is to finance the Group's operating activities. Additionally, the company has trade receivables and payables from its business activities. Management of the cash needs and related risks (mainly interest rate risk) is carried out by the centralized treasury on the basis of the guidelines defined by the Treasury Manager with the Corporate Accounting Reporting Officer and approved by the Co-CEOs. Please note that the risks mentioned above are constantly monitored, taking action with a view to dealing with and limiting the potential negative effects through the use of appropriate policies and, in general, where deemed necessary, also through specific hedges. This section provides qualitative and quantitative information of reference on the incidence of such risks on the Company. The quantitative data presented below are not predictions and cannot reflect the complexity and the related reactions of markets that could derive from each hypothetical change.

Liquidity risk
The Company, as the Parent Company, manages the liquidity risk with a view to ensuring the presence, on both a separate and consolidated level, of a liability structure that matches the composition of financial statement assets, in order to maintain a solid level of capital. Credit facilities, even if negotiated on a Group level, are granted for individual companies. The Company and the Group have also financed their investments with medium/long-term credit facilities that guarantee a liquidity position that is adequate for its core business. There is plenty of opportunity to use short-term trade credit facilities if trade working capital is needed in connection with organic growth and development. Please also note that the Group operates in a sector that is relatively protected in terms of liquidity, insofar as there is a specific European regulation (Art. 4 of Decree Law 198/204), which requires payments of perishable assets to be made within 30 days of the end of the month in which said assets are invoiced. This means that collection and payment terms are relatively short, precisely due to the type of assets marketed. If we then also add the fact that inventories have very rapid stock rotation times and, in any case, an average of 1 or 2 weeks, we can see that the working capital cycle is virtuous and does not entail any liquidity risk in normal market operations. In addition, in June 2021 the Group activated a policy with a leading bank for an even better and more flexible management of its working capital. The table below offers an analysis of deadlines, based on contractual obligations for reimbursement, relative to financial, trade, tax and other liabilities in place as at December 31, 2023.

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Thousands of €	Balance at December 31, 2023	Within 1 year	1 - 5 year	Over 5 years
Bond payables	25,000	5,000	20,000	-
Medium- to long- term bank loans (noncurrent/ current)	87,417	19,415	68,002	-
Other lenders (Non -current/current) IFRS 16	3,611	283	1,454	1,874
Non-current liabilities for derivative (noncurrent/ current)	175	-	175	-
Payables for price balance on acquisitions (non-current/current)	14,965	5,858	9,107	-
Other current lenders short term	-	-	-	-
Payables to suppliers*	1,438	1,438	-	-
Payables to subsidiaries*	49,466	49,466	-	-
Payables to related parties*	20	20	-	-
Current tax liabilities	270	270	-	-
Other current liabilities	4,633	4,633	-	-
Non-current/current liabilities at 31.12.2023	**186,996**	**86,384**	**98,738**	**1,874**

*In the item "Payables"

It is reported that all amounts indicated in the table above represent values determined with reference to the residual contract end dates. The Company expects to cope with these commitments using cash flow from Group operations.

Interest rate risk

The Company and the Group help finance their medium/long-term investments and working capital through use of credit instruments. The Group mainly uses medium-term credit facilities in euros, part of which at fixed rate and part at variable rate; a suitable partial IRS plain vanilla hedge has been activated on the main ones (2022-2028 Pool Loan for an original figure of Euro 90 million and 2020-2029 Pool Loan originally for Euro 15 million, in addition to the 2021-2027 Credit-Agricole loan for Euro 5.5 million), with a view to mitigating the risk of fluctuation of the reference rates (Euribor) over time; instead, in the case of the only debenture loan issued, the option was chosen for an entirely fixed rate structure. As at December 31, 2023, the interest rate hedges hedge approximately 42.3% of medium and long-term variable rate bank loans, thereby meaning that approximately 55.2% of Orsero's entire medium/long-term bond and bank debt is at fixed rate. It is stressed that, in the Group's opinion, such choices have turned out to be highly satisfactory in light of the occurred increase in the reference rates in Europe.
Please note that at December 31, 2023, two hedging contracts are in place, stipulated by the Parent Company with two banks in accordance with the Pool Loan Agreement, which contain a cross default clause that entitles the related bank to terminate and/or withdraw from (as applicable) the related hedging contract, in the event of significant default by subsidiaries, parents and/or joint ventures, with the concept of control regulated by the possession of the majority of votes.

Sensitivity analysis on interest rates

In 2023, Orsero's net financial position increased from Euro 30,600 to Euro 86,878 thousand, of which the component recognized according to IFRS 16 is Euro 3,611 thousand. Below is the ratio of debt to equity as at December 31, 2023 and December 31, 2022. Please note that the financial covenants existing on the bond and pool loan must be counted, as envisaged by the related contracts, on a net financial position that excludes the application of the new standard IFRS 16 for the entire term of said loans.

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Thousands of €	12.31.2023	12.31.2022
Net financial debt	86,878	30,600
Total shareholders' equity	162,995	150,228
Ratio	**0.53**	**0.20**

The table below shows the decreased incidence during the period of fixed-rate debt or variable-rate debt hedged by IRSs, due to the new Euro 56.7 million pool loan taken out, on which the incidence of hedging is proportionally lower. The incidence of said debt on total "onerous" debt is also indicated, thereby meaning not only bank debt and the debenture loan but also: (i) short-term bank debt; (ii) finance lease payables; and (iii) factoring, all essentially variable rate. As compared with gross financial debt, as shown in the financial statements, "non interest-bearing" payables are excluded, like the mark-to-market positions on derivatives, the price shares to be paid on acquisitions made and payables linked to the application of IFRS 16.

Thousands of €	12.31.2023	12.31.2022
Total medium- to long- term bank/bond loans (A)	**112,417**	**71,473**
of which fixed rate	62,011	45,406
Percentage - fixed rate	55.2%	63.5%
of which floating rate	50,406	26,067
Percentage - floating rate	44.8%	36.5%
Total other onerous debt (B)	**-**	**-**
Total onerous debt (A+B)	**112,417**	**71,473**
Percentage - fixed rate	55.2%	63.5%
Percentage - floating rate	44.8%	36.5%

As at December 31, 2023, total debt increased by approximately Euro 41 million compared to the previous year, mainly due to the new Pool loan taken out for about Euro 56.7 million and a new loan of Euro 3 million. Within the medium/long-term bank debt, the portion of Euro 37.0 million is represented by variable rate loans hedged by means of derivatives, amounting to 46.3% of the nominal debt: please note that this hedging is effective against interest rate rises but clearly does not cancel out the effect of any spreads, envisaged contractually if the ratio between Net Financial Position and Adjusted EBITDA should take a turn for the worse. The table below shows the breakdown of financial expense for the two-year period according to nature (excluding interest cost) , whilst below that the table relating to the sensitivity analysis illustrates what the effect would have been, in relation to interest linked to medium/long-term bank loans, of the higher expenses that would have arisen in 2023 in the event of a higher level of interest rates by between 25 and 100 basis points.

Thousands of €	12.31.2023	12.31.2022
Evolution of financial charges		
- on fixed rate bond/bank loans	(1,057)	(1,119)
- on fixed rate bank loans through derivative	(876)	(407)
- on floating rate bank loans	(3,180)	(218)
- on bank overdrafts and other financial liabilities	(14)	(15)
- IFRS 16 interest	(103)	(88)
- Earn-out interests	(805)	-
- amortizing interests	(261)	(160)
Total	**(6,296)**	**(2,006)**

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Thousands of €	12.31.2023	12.31.2022
Actual expense on floating rate bank loans	(3,180)	(218)
+ 25 bp	(168)	(35)
+ 50 bp	(335)	(70)
+ 75 bp	(503)	(105)
+ 100 bp	(670)	(140)

Credit risk
The Company has a limited degree of exposure to the credit risk, for the most part from transactions with Group companies meaning that the risk is low that any delays or non-payments made by them should have a negative impact on Orsero's economic, equity and financial position. Receivables and payables include loans, both creditors and debtors, with respect to subsidiaries also through the cash pooling and short-term loan system, whose balances at December 31, 2023 amount to Euro 29,315 thousand of receivables and Euro 48,491 thousand of payables.
The table below provides a breakdown of receivables as at December 31, 2023, grouped by past-due, net of the provision for doubtful debt:

Thousands of €	31.12.2023	Not due	Overdue within 30 days	Overdue between 31-90 days	Overdue between 91-120 days	Overdue over 120 days
Gross Trade receivables	43,361	43,351	-	9	-	-
Provision for bad debts	-	-	-	-	-	-
Trade receivables	**43,361**	**43,351**	**-**	**9**	**-**	**-**

Transactions deriving from non-recurring transactions

In accordance with the Consob Communication of July 28, 2006, it is specified that in 2023 the Company incurred costs relating to non-recurring transactions. In accordance with Consob Communication no. 15519 of February 28, 2005, please note that the item "Other operating income/expense" includes net expenses of Euro 2,652 thousand, primarily linked to Top Management incentives and the new Group incentive plan. For more details, refer to the Note 20 "Other operating income/expense" and Annex 2 "Financial statements tables stated in accordance with Consob Resolution 15519/2006".

Transactions deriving from atypical and/or unusual transactions

In compliance with the provisions of the Consob Communication of July 28, 2006, in FY 2023 the Company did not implement any atypical and/or unusual transactions as defined in that Communication, except for the above-mentioned acquisitions of Capexo and Blampin, which will take effect as of January 1, 2023.

2023-2025 Performance Share Plan

In line with the best market practices adopted by listed companies at national and international level, the Company believes that remuneration plans linked to share value performance are an effective incentive and

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loyalty tool for key players in order to maintain and improve performance and contribute to the growth and success of companies. The adoption of remuneration plans linked to share performance also responds to the recommendations of the Corporate Governance Code, Art. 5 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities and key personnel of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term. The establishment of incentive remuneration mechanisms is expressly required by the stock exchange regulation for companies belonging to the STAR segment of Euronext Milan market. The "2023-2025 Performance Share Plan" is therefore aimed at fostering the retention of key resources who constitute one of the factors of strategic interest for Orsero and the Group, allowing them to benefit from an incentive correlated with the achievement of financial and Group performance, as well as sustainability performance objectives in the medium to long term, thus having sustainable growth in mind, consistent with widespread and consolidated best practices, also at international level. In particular, it makes it possible to pursue the following objectives: 1) incentivizing the retention of resources that can make a decisive contribution to the success of Orsero and the Group over a medium/long-term time horizon; 2) developing attraction policies with respect to talented managerial and professional figures, with a view to the continuous development and strengthening of the key and distinctive competencies of the Company and the Group; 3) fostering the retention of Beneficiaries over a medium/long-term time horizon through personnel satisfaction and motivation and by developing their sense of belonging to Orsero and the Group 4) linking the variable remuneration of Beneficiaries to the achievement of performance objectives, also in terms of sustainability goals, to be assessed over a future multi-year time frame, with a view to pursuing the objective of creating value from a long-term perspective; 5) aligning the interests of Beneficiaries with those of the shareholders and investors in a framework of sustainability and sound and prudent risk management. The Plan provides for the free assignment to the Beneficiaries of rights entitling them to receive, again free of charge, Shares, at a ratio of 1 share for each vested right, subject to the achievement in the performance period of predetermined performance and sustainability objectives. The amount of rights granted, represented by up to 320,000 shares, was determined by the Board of Directors following the approval of the Plan itself by the Shareholders' Meeting, subject to the opinion of the Committee. For details about the Plan, please refer to the governance section of the website https://www.orserogroup.it/governance/remunerazione/.

With reference to the 2023 financial year, the incentives accrued by Top Management represent a cost of Euro 2,652 thousand divided into Euro 1,151 thousand for MBO (bonus component that will be paid following approval of the 2023 financial statements), Euro 641 thousand for LTI relating to the 2020-2022 Plan (deferred bonus component, payable in 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period", and indexed to the performance of the Orsero share price), Euro 820 thousand linked to the 2023-2025 Performance Share Plan (valuing the shares granted at fair value on the assignment date) and Euro 40 thousand as a dividend equivalent component, also in accordance with the Performance Share Plan.

It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation.

As noted above, with reference to the year 2023, a cost of Euro 820 thousand in non-recurring costs and an additional Euro 424 thousand have been recorded on investments in connection with the 2023-2025 Performance Share Plan as the target for the year 2023 has been reached, thus resulting in the assignment of 96,410 shares, which will be delivered free of charge within 10 trading days of the date of allocation of the final tranche of the Plan, and in any case no later than the date of the Orsero Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. The value specified above represents the fair value, in accordance with IFRS 2, at the assignment date, determined by an outside consultant to be Euro 11.8984 for shares without lock-up and Euro 11.3804 for shares with lock-up. Note that these shares are already held by the Company, which allocated a portion of the shares owned specifically for this plan. With regard to the costs associated with the Performance Share Plan, a specific reserve was created in shareholders' equity. It should be noted that the Parent Company recorded an additional Euro 18 thousand as the higher value recognized on equity investments in relation to the dividend equivalent.

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Notes - disclosures on the statement of financial position and the income statement

This chapter provides useful information to explain the most significant changes compared to the previous year in the items of the financial statements.

NOTE 1. Intangible assets other than goodwill

Thousands of €	Intellectual property rights	Concessions, licenses and trademarks	Assets in progress and advances	Other intangible assets	Total
Carrying amount	**330**	**6**	**17**	-	**352**
Accumulated amortization	**(266)**	**(2)**	-	-	**(268)**
Carrying amount at December 31, 2022	**64**	**4**	**17**	-	**84**
Change of year:	-	-	-	-	-
Investments	17	-	-	-	17
Disposal - Carrying amount	-	-	-	-	-
Disposal - accumulated amortization	-	-	-	-	-
Reclassification - carrying amount	-	-	-	-	-
Reclassification - accumulated amortization	-	-	-	-	-
Impairment losses	-	-	-	-	-
Translation differences - carrying amount	-	-	-	-	-
Translation differences - accumulated amortization	-	-	-	-	-
Amortization	(42)	(1)	-	-	(43)
Carrying amount	**346**	**6**	**17**	-	**369**
Accumulated amortization	**(308)**	**(3)**	-	-	**(311)**
Carrying amount at December 31, 2023	**38**	**3**	**17**	-	**58**

Intangible assets have increased by Euro 17 thousand. The increase can be attributed exclusively to costs incurred for the development and implementation of a new internal network.
The Company did not incur any expenses for research in 2023.

Intellectual property rights
The item includes costs incurred for the Company's software programs and licenses, amortized on a straight-line basis over 5 years or based on the duration of the related license, with a residual value of Euro 38 thousand (Euro 64 thousand at December 31, 2022). During the year, amortization of Euro 42 thousand was applied on the software mentioned above.

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Concessions, licenses, trademarks and similar rights
Concessions, licenses, trademarks and similar rights are amortized on a straight-line basis over 10 years and have a balance of Euro 3 thousand, in respect of period amortization of Euro 1 thousand.

Assets in progress and advances
This item is entirely made up of amounts paid to sector specialists for the study and creation of new logos.
At December 31, 2023, the Company verified there were no internal or external indicators of possible impairment for its intangible assets. Consequently, their value has not been subject to impairment testing.

NOTE 2. Property, plant and equipment

Thousands of €	Lands and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Assets in progress and advances	Total
Carrying amount	**4,398**	**118**	**-**	**2,552**	**-**	**7,069**
Accumulated depreciation	**(786)**	**(40)**	**-**	**(1,323)**	**-**	**(2,149)**
Balance at December 31, 2022	**3,613**	**78**	**-**	**1,230**	**-**	**4,920**
Change of year:						
Investments	537	-	-	288	-	825
Disposal - Carrying amount	-	-	-	(122)	-	(122)
Disposal - accumulated depreciation	-	-	-	76	-	76
Reclassification - Carrying amount	-	-	-	-	-	-
Reclassification - accumulated depreciation	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Translation differences - carrying amount	-	-	-	-	-	-
Translation differences - accumulated depreciation	-	-	-	-	-	-
Depreciation	(414)	(17)	-	(326)	-	(756)
Carrying amount	**4,936**	**118**	**-**	**2,719**	**-**	**7,772**
Accumulated depreciation	**(1,199)**	**(57)**	**-**	**(1,573)**	**-**	**(2,829)**
Balance at December 31, 2023	**3,736**	**61**	**-**	**1,146**	**-**	**4,944**

At December 31, 2023, property, plant and equipment totaled Euro 4,944 thousand, marking a net increase of Euro 23 thousand compared to the previous year due to the following events:

- For the category Land and Buildings Euro 537 thousand, fully attributable to the adjustment of the value of assets accounted for in accordance with IFRS 16.
- For the category Other tangible assets Euro 3 thousand for investments in furniture for the new corporate headquarters and Euro 262 thousand for motor vehicles, Euro 20 thousand electronic machines and Euro 3 thousand for telephony instruments.
- Total depreciation and amortization for the period amounted to Euro 756 thousand of which pursuant to IFRS 16 for Euro 408 thousand, buildings for Euro 6 thousand, plant and machinery for Euro 17 thousand and “Other tangible assets” for Euro 326 thousand.
- Disposals of assets (at book value) for Euro 122 thousand (depreciated for Euro 76 thousand), fully represented by sales of company cars.

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Land and buildings
This item includes buildings, in terms of historical cost, for Euro 4,936 thousand (Euro 4,398 thousand in 2022), depreciated on the basis of the relative durations of the lease contracts as far as IFRS 16 is concerned, and the balance also includes extraordinary maintenance work carried out at the Company's new headquarters in Milan for Euro 187 thousand, depreciated at 3%; and the incorporation of the IFRS 16 effects relating to the corporate headquarters referred to above, the administrative complex in Albenga (numbers 30 and 31 in the Cime di Leca region), leased sites and a property for use as temporary accommodation, also in Milan.

Plants
The item shows equipment for the new corporate headquarters, in terms of historical cost, amounting to Euro 118 and depreciated at 15% in the amount of Euro 17 thousand. As at December 31, 2022, this item was Euro 118 thousand in terms of historical cost.

Other tangible assets
The item mainly includes the following assets held by the Company, in terms of historical cost:

- corporate cars for Euro 973 thousand (Euro 833 thousand in 2022) and depreciated at 25%;
- furniture and fixtures for Euro 1,137 thousand (Euro 1,133 thousand in 2022) and depreciated at 12%;
- office equipment for Euro 480 thousand (Euro 460 thousand in 2022) and depreciated at 20%;
- equipment for Euro 43 thousand (Euro 43 thousand in 2022) and depreciated at 12%;
- mobile telephones for Euro 56 thousand (Euro 52 thousand in 2022) and depreciated at 20%;
- light construction for Euro 31 thousand (Euro 31 thousand in 2022) and depreciated at 10%.

At December 31, 2023, the Company verified there were no internal or external indicators of possible impairment for its tangible assets. Consequently, the value of tangible assets has not been subject to impairment testing.

Leasing – IFRS 16
The Parent Company has applied IFRS 16 as at January 1, 2019 using the modified retrospective method and in accordance with it has recorded the "Right of use" under "Property, plant and equipment" within each category to which it belongs. Details are provided below of changes in the amount of rights of use recognized by the Group for the years 2022 and 2023.

Thousands of €	Lands and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Carrying amount	**4,211**	-	-	-	**4,211**
Accumulated depreciation	**(783)**	-	-	-	**(783)**
Balance at December 31, 2022	**3,429**	-	-	-	**3,429**
Change of year:					
Changes of consolidated companies	-	-	-	-	-
Investments 2023 – carrying amount	537	-	-	-	537
Disposal 2023 – carrying amount	-	-	-	-	-
Disposal 2023 – accumulated depreciation	-	-	-	-	-
Depreciations	(408)	-	-	-	(408)
Carrying amount	**4,749**	-	-	-	**4,749**
Accumulated depreciation	**(1,191)**	-	-	-	**(1,191)**
Balance at December 31, 2023	**3,558**	-	-	-	**3,558**

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During 2023, no new contracts were signed that require the application of IRS 16, and values were only aligned with the new discount rate.
Against the financial commitment as at December 31, 2022 for a total of Euro 3,554 thousand, there were increases of Euro 537 thousand and repayments during the year for a total of Euro 479 thousand, so that the final NFP as at December 31, 2023 amounted to Euro 3,611 thousand.
As at December 31, 2023, the weighted average interest rate on outstanding contracts is 2.91%.
For the Parent Company, the application of IFRS 16 entailed an increase in the net financial position of Euro 3,611 thousand and an impact on Adjusted EBITDA of Euro 583 thousand compared to Euro 358 thousand in 2022.

NOTE 3. Investments

Thousands of €	Investments in subsidiaries	Investments in associates	Investments in other companies	Total
Carrying amount	**289,224**	**12,505**	**3,963**	**305,692**
Accumulated provision on investments	**(128,988)**	**(1,524)**	**(3,961)**	**(134,474)**
Balance at December 31, 2022	**160,236**	**10,981**	**1**	**171,218**
Change of year:				
Additional/Capital increase	85,438	-	-	85,438
Divestments and disposals-carrying amount	-	-	-	-
Divestments and disposals-accumulated provision on investments	-	-	-	-
Impairment losses/Using fund to cover losses	(130)	-	-	(130)
Repayments to Shareholders loan	-	-	-	-
Reversal of impairment loss	-	-	-	-
Merger with sub holding - carrying amount	-	-	-	-
Merger with sub holding - accumulated provision on investments	-	-	-	-
Reclassification -carrying amount	-	-	-	-
Reclassification -accumulated provision on investments	-	-	-	-
Carrying amount	**374,662**	**12,505**	**3,963**	**391,130**
Accumulated provision on investments	**(129,118)**	**(1,524)**	**(3,961)**	**(134,604)**
Balance at December 31, 2023	**245,544**	**10,981**	**1**	**256,526**

Equity investments totaled Euro 256,526 thousand, with a net increase of Euro 85,308 thousand due to the changes reported in the table and detailed below.
The main events that caused the change in the balance include:

- The increase in value of Euro 130 thousand of the shareholding in Orsero Servizi S.r.l., due to a recapitalization carried out during the year, which was necessary to replenish shareholders' equity against losses for the year. The same value was simultaneously written down.
- In a press release dated January 10, the Group announced that it executed exclusive agreements to purchase 100% of the company Capexo and 80% of Blampin Groupe, French companies active in the import and distribution of fruit and vegetable products. The former, with turnover of Euro 66 million (year 07/01/2021-06/30/2022), is very active in the exotic fruits segment; the latter, with turnover of

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Euro 195 million in 2022, is the top domestic operator in wholesale markets with 12 sales platforms covering the main French markets.
These transactions were finalized, according to the terms of the respective agreements, with the payment of the amounts agreed upon as "fixed consideration", equal to Euro 32.7 million for the purchase of 80% of Blampin Groupe and "base consideration", equal to Euro 33 million for 100% of Capexo, respectively. Both of the above payments were made partly through the use of the Group's available financial resources and partly through financing lines supporting M&A activities totaling Euro 56.7 million, which were provided as part of the medium-/long-term ESG-linked loan granted by a pool of banks on August 4, 2022. Both transactions also involve deferred "earn-out" consideration, respectively: (i) with regard to Blampin, up to a maximum of Euro 8,000 thousand (discounted Euro 7,026 thousand), broken down into four equal annual tranches, subject to and based on the achievement of profitability targets (Adjusted EBITDA) set for the years 2023, 2024, 2025 and 2026, and (ii) with regard to Capexo, up to a maximum of Euro 11,575 thousand (discounted Euro 10,992 thousand) broken down into three equal annual tranches subject to and based on the achievement of profitability targets (Adjusted EBITDA) set for the financial years ending on June 30, 2023, 2024 and 2025.
It should also be recalled that as part of the Blampin transaction, a shareholding agreement (SHA) was entered into concerning post-acquisition governance (for more information, please refer to the December 22, 2022 press release) and the put & call option for the purchase of the sellers' remaining share of the share capital at the closing date, amounting to approximately 13.3%, to be exercised starting from 1/1/2027 and until 12/31/2028. The consideration for this acquisition can be currently estimated at approximately Euro 7 million. Please note that the remaining approximately 6.7% of Blampin's share capital will remain in the ownership of a group of Blampin Groupe managers.

- On August 2, 2023, the Group finalized an agreement to purchase 51% of I Frutti di Gil, an Italian company active in the distribution of red fruits, at the price of Euro 600 thousand. This acquisition falls perfectly within the strategy announced by the Group and will make it possible to increase the revenues and profitability of the Distribution BU with regard to the red fruit macro-family. Subsequently, the company was capitalized with a capital account shareholder loan of Euro 500 thousand.
- There was also an increase of Euro 424 thousand for the higher value recognized on equity investments in relation to the recognition of the share for 2023 for the employees of the investee companies, falling under the Performance Share Plan, and Euro 18 thousand as the dividend equivalent component.

There were no revaluations in 2023.

Impairment test of investments
Impairment regarding the equity investments held by Orsero has already been discussed in the paragraph "impairment test of investments" in this report, which should be referred to for the details.

NOTE 4. Non-current financial assets

Thousands of €	12.31.2023	12.31.2022	Change
Non-current financial assets	647	719	(72)

This item includes the positive mark-to-market value of interest derivatives in the amount of Euro 299 thousand, the value of the derivative representing the fair value of the 13.3% Blampin Groupe option in the amount of Euro 335 thousand and amounts paid to suppliers as deposits for the difference.

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NOTE 5. Deferred tax assets

Thousands of €	12.31.2023	12.31.2022	Change
Deferred tax assets	**1,121**	**1,060**	**61**

Deferred tax assets are allocated, where their future recovery is probable, on temporary differences, subject to early taxation, between the value of assets and liabilities for statutory purposes and the value of the same for the purposes of taxation and on prior tax losses that can be carried forward. Deferred tax assets as at December 31, 2023, amounting to Euro 1,121 thousand (Euro 1,060 thousand at December 31, 2022), relate to IAS-IFRS transition entries, such as, for example, the liquidation of investments in intangible assets per IAS 38, or the determination of the liability for employee benefits according to the actuarial methodology, in addition to costs that are not deductible for the current year, but will be deductible in subsequent years, and future uses of prior losses as part of the tax consolidation scheme.
The increase of Euro 61 thousand in 2023 is due to various factors, the main ones of which refer to the change in the MTM of the interest rate swap contracts in place (Euro 42 thousand), the difference due to the application of IAS 19 to employee severance indemnities (Euro 21 thousand) and the release of deferred tax costs for the difference.
This accounting item represents deferred tax assets on: prior-year losses amounting to Euro 1,000 thousand, trademarks not recorded in the financial statements amounting to Euro 20 thousand, the mark-to-market value of interest rate derivatives for Euro 42 thousand and the differential arising from the application of IAS 19 to employee severance indemnities amounting to Euro 59 thousand. For more information on the breakdown of this item, please refer to Note 23 “Income Tax Expenses”.

NOTE 6. Receivables

Thousands of €	12.31.2023	12.31.2022	Change
Trade receivables from third parties	20	76	(56)
Receivables from subsidiaries	43,041	53,530	(10,488)
Receivables from associates	250	-	250
Receivables from related parties	49	75	(26)
Provision for bad debts	-	-	-
Trade receivables	**43,361**	**53,681**	**(10,320)**

All receivables derive from normal transactions implemented with the Group companies and third parties. There are no receivables due beyond five years.
The balance of receivables at December 31, 2023 from subsidiaries refers mainly to receivables of a financial nature, due within one year for Euro 29,315 thousand, consisting of treasury current accounts for Euro 20,390 thousand and interest-bearing loans granted to AZ France S.A.S. for Euro 7,000 thousand and Eurofrutas S.A. for Euro 1,925 thousand. The balance also includes receivables from the national tax consolidation system for Euro 4,023 thousand. The remainder consists of trade receivables. The decrease compared to December 31, 2022 mainly reflects the lower credit balance on treasury current accounts (“Cash pooling”).
At December 31, 2023, the item decreased by Euro 10,320 thousand. Receivables from associates refers to dividends approved and not collected by Agricola Azzurra for Euro 250 thousand.
Receivables from related parties relate to:

- Nuova Beni Immobiliari S.r.l. Euro 6 thousand, represented primarily by invoices to be issued, all trade;

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- Argentina S.r.l. Euro 1 thousand, trade;
- FIF Holding S.p.A. Euro 41 thousand, of which Euro 32 thousand represented by invoices issued, trade receivables.

The following is the breakdown of the receivables by geographical area:

Thousands of €	12.31.2023	12.31.2022	Change
Italy	25,737	36,126	(10,389)
EU countries	17,624	17,554	69
Non-Eu countries	-	-	-
Trade receivables	**43,361**	**53,681**	**(10,320)**

NOTE 7. Tax assets

Thousands of €	12.31.2023	12.31.2022	Change
For value added tax	709	855	(147)
For tax advances paid in the current year	-	-	-
For taxes to be reimbursed	459	459	-
Other receivables	159	199	(40)
Current tax assets	**1,327**	**1,514**	**(186)**

At December 31, 2023, tax receivables showed a decrease of Euro 186 thousand, for the most part attributable to VAT receivable accrued during the year.
The item “Receivables for taxes to be reimbursed” includes Euro 104 thousand IRES reimbursement request for 2004-2005 pursuant to Art. 6 of Decree Law 11/29/2008 and converted by the law of 01/28/2009 no. 2 presented as consolidating entity; Euro 151 thousand receivables arising from the submission of the reimbursement request pursuant to Art. 2, paragraph 1-quater of Decree Law 201/2011 for the years 2007, 2009, 2010, 2011 as the Company was the consolidating entity. Please also note that the same remaining receivable amount mentioned above will need to be recognized to the companies participating in consolidated taxation at the time (payables to subsidiaries). The items already requested for reimbursement for various purposes and described in the paragraph above remained basically unchanged with respect to the accounting situation in the previous year, while the items relating to advances paid or withholdings applied in the current and previous years refer instead to receivables arising from the application of the national tax consolidation system. The balance is completed by VAT credits amounting to Euro 709 thousand.

NOTE 8. Other receivables and other current assets

Thousands of €	12.31.2023	12.31.2022	Change
Other receivables	13	14	(1)
Accruals and pre-payments	606	668	(62)
Current financial assets	6	6	-
Other receivables and other current assets	**625**	**687**	**(63)**

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As at December 31, 2023, the item showed an overall decrease of Euro 63 thousand and mainly consisted of prepayments of Euro 598 thousand, mostly for insurance costs for Euro 217 thousand, expenses for administrative bodies for future periods for Euro 174 thousand and expenses for software licenses paid in advance of Euro 46 thousand. This item also includes accrued income of Euro 8 thousand referring to revenue for the year for income on financial hedging instruments; the difference relates almost entirely to the balance of prepaid credit cards used by employees and receivables for miscellaneous positions duly collected the following year.
The balance was not affected by the outstanding receivable from the related party, Argentina S.r.l., for Euro 8,000 thousand, as it is entirely written off.
The item “Accrued and pre-payments” refers to normal allocations for the recognition and correct allocation of costs related to the following year, typically services, insurance and guarantee expenses, leases, interests.

NOTE 9. Cash and cash equivalents

Thousands of €	12.31.2023	12.31.2022	Change
Cash and cash equivalents	**43,651**	**45,215**	**(1,564)**

The balance reflects the positive current account balances of the Company and the Italian Group companies associated with the cash pooling system. The balance at December 31, 2023 represents cash of Euro 10 thousand and the balance of ordinary bank accounts for Euro 43,642 thousand.
The change in the item can be analyzed in detail in the cash flow statement.

NOTE 10. Shareholders’ Equity

The share capital at December 31, 2023, fully paid in, consists of 17,682,500 shares without par value for a value of Euro 69,163,340; there are no preference shares. Holders of ordinary shares have the right to receive the dividends as they are resolved and, for each share held, have a vote to be cast in the Company’s shareholders' meeting. The change in shareholders' equity as at December 31, 2023 compared to the previous December 31 mainly reflects the extent of the result for the year, the dividend paid for a total of Euro 6,022 thousand, the purchase of treasury shares and changes in derivative MTMs and employee benefits pursuant to IAS 19 and the recognition of the Performance Share Plan bonus, as fully detailed in the statement of changes in shareholders' equity.
At December 31, 2023, Orsero held 753,137 treasury shares, equal to 4.26% of the share capital, for a value of Euro 8,769 thousand, shown as a direct decrease in shareholders' equity. In the course of 2023, the Parent Company acquired a total of 275,623 treasury shares at an average price of Euro 14.44 per share for Euro 3,981 thousand. As at December 31, 2023, the Group does not hold, directly or indirectly, shares in parent companies and it did not acquire or sell shares in parent companies during the year.
The share premium reserve comes to Euro 77,438 thousand at December 31, 2023, whilst the legal reserve is Euro 1,360 thousand.
The reserve of cash flow hedges, recognized for Euro 94 thousand (positive), shows the negative change relating to the adjustment to fair value as at December 31, 2023 net of the tax effect with an indication thereof in the statement of comprehensive income of the derivative on interest rates for Euro 442 thousand, accounted for with the cash flow hedging method.
The reserve of the remeasurements of Defined benefit plans, established in compliance with the application of IAS 19, changed by Euro 193 thousand on December 31, 2022.
A special reserve representing the value of the shares covered by the Performance Share Plan, already described in full, was created in the amount of Euro 1,244 thousand.

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The Parent Company's Shareholders' Meeting of April 26, 2023, accepting the proposal of the Board of Directors, resolved to distribute a dividend of Euro 0.35 per share with a total payout of Euro 6,022 thousand. The ex-dividend date was May 8, 2023, the record date was May 9 and payments began on May 10, 2023. Below is the table with the possibility of use of the various items of equity and the summary of uses in the last three years (moreover, null):

Thousands of €	Amount	Possible utilizations	Portion available	Summary of utilizations in the three previous years	
				For loss coverage	For other reasons
Share Capital*:	**60,241**	-	-	-	-
- Share Capital	**69,163**	-	-	-	-
- Treasury share reserve	**(8,769)**	-	-	-	-
- Equity investments'costs reserve	**(153)**	-	-	-	-
Capital reserves:					
Share premium reserve	77,438	A, B	77,438	-	-
Merger surplus reserve***	12,051	A, B, C	12,051	-	-
Incorporation differences***	(18,221)	-	-	-	-
Revenue reserves:					
Legal reserve	1,360	B	1,360	-	-
Extraordinary reserve***	5,624	A, B, C	5,624	-	-
Reserve of cash flow hedges	94	-	-	-	-
Riserva stock grant	(386)	B	-	-	-
Others***	2,629	A, B, C	2,629	-	-
Retained earning/(losses)	22,165	A, B, C	22,165	-	-
Net profit	**162,995**	-	**121,266**	-	-
Total Shareholders' equity	79,906	-	-	-	-
Non-distributable portion**	41,360	-	-	-	-

(*) net of treasury shares for €/000 8,769 and equity investment cost for €/000 153
(**) It includes the portion of net profit ex art. 2430 cc
(***) Included in the item "Other reserves". In the amount "Others" is included the "Remeasurement of defined benefit plans reserve"

Legend:

A: for capital increase
B: for loss coverage
C: for distribution to shareholders

The statement of changes in shareholders' equity attached to the financial statements instead illustrates the changes between the two years in the individual items of the reserves, with particular regard to the changes that took place following the distribution of the 2022 profit, the purchase of treasury shares, the changes in the MTM on derivatives and as a result of the calculation of employee benefits in accordance with IAS 19.

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NOTE 11. Financial liabilities

In order to facilitate the understanding of the Company's financial exposure, making the information simpler and of better quality, the data was provided not following the non-current/current distinction, but based on the nature of the payable, within which the non-current/current components are specified.
The financial exposure is as follows:

Thousands of €	12.31.2023	12.31.2022	Change
Bond payables (over 12 months)	20,000	25,000	(5,000)
Non-current medium term bank loans (over 12 months)	68,002	33,590	34,412
Non - current payables for price balance on acquisitions	9,107	-	9,107
Non-current liabilities for derivative (over 12 months)	175	-	175
Non-current other lenders (over 12 months) IFRS 16	3,328	3,300	28
Non - current financial liabilities	**100,612**	**61,890**	**38,722**
Current medium term bank loans	19,415	7,883	11,532
Bond payables (current)	5,000	5,000	-
Bank overdrafts	-	-	-
Payables on acquisitions price balance	5,858	1,500	4,358
Other current lenders short term	-	-	-
Current other lenders IFRS 16	283	254	29
Current financial liabilities	**30,557**	**14,636**	**15,920**

The main components of the change in 2023 for a total of Euro 54,660 thousand between the non-current and current shares are related to medium/long-term loans, as detailed below:

- disbursement on January 10, 2023 of the second and third tranches of the 2022-2028 ESG-linked loan intended to support the financial outlay related to the two French acquisitions, totaling Euro 56,700 thousand, which completed the disbursement, as per the original contract, value gross of Euro 462 thousand as the amortized cost effect;
- the payment of the June 30 installment of Euro 2,775 thousand on the pool loan noted above, along with Euro 162 thousand accounted for as implicit interest deriving from the recognition of the item with the amortized cost method;
- please recall that at December 31, two hedges are in place on a total of 43.1% of that pool loan against interest rate fluctuations, for which the mark to market value is a positive Euro 58 thousand for the first (residual principal of Euro 3,273 thousand) and a negative Euro 175 thousand for the second (residual principal Euro 29,455 thousand);
- the payment of the December 31 installment of Euro 8,445 thousand on the pool loan noted above, along with Euro 99 thousand accounted for as implicit interest deriving from the recognition of the item with the amortized cost method. Please note that this loan is subject to covenants calculated as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity at the reporting date, which were fully respected;
- the payment of the second and third installment, with a total principal amount of Euro 549 thousand, of the Euro 2.0 million loan (Credem);
- a new 2023-2028 loan agreement entered into with Credem for Euro 3,000 thousand;
- the payment of the first twelve installments of the medium-term loan of Euro 4 million (Bper), for a total principal amount of Euro 757 thousand;
- the payment of two installments of the medium-term loan of Euro 5.5 million (Credit Agricole), for a total principal amount of Euro 1,028 thousand;

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- the recognition of Euro 1,101 thousand in interest on the debenture loan of Euro 30,000 thousand and the repayment of the first principal amount of Euro 5,000 thousand. Please recall, as noted previously, that the bond loan calls for compliance with financial covenants, such as the ratio between the net financial position and Adjusted EBITDA and the net financial position and shareholders' equity which, at the reporting date, were fully respected. Accrued interest as at December 31, amounting to Euro 225 thousand, is included in other current liabilities;
- with reference to the payable for the price installments to be paid on acquisitions during the previous year, Euro 1,500 thousand, paid in January 2023, was recognized as an additional price paid for the acquisition of the share held in Agricola Azzurra;
- with reference to the payable for the price installments to be paid on acquisitions during the year, Euro 10,992 thousand was recognized as an additional price to be paid for the acquisition of the share held in Capexo (of which Euro 3,858 thousand under current liabilities and Euro 3,671 thousand under those due beyond the year). It should be noted that during the year, the first earn-out tranche of Euro 3,858 thousand was paid and discounting interest of Euro 395 thousand was accounted for;
- with reference to the payable for the price installments to be paid on acquisitions during the year, Euro 7,026 thousand was recognized as an additional price to be paid for the acquisition of the share held in Blampin (of which Euro 2,000 thousand under current liabilities and Euro 5,436 thousand under those due beyond the year). It should be noted that during the year, discounting interest of Euro 410 thousand was accounted for;
- the IFRS 16 component amounted to Euro 3,611 thousand, compared with Euro 3,554 thousand as at December 31 of the previous year, due to Euro 537 thousand in value adjustments for existing contracts in relation to the new rates applied and ordinary repayments of Euro 479 thousand;
- the recognition of an IRS hedge on the interest rate for 100% of the loan value, on the Credit Agricole loan in the amount of Euro 5,500 thousand. As at December 31, 2023 the mark-to-market value is a positive Euro 241 thousand.

The schedule of medium-term debt to banks and other lenders at December 31, 2022 and December 31, 2023 is detailed in the following table, organized in two columns (due in 2024 and due beyond December 31, 2024, in turn broken down by amounts due by December 31, 2028 and amount due after said date) to provide a better comparison with the previous table.
The table below shows the breakdown of payables to banks for loans and payables to other lenders for medium to long-term financial payables for the current and non-current portions; the latter is further broken down by due within/beyond five years.

Thousands of €	**Total**	**2023**	**> 31.12.2023**		**2024-2027**	**> 31.12.2027**
Bond payables (non-current/current)	30,000	5,000	25,000		20,000	5,000
Medium term bank loans (non-current/ current)	41,473	7,883	33,590		30,820	2,771
Other lenders (non-current/ current) IFRS 16	3,554	254	3,300		1,266	2,034
Liabilities for the derivatives (non-current/current)	-	-	-	as follows:	-	-
Other lenders (non-current/ current)	-	-	-		-	-
Payables for price balance on acquisitions (non-current/current)	1,500	1,500	-		-	-
Bank overdrafts	-	-	-		-	-
Financial liabilities at 31.12.2022	**76,527**	**14,636**	**61,890**		**52,086**	**9,805**

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Thousands of €	Total	2024	> 31.12.2024		2025-2028	> 31.12.2028
Bond payables (non-current/current)	25,000	5,000	20,000		20,000	-
Medium term bank loans (non-current/ current)	87,417	19,415	68,002		68,002	-
Other lenders (non-current/ current) IFRS 16	3,611	283	3,328		1,454	1,874
Liabilities for the derivatives (non-current/current)	175	-	175	as follows:	175	-
Other lenders (non-current/ current)	-	-	-		-	-
Payables for price balance on acquisitions (non-current/current)	14,965	5,858	9,107		9,107	-
Bank overdrafts	-	-	-		-	-
Financial liabilities at 31.12.2023	**131,169**	**30,557**	**100,612**		**98,738**	**1,874**

As at December 31, 2023, there were two hedges on interest rates on the pool financing, the mark to market of which at the reporting date is positive and equal to Euro 58 thousand in one case and negative and equal to Euro 175 thousand in the other. There is also an interest rate hedge on the Credit Agricole loan whose mark to market is Euro 241 thousand (positive). The positive fair value was recognized under non-current financial receivables with a contra-entry in a specially designated shareholders' equity reserve ("Reserve of cash flow hedges"). The negative fair value is also recognized under non-current financial payables with a contra-entry in a specially designated shareholders' equity reserve ("negative reserve of cash flow hedges").
Please note that the pool loan contract for Euro 90 million and the debenture loan envisage compliance with financial and equity covenants, summarized in the table below. As mentioned, the covenants regarded the Net Financial Position prior to application of IFRS 16. Such covenants were respected in full at the reporting date. It is also noted that both loans are subject to change of control clauses.

Thousands of Euro	Duration	Period	Parameter	Limit	Respected
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net financial position / Total Shareholders' Equity	<1.25	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Net Financial Position / Adjusted EBITDA	<3/4*	Yes
Bond payables 30 M€ - Parent company	2018-2028	Annually/ Half-yearly	Adjusted EBITDA/ Net financial expenses	>5	Yes
Pool loan 90 M€ - Parent company	2022-2028	Annually	Net financial position / Total Shareholders' Equity	<1.5	Yes
Pool loan 90 M€ - Parent company	2022-2028	Annually	Net Financial Position / Adjusted EBITDA	<3.25	Yes

* The former parameter must be met on annual verification while the latter on a semi-annual basis

According to that required by Consob communication no. 6064293 dated July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendation for the standardized implementation of the European Commission Regulation on information prospectuses", below is the net financial debt of Orsero as at December 31, 2023.

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	Thousands of €	12.31.2023	12.31.2022
A	Cash	43,651	45,215
B	Cash equivalents	10	6
C	Other current financial assets	634	705
D	**Liquidity (A + B + C)**	**44,291**	**45,926**
E	Current financial debt*	(5,858)	(1,500)
F	Current portion of non-current financial debt **	(24,698)	(13,136)
G	**Current financial indebtedness (E + F)**	**(30,556)**	**(14,636)**
H	**Net current financial indebtedness (G - D)**	**13,734**	**31,290**
I	Non-current financial debt ***	(80,612)	(36,890)
J	debt instruments	(20,000)	(25,000)
K	Non-current trade and other payables	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(100,612)**	**(61,890)**
M	**Total financial indebtedness (H + L)**	**(86,878)**	**(30,600)**

* Debt instruments are included, but the current portion of non-current financial debt is excluded.

** Includes payables for rental and lease agreements under IFRS 16 for Euro 283 thousand at December 31, 2023 and Euro 254 thousand at December 31, 2022

*** Debt instruments are excluded. Includes payables for rental and lease agreements under IFRS 16 for Euro 3,238 thousand at December 31, 2023 and Euro 3,300 thousand at December 31, 2022

It is noted that the above ESMA prospectus does not take into account the net payable balance of Euro 28,101 thousand (debit balance of Euro 906 thousand as at December 31, 2022) relating to cash pooling with the Group's Italian companies.
In terms of changes in liabilities as a result of financing activities, information is provided that allows users of the financial statements to evaluate the changes that occurred in compliance with IAS 7.

Liabilities from financing activities	31.12.2022	New loans	Payments	Derivatives	Other	12.31.23
Hedging derivatives assets	(705)	-	-	72	-	(634)
Current financial assets	(6)	-	-	-	-	(6)
Total financial assets	**(711)**	**-**	**-**	**72**	**-**	**(640)**
Bond payables (over 12 months)	30,000	-	(5,000)	-	-	25,000
Non-current medium term bank loans	41,473	59,238	(13,294)	-	-	87,417
IFRS 16 Effect	3,554	537	(479)	-	-	3,611
Current liabilities for the derivatives	-	-	-	175	-	175
Current other lenders	-	-	-	-	-	-
Payables for price balance on acquisitions	1,500	-	(5,358)	-	18,823	14,965
Bank overdrafts	-	-	-	-	-	-
Total financial liabilities	**76,527**	**59,775**	**(24,593)**	**175**	**18,823**	**131,169**

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NOTE 12. Provisions

As at December 31, 2023, there were no provisions on the financial statements, unchanged compared to the end of last year.
The booked results shows the present provision made for risks by the Company in compliance with IAS 37, which rules that directors must make provisions on the financial statements only if the risk is held to be probable and quantifiable, thereby aiming to express the most truthful and correct situation possible.

NOTE 13. Employee benefits

The changes for 2023 are provided herein, calculated using actuarial valuation.

Thousands of €	Employees benefits liabilities
Balance at December 31, 2022	**2,081**
Change of year:	
Revaluation	227
Benefits paid and transferred	(357)
Interest cost	61
Gain/(losses) resulting from changes in actuarial assumptions	193
Other changes	(8)
Balance at December 31, 2023	**2,197**

The liability for employee benefits, in accordance with national regulations, essentially includes the employee severance indemnity accrued by employees in service at December 31, net of advances paid to employees. In accordance with IAS 19, the liability for employee benefits is measured using the actuarial valuation methodology, through the support of an external specialist, and adjusted in relation to the occurrence of relevant events. The main financial and demographic assumptions used in determining the present value of the liability relative to the liability for employee benefits, are described below.

Discount rate	2.995%
Inflation rate	2024: 3.0%, 2025 and following: 2.5%
Wage growth rate	Equal to inflation
Annual probability of advance on employee severance indemnities	3.50%
Percentage of provision for employee severance indemnities requested in advance	55.00%
Mortality rate	SIMF 2022
Access to pension	Expected minimum access requirements
Average staff exit percentage	6.50%

The equity adjustment for actuarial gains/losses includes an actuarial loss of Euro 193 thousand. Actuarial gains and losses are recognized in shareholders' equity through the comprehensive income statement.

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NOTE 14. Deferred tax liabilities

Thousands of €	12.31.2023	12.31.2022	Change
Deferred tax liabilities	**72**	**169**	**(98)**

Deferred tax liabilities are allocated on the basis of temporary differences, subject to deferred taxation, as well as on temporary differences between the value of assets and liabilities recorded in the financial statements and their value for tax purposes. As at December 31, 2023, this item decreased by Euro 98 thousand, entirely attributable to the release of deferred taxes on the mark-to-markets of hedging derivatives with respect to interest rates.

NOTE 15. Payables

Thousands of €	12.31.2023	12.31.2022	Change
Payables to suppliers	1,438	2,080	(642)
Payables to subsidiaries	49,466	42,135	7,331
Payables to related parties	20	151	(131)
Trade payables	**50,924**	**44,366**	**6,557**

As at December 31, 2023 this item showed a balance of Euro 50,924 thousand (Euro 44,366 thousand as at December 31, 2022); the increase of Euro 6,557 thousand is essentially linked to the different cash-pooling treasury position. Furthermore, note that:

- payables to suppliers refer entirely to business relationships related to the company's ordinary activities and increased mainly due to invoices received in the final days of the year;
- payables to subsidiaries are mainly financial payables, comprising treasury current accounts for Euro 48,491 thousand (Euro 41,345 thousand in 2022), payables for IRAP reimbursement request for Euro 295 thousand, payables for the tax consolidation system for Euro 173 thousand and trade payables for Euro 507 thousand. The increase compared to December 31, 2022 is due mainly to changes in the Group's cash pooling relationships.

There are no trade payables with a residual maturity of more than 5 years recognized in the financial statements.
At December 31, 2022 and 2023, there were no outstanding payables of significant amount, nor did the Company receive injunction decrees for past due payables.
Payables to related parties relate to:

- Nuova Beni Immobiliari S.r.l. Euro 20 thousand, for trade payables.

The following table instead provides a breakdown of payables on a geographical basis:

Thousands of €	12.31.2023	12.31.2022	Change
Italy	50,806	44,319	6,488
EU countries	118	47	70
Non-Eu countries	-	-	-
Trade payables	**50,924**	**44,366**	**6,557**

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NOTE 16. Current tax liabilities

Thousands of €	12.31.2023	12.31.2022	Change
For withholding tax	270	240	30
Current tax liabilities	**270**	**240**	**30**

As at December 31, 2023, the item under review showed a change of Euro 30 thousand, an increase compared to the previous year. The withholding amount of Euro 270 thousand consists of Euro 268 thousand for employees and Euro 2 thousand for professionals; the balance also incorporates substitute tax on severance indemnity; all amounts are regularly paid and to date there are no past-due amounts relating to the item in question.

NOTE 17. Other current liabilities

Thousands of €	12.31.2023	12.31.2022	Change
Payables to personnel	3,672	4,657	(985)
Other current payables	274	234	40
Towards Public Social Security Bodies	295	265	29
Accrued expenses and deferred income	391	330	61
Other current liabilities	**4,633**	**5,488**	**(854)**

At December 31, 2023, the item "Other current liabilities" had a balance of Euro 4,633 thousand, a decrease from the previous year. Payables to personnel relate to current items for the month of December for Euro 204 thousand, of which Euro 42 thousand to related parties, LTI bonuses for Euro 1,763 thousand of which Euro 1,425 thousand to related parties, MBO bonuses for Euro 941 thousand of which Euro 827 thousand to related parties, as well as accrued and unused vacation leave for Euro 576 thousand, of which Euro 364 thousand to related parties, and accruals for the summer bonus for Euro 158 thousand, of which Euro 66 thousand to related parties.

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In terms of the income statement, the result of the Parent Company is of limited relevance as the revenue side is essentially linked to the services provided to the Group and the collection of dividends, while on the cost side, personnel costs, expenses for specialized consulting and promotional expenses of the brand are the most significant components, which result in a negative Adjusted EBITDA value; therefore, the discussion in relation to the consolidated income statement is much more relevant. Adjusted EBITDA showed a negative change of Euro 913 thousand.

During the year, there were no significant changes with regard to revenues. General and administrative costs increased by Euro 895 thousand as a result of various opposing factors, with the most significant changes concerning consultancy, which rose by Euro 594 thousand and was justified by a series of corporate events that required the use of specialists, compensation to corporate bodies for Euro 136, labor costs, which increased by Euro 95, and promotional and marketing costs, which increased by Euro 47 thousand. Against this, some items of the same costs decreased significantly, such as membership fees by Euro 146 thousand, costs for office materials by Euro 51 thousand, maintenance costs by Euro 16 thousand and minor costs by Euro 76 thousand.

NOTE 18. Net sales

Thousands of €	12.31.2023	12.31.2022	Change
Consulting services	2,001	1,397	603
Cost recovery	362	961	(599)
Net sales	**2,363**	**2,358**	**4**

As at December 31, 2023, total revenues amounted to Euro 2,363 thousand, consisting of Euro 2,001 thousand for services and Euro 362 thousand for cost recovery. Consulting services relate entirely to consulting provided by company personnel regarding administrative, fiscal, corporate and legal matters. The cost recovery item is closely related to costs that the Company regularly incurs in the name and on behalf of third parties, in order to implement economies of scale and control in the acquisition of consulting services and in the insurance segment.

Thousands of €	Total	Third parties	Subsidiaries	Related parties
Consulting services	2,001	-	1,978	22
Cost recovery	362	-	362	-
Net sales	**2,363**	**-**	**2,340**	**22**

Consulting services to related parties consist of:

- Nuova Beni Immobiliari S.r.l.: Euro 5 thousand for administrative, corporate and tax consulting and Euro 1 thousand for services for the use of spaces equipped for office use.
- FIF Holding S.p.A.: Euro 10 thousand for administrative, corporate and tax consultancy and Euro 5 thousand for services for the use of spaces equipped for office use.
- Argentina in liquidation S.r.l. 1 thousand for services for the use of space equipped for office use.

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NOTE 19. Overheads and administrative costs

Thousands of €	12.31.2023	12.31.2022	Change
Personnel costs	5,114	5,019	95
External labor costs	-	-	-
Personnel training costs	20	22	(3)
Corporate bodies fees	800	664	136
Costs for notary, tax, legal and other professional services	406	362	44
Other professional services (including expenses) - wages, commercial consulting, technical consulting, others	1,545	951	594
Commercial, advertising, promotional and representation expenses	1,443	1,396	47
Insurance expenses	358	362	(4)
Costs for services and assistance hw, sw, phone network	256	298	(42)
Costs for maintenance, external labor and various other services	45	61	(16)
Costs of company car fleet	291	258	33
Rental costs and various rentals	174	201	(27)
Travel expenses	165	133	32
Utilities	144	101	43
Indirect taxes and duties	54	31	23
Non-deductible VAT	103	78	25
Amortization of intangible assets	43	66	(24)
Depreciation of tangible assets	756	642	115
Acquisition costs of stationery and material of consumption	37	88	(51)
Membership fees and other minor costs	486	632	(146)
Fees, commissions, bank guarantees charges and factoring	41	20	21
Overheads	**12,281**	**11,386**	**895**

The balance at December 31, 2023 of overhead and administrative costs consists mainly of personnel costs of Euro 5,114 thousand, as the holding company provides subsidiaries with a range of consulting services largely provided through direct professionals. The balance for the year is basically in line with that of the previous year. Another significant component is advertising expenses, which amounts to Euro 1,443 thousand: in fact, the Company deals directly with all brand promotion activities, hence operational marketing as well as other types. The item "Consulting" also contains a significant balance, amounting to Euro 1,951 thousand, higher than the previous year, as the Parent Company centralizes the use of external consultants to obtain more control over critical corporate issues and to benefit from economies of scale. During the year, a number of business and strategic studies were commissioned from specialized consultants for management activities. The increase in depreciation of property, plant and equipment is fully attributable to the commissioning of the new corporate headquarters in the previous year and its resulting depreciation pursuant to IFRS 16 for the entire year.

It should also be noted that the cost for personnel consists for Euro 2,106 thousand of natural person related parties, and compensation for corporate bodies refers to directors'/statutory auditors' compensation for natural person related parties of Euro 577 thousand.

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Thousands of €	Total	Third parties	Subsidiaries	Related companies	Related physical person
Overheads	**(12,281)**	**(8,600)**	**(996)**	**(3)**	**(2,683)**

Costs referring to subsidiaries mainly refer to IT and other services provided by the subsidiary Orsero Servizi and consulting services provided by the staff of the subsidiary AZ France. With regard to the costs attributable to "Natural Person" related parties, the note includes costs for remuneration and fees of Auditors and Directors totaling Euro 2,683 thousand.

NOTE 20. Other operating income/expense

Thousands of €	12.31.2023	12.31.2022	Change
Other operating income	454	556	(102)
Other operating expenses	(2,916)	(4,383)	1,467
Total other operating income/ expense	**(2,463)**	**(3,827)**	**1,365**

Details of the items "Other operating income" and "Other operating expenses" for the years 2023 and 2022 are provided herein, with separate indication of ordinary positions and non-recurring items.

Thousands of €	12.31.2023	12.31.2022	Change
Revenues from recovery of costs and insurance reimbursements	31	27	4
Plusvalues and contingent revenues in ordinary course of business	374	304	69
Others	50	152	(102)
Other ordinary operating income	**454**	**484**	**(30)**
Others	-	72	(72)
Other non-recurring operating income	**-**	**72**	**(72)**

As at December 31, 2023, the item is mainly composed of: insurance reimbursements of Euro 31 thousand, capital gains on the sale of fixed assets (mainly automobiles) for Euro 5 thousand and contingent assets due to overestimates on the previous financial statements' accruals amounting to Euro 155 thousand; this balance also includes: contingent assets from asset disposals in accordance with IFRS 16 for Euro 214 thousand and for the difference from residual events of low individual importance.

Thousands of €	12.31.2023	12.31.2022	Change
Penalties, sanctions, and costs for damage to third parties	(2)	(6)	4
Minus values and contingent losses in ordinary course of business	(263)	(146)	(116)
Donations	-	(29)	29
Other ordinary operating expense	**(265)**	**(181)**	**(83)**
Top management incentives	(2,652)	(2,647)	(6)
Covid-19 costs	-	(2)	2
M&A costs French companies	-	(1,553)	1,553
Other non - recurring operating expense	**(2,652)**	**(4,201)**	**1,550**

As at December 31, 2023, the ordinary portion of other operating expenses mainly consisted of tax and administrative penalties for Euro 2 thousand, contingent liabilities for incorrect estimates for Euro 192 thousand and non-deductible expenses of Euro 71 thousand.
As regards non-recurring components, please note that at December 31, 2022 and December 31, 2023, the Company made allocations relating to Top Management incentives for Euro 2,647 thousand and Euro 2,652 thousand divided into Euro 1,151 thousand for MBO (bonus component that will be paid following approval of the 2023 financial statements) and Euro 641 thousand for LTI 2020-2022 (deferred bonus component, payable in 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the "vesting period" and indexed to the performance of the Orsero share price), Euro 820 thousand for the Performance Share Plan and Euro 39 thousand for the dividend equivalent. For further details, please refer to the "2023-2025 Performance Share Plan" section.
It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation.
The portion of top management bonuses, the LTI plan and the relative dividend equivalent attributable to related parties amounted to Euro 1,998 thousand.

NOTE 21. Financial income, financial expense and exchange differences

For each item included in the item in question, details are provided below:

Thousands of €	12.31.2023	12.31.2022	Change
Financial income	1,557	223	1,333
Financial expense	(7,065)	(2,082)	(4,982)
Exchange rate differences	1	-	1
Financial income, financial expense, exchange rate differences	**(5,507)**	**(1,859)**	**(3,648)**

For each item included in the item in question, details are provided below:

Thousands of €	12.31.2023	12.31.2022	Change
Interest income to third parties	460	81	380
Interest income to subsidiaries	191	126	64
Interest income on employee's benefits	-	10	(10)
Interest income on derivatives	906	6	900
Financial income	**1,557**	**223**	**1,333**

As at December 31, 2023, financial income consisted of interest on deposits and on bank current accounts for Euro 391 thousand, income paid for assistance and coordination in working capital management transactions for Euro 68 thousand, interest income on cash pooling transactions for Euro 92 thousand, interest on loans to subsidiaries for Euro 98 thousand and income on derivatives of Euro 906 thousand.
The item "Financial income on derivatives" includes income of Euro 335 thousand as a result of the fair value measurement of the put/call option on 13.3% of Blampin Groupe prepared by an independent expert.

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Thousands of €	12.31.2023	12.31.2022	Change
Interest expenses from bank	(4,888)	(678)	(4,210)
Interest expenses IFRS 16	(103)	(88)	(15)
Interest expenses Bond	(1,057)	(1,119)	62
Other interest expenses	(14)	(15)	1
Interest cost on employee's benefits	(61)	-	(61)
Interest expenses on earn - out	(805)	-	(805)
Interest expenses to subsidiaries	(136)	(76)	(60)
Losses on derivatives	-	(107)	107
Financial expense	**(7,065)**	**(2,082)**	**(4,982)**

As at December 31, 2023, financial expenses were mainly attributable to the cost of debt for Euro 5,945 thousand, interest expense due to the application of IFRS 16 for Euro 103 thousand, interest expense on cash pooling transactions for Euro 136 thousand and notional interest on the balance of the price for the Blampin and Capexo equity investments for Euro 805 thousand.

Thousands of €	12.31.2023	12.31.2022	Change
Realized exchange rate differences	1	-	1
Unrealized exchange rate differences	-	-	-
Exchange rate differences	**1**	**-**	**1**

NOTE 22. Other revenues/expenses from investments

Thousands of €	12.31.2023	12.31.2022	Change
Dividends	36,279	20,339	15,940
Write - downs of equity investments	(130)	(150)	20
Result of securities and investments negotiation	3	(25)	28
Other investment income/expense	**36,152**	**20,164**	**15,988**

As at December 31, 2023, the item consists of dividends distributed by Cosiarma S.p.A. for Euro 30,000 thousand, Fresco for Euro 500 thousand, Blampin SA for Euro 292 thousand, Capexo for Euro 2,000 thousand, Simba for Euro 2,529 thousand and the associated companies Fruport Tarragona for Euro 707 thousand and Agricola Azzurra for Euro 250 thousand.

NOTE 23. Income tax expense

Recall that all of the Italian subsidiaries with the exception of Cosiarma (which has opted for "tonnage tax" based taxation) participate in the "tax consolidation" system headed by Orsero S.p.A., in accordance with the option exercised by each company and confirmed by the Revenue Agency as a result of the submission of a specific request for ruling in accordance with Art. 124, paragraph 5, of the TUIR Tax Code and with Art. 13, paragraphs 1 and 2, of the Ministerial Decree of June 9, 2004. The changes in taxes are summarized in the following table.

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Thousands of €	12.31.2023	12.31.2022	Change
Current taxes for the year	56	(58)	114
Deferred taxes = from statutory tax consolidation	3,823	1,978	1,846
Deferred taxes incomes and liabilities	21	(109)	130
Income tax expense	**3,901**	**1,811**	**2,090**

Taxes for 2023 came to Euro 3,901 thousand due to the income from tax consolidation, recognized by the consolidated companies for Euro 3,823 thousand, as well as the recognition of deferred tax assets and liabilities (please see the table for detailed information). The balance also includes a contingent asset on the income from CNM 2023-Tax Year 2022 for Euro 37 thousand and a contingent asset on tax contributions for Euro 19 thousand.

The Italian government has transposed European Directive no. 2523/2022 on Pillar Two by enacting Italian Legislative Decree no. 209 of December 27, 2023. Under Pillar Two rules, the Ultimate Parent Entity ("UPE") will generally be required to pay a supplementary tax on the profits of group companies where, in some countries, they are taxed at an effective rate (determined under Pillar Two rules) of less than 15%.
The Orsero Group meets the subjective prerequisite for the application of these provisions and as a result is required to check the actual discounted taxation level in the countries in which it operates and to calculate and pay any supplementary tax due. As a result, the Group has made efforts to monitor, during the introduction phase, the status of the legislation in Italy and the other jurisdictions in which it operates. The analyses, including organizational and procedural, were aimed at establishing management systems for the proper implementation of Pillar Two provisions. The analyses conducted, also with the support of specialized consultants, have concerned, and are concerning, the mapping of Group entities, their characteristics and the relative relevant information for their classification for Pillar Two purposes, including the examination of Transitional Safe Harbors ("TSH"). In more detail, at the preliminary analysis stage, the Group first carried out an assessment through Transitional Safe Harbors on the basis of the OECD Safe Harbor and Penalty Relief standards issued on 12.20.2022, identified as "Simplified Schemes" by Italian Legislative Decree 209/2023 (Art. 39). This preliminary assessment was based on the data included in the group's Country by Country Reporting ("CbCR") and accounting data for the most recent financial years. Where the application of TSHs was not verified, the Group carried out analyses that would enable it to understand whether, in the event of the need to make a "full" calculation as required by the Pillar Two regulations, it could be verified whether or not it would be subject (or not) to supplementary taxation in the years being analyzed.
As a result of the analyses performed, by virtue of the application of specific Transitional Safe Harbors and certain objective exemptions to the income of certain Group entities, it is reasonable to state that - at the moment - no significant taxable amounts are expected to be subjected to supplementary taxation as a result of the enactment of the Global Minimum Tax and, therefore, no associated liabilities are expected. The company applied the temporary exception issued by the IASB in May 2023 to the accounting requirements for deferred taxes in IAS 12. Accordingly, it does not recognize or disclose information on deferred tax assets and liabilities relating to income taxes arising from the implementation of the Pillar Two rules.

The reconciliation between the tax charge recognized in the financial statements and the theoretical tax charge, calculated based on theoretical rates applicable in Italy, is as follows:

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Thousands of €	Taxable	Tax
EBT	17,949	
Theoretical tax rate		24%
Theoretical taxes		4,308
Temporary differences	(5,624)	
Permanent differences	(23,326)	
Income	**(11,001)**	
Actual tax charge		(3,823)
Actual tax rate		N/A
of which		
Income from statutory tax consolidation		3,823
Prepaid taxes		21
Past year income tax		56
Total 2023 income tax		**(3,901)**

Theoretical income taxes have been determined by applying the current IRES tax rate of 24% to the income before tax. As at December 31, 2023, there are no significant tax disputes.
For IRAP purposes, the net value of production is negative.
The table below shows the changes in the various deferred tax asset components by type. The amounts of current or deferred taxes charged directly to the statement of comprehensive income refer to the effects of the revaluation of the liability for employee benefits and the recognition of the mark-to-market on the derivative.

Thousands of €	Statement of financial position		Income statement		Comprehensive Income statement	
	2023	2022	2023	2022	2023	2022
Previous tax losses	1,000	1,000	-	-	-	-
Effect IAS 19	59	38	21	(108)		-
Trademarks	20	23	-	-	-	-
Derivatives	42	-	-	-	42	(55)
Others	-	-	-	-	-	-
Deferred tax assets	**1,121**	**1,060**	**21**	**(108)**	**42**	**(55)**

Thousands of €	Statement of financial position		Income statement		Comprehensive Income statement	
	2023	2022	2023	2023	2022	2023
Derivatives	72	169	-	-	98	(169)
Deferred tax liabilities	**72**	**169**	**-**	**-**	**98**	**(169)**

Deferred tax assets are recognized to the extent to which on the basis of company plans the existence of future taxable income against which such assets may be used is deemed likely. There are no other significant amendments to the tax legislation between 2023 and 2022.

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NOTE 24. Disclosures on financial instruments

Pursuant to IFRS 7, the breakdown of financial instruments into the categories set out in IFRS 9 is as follows:

Thousands of €	Balance at 31.12.22	Assets measured at amortized cost	Assets at fair value with changes recognized in the PL*	Assets at fair value with changes recognized in the CI*	Liabilities measured at amortized cost	Liabilities at fair value with changes recognized in the CI*
Financial assets						
Investments in other companies	1	1	-	-	-	-
Non-current financial assets	719	14	-	705	-	-
Receivables	53,681	53,681	-	-	-	-
Current tax assets	1,514	1,514	-	-	-	-
Other receivables and other current assets	687	681	6	-	-	-
Cash and cash equivalent	45,215	45,215	-	-	-	-
Financial assets	**101,817**	**101,106**	**6**	**705**	**-**	**-**
Financial liabilities						
Financial liabilities of which:						
Bond payables	25,000	-	-	-	25,000	-
Non-current medium term bank loans (over 12 months)	33,590	-	-	-	33,590	-
Non-current other lenders (over 12 months) IFRS 16	3,300	-	-	-	3,300	-
Non-current liabilities for derivative (over 12 months)	-	-	-	-	-	-
Current medium term bank loans	7,883	-	-	-	7,883	-
Current bond payables	5,000	-	-	-	5,000	-
Current other lenders IFRS 16	254	-	-	-	254	-
Current payables for price balance on acquisition	1,500	-	-	-	1,500	-
Trade payables	44,366	-	-	-	44,366	-
Current tax liabilities	240	-	-	-	240	-
Other current liabilities	5,488	-	-	-	5,488	-
Financial liabilities	**126,621**	**-**	**-**	**-**	**126,621**	**-**

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Thousands of €	Balance at 31.12.23	Assets measured at amortized cost	Assets at fair value with changes recognized in the PL*	Assets at fair value with changes recognized in the CI*	Liabilities measured at amortized cost	Liabilities at fair value with changes recognized in the CI*
Financial assets						
Investments in other companies	1	1	-	-	-	-
Other non-current financial assets	647	14	335	299	-	-
Trade receivables	43,361	43,361	-	-	-	-
Current tax assets	1,327	1,327	-	-	-	-
Other receivables and other current assets	625	619	6	-	-	-
Cash and cash equivalent	43,651	43,651	-	-	-	-
Financial assets	**89,612**	**88,972**	**340**	**299**	**-**	**-**
Financial liabilities						
Financial liabilities of which:						
Bond payables	20,000	-	-	-	20,000	-
Non-current medium term bank loans (over 12 months)	68,002	-	-	-	68,002	-
Non-current other lenders (over 12 months) IFRS 16	3,328	-	-	-	3,328	-
Non-current liabilities for derivative (over 12 months)	175	-	-	-	-	175
Non-current payables for price balance on acquisition (over 12 months)	9,107	-	-	-	9,107	-
Current medium term bank loans	19,415	-	-	-	19,415	-
Current bond payables	5,000	-	-	-	5,000	-
Current other lenders IFRS 16	283	-	-	-	283	-
Current payables for price balance on acquisition	5,858	-	-	-	5,858	-
Trade payables	50,924	-	-	-	50,924	-
Current tax liabilities	270	-	-	-	270	-
Other current liabilities	4,633				4,633	
Financial liabilities	**186,996**	**-**	**-**	**-**	**186,821**	**175**

*CI=other comprehensive income; PL=Income Statement

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It is noted that only “Other non-current financial assets” and “Other current receivables and other current assets” of all financial assets include securities, i.e. financial instruments that are valued at fair value with impact on the income statement. Trade and other receivables are measured at the nominal value that, considering the speed of collection, coincides with the value determined by the application of amortized cost, in compliance with IFRS 9. Among financial assets, trading derivatives fall within the category “assets measured at fair value”, while hedging derivatives are recorded at fair value; the related change is accounted for in a shareholders’ equity reserve with an impact on the statement of comprehensive income.
As at December 31, 2023, there were three interest rate hedging instruments in place, one initially activated on the Euro 60 million loan, which was paid off early when the new pool loan was taken out in August 2022, to which the financial hedge was shifted, which had a positive fair value of Euro 58 thousand recorded under non-current financial assets with a balancing entry in the specially designated equity reserve, a second one also linked to the new pool loan, which had a negative fair value of Euro 175 thousand and a third one associated with the loan of Euro 5.5 million outstanding with Credit Agricole, the positive fair value of which was Euro 241 thousand. As at December 31, Euro 335 thousand relating to the fair value measurement of the Blampin Groupe 13.3% put/call option was recorded under Non-current financial assets.

NOTE 25. Disclosures on financial instruments

Based on the requirements of IFRS 13 “Fair value measurement”, the following disclosure is provided.
Fair value of financial instruments:

- for financial assets and liabilities that are liquid or have a very short maturity, the book amount is considered to approximate fair value; this hypothesis also applies to term deposits, disposable securities and floating rate financial instruments;
- for the measurement of the fair value of hedging instruments, valuation models based on market parameters are used. At the reporting date, new derivative contracts had been stipulated;
- the fair value of non-current financial liabilities is obtained by discounting all future cash flows at the year-end conditions. In the current situation, where for medium-term debt the cost of the loan is aligned with the market value, the nominal values of the debt are considered as fair values;
- The fair value of the options on non-controlling interests are valued with the support of professionals and is considered a level 2 fair value.

As regards trade and other receivables and payables, the fair value is equal to the book value.
Fair value of non-financial instruments: it should be noted that there are no non-financial instruments measured at fair value at December 31, 2023.
The following tables analyze the hierarchy of financial and non-financial instruments measured at fair value, based on the valuation techniques used:

- Level 1: the valuation techniques use prices listed on an active market for the assets or liabilities subject to valuation;
- Level 2: the valuation techniques consider inputs other than the previous prices, but that can, however, be observed directly or indirectly on the market;
- Level 3: the techniques use inputs that are not based on observable market data.

Financial instruments
Derivatives, valued using techniques based on market data, are mainly IRSs on interest rates that have the purpose of hedging both the fair value of underlying instruments and cash flows. The most frequently applied valuation techniques include “forward pricing” and “swap” models, which use the calculations of the present value.
The following table analyzes financial instruments measured at fair value based on three different levels of valuation.

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Thousands of €	12.31.2023			12.31.2022		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Current financial assets	-	-	335	-	-	-
Hedging derivatives	6	-	-	6	-	-
Financial liabilities	-	299	-	-	705	-
Speculative derivatives						
Hedging derivatives	-	-	-	-	-	-
Financial assets	-	-	-	-	175	-

Level 1 valuation was used for non-significant securities.
Level 2 valuation, used for financial instruments measured at fair value, is based on parameters such as interest rates that are quoted in active or observable markets on official rate curves. The asset valued with Level 2 at December 31, 2023 relates to the positive fair value of the derivative on interest rates for Euro 299 thousand.
Level 3 valuation, used for financial instruments measured at fair value, is based on inputs that are not based on observable market data. The asset, valued at level 3 as of December 31, 2023, relates in the amount of Euro 335 thousand to the fair value of options on 13.3% of Blampin Group.

Non-financial instruments
It should be noted that there are no non-financial instruments measured at fair value at December 31, 2023.

NOTE 26. Transactions with related parties

The Company has enacted a conduct procedure related to transactions with related parties, both companies and natural persons, in order to monitor and trace the necessary information regarding transactions with Group companies as well as those in which directors and executives of the parent company have interests, for the purpose of their control and possible authorization. The procedure identifies the subjects required to report the above information, defines what transactions should become the subject of communication, and sets the deadlines to submit the information, specifying its content. The main intra-group activities, regulated at market prices, are developed through contractual relations that specifically concerned:

- management of investments;
- regulation of financial flows through centralized treasury and intra-group loans;
- sharing of general, administrative and legal services;
- assistance related to IT services;
- trade agreements.

In addition, there is a fiscal relationship between Orsero and nearly all of the Italian subsidiaries, following the option exercised for the national tax consolidation regime, governed by articles 117 et seq. of the TUIR, for the three-year period 2021-2023. Receivables and payables arising from such fiscal relationships are not interest-bearing.
It is noted that during FY 2023, no related party transactions were implemented other than those coming under the scope of the Company's ordinary business. Below is a summary of the items in the statement of financial position and income statement for transactions between the Company and its related parties in 2023. Transactions with the companies shown in the table are essentially of a commercial nature and relate to specific sectors of activity, while those with natural person related parties relate to existing employment relationships or to remuneration due in their capacity as Directors and Statutory Auditors, members of the Board of Directors of the Company.

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Related parties as at December 31, 2023

Thousands of €	Financial receivables	Trade receivables	Fiscal receivables	Other receivables
Subsidiaries				
AZ France S.A.S.	7,000	13	-	-
Bella Frutta S.A.	-	810	-	-
Cosiarma S.p.A.	-	35	-	-
Eurofrutas S.A.	1,925	7,875	-	-
Fresco S.r.l.	-	12	125	-
Fruttital S.r.l.	18,200	857	1,604	-
Galandi S.p.A.	-	-	19	-
Thor S.r.l.	275	8	-	-
Orsero Produzione S.r.l.	696	9	-	-
I Frutti di Gil S.r.l.	5	1	-	-
Gruppo Fruttica	-	-	16	-
Orsero Servizi S.r.l.	1,214	48	-	-
Simba S.p.A.	-	34	2,260	-
Total exposure vs subsidiaries	**29,315**	**9,703**	**4,023**	**-**
Associates				
Agricola Azzurra S.r.l.	-	-	-	250
Total exposure to associates	**-**	**-**	**-**	**250**
Related companies				
Nuova Beni immobiliari S.r.l.	-	6	-	-
Fif Holding S.p.A.	-	41	-	-
Argentina S.r.l. *	-	1	-	-
Total exposure to related companies	**-**	**49**	**-**	**-**
Total exposure to subsidiaries, associates, and related companies	**29,315**	**9,752**	**4,023**	**250**
Total receivables	**43,340**	**43,340**	**43,340**	**43,340**
% Total receivables	**68%**	**23%**	**9%**	**1%**

* It should be noted that the item "Other current assets" includes euro 8.000 thousand of receivables due from Argentina S.r.l. entirely devaluated.

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Related parties as at December 31, 2023

Thousands of €	Financial payables	Trade payables	Fiscal payables	Other payables
Subsidiaries				
AZ France S.A.	-	64	-	-
Cosiarma S.p.A.	38,415	32	-	-
Fresco S.r.l.	3,019	6	28	-
Fruttital S.r.l.	-	86	230	-
Galandi S.p.A.	2,796	2	-	-
Thor S.r.l.	-	-	6	-
Orsero Produzione S.r.l.	-	2	151	-
I Frutti di Gil S.r.l.	-	-	16	-
Orsero Servizi S.r.l.	-	311	5	-
Simba S.p.A.	4,262	4	32	-
Total exposure vs subsidiaries	**48,491**	**506**	**468**	**-**
Related companies				
Nuova Beni immobiliari S.r.l.	-	20	-	-
Related parties physical person	-	-	-	2,841
Total exposure to related companies	**-**	**20**	**-**	**2,841**
Total exposure to subsidiaries and related companies	**48,491**	**526**	**468**	**2,841**
Total payables	**50,924**	**50,924**	**50,924**	**4,633**
% Total payables	**95%**	**1%**	**1%**	**61%**

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Related parties as at December 31, 2023

Thousands of €	Net sales	General and administrative expenses	Other operating income expense **	Financial Income	Financial expense and exange rate differences	Dividends received***
Subsidiaries						
AZ France S.A.S.	7	(211)	-	53	-	-
Bella Frutta S.A.	6	-	-	-	-	-
Cosiarma S.p.A.	498	(2)	-	-	(113)	30,000
Eurofrutas S.A.	6	-	-	45		-
Fresco S.r.l.	251	(1)	-	-	(6)	500
Fruttital S.r.l.	1,348	(151)	-	81	-	-
Galandi S.r.l.	-	-	-	1	(7)	-
Thor S.r.l.	13	-	-	1	-	-
Orsero Produzione S.r.l.	13	-	-	3	-	-
I Frutti di Gil S.r.l.	-	-	-	-	-	-
Orsero Servizi S.r.l.	55	(630)	-	5	-	-
Blampin SAS	-	-	-	-	-	292
Capexo	-	-	-	-	-	2,000
Hermanos Fernández López S.A.	7	-	-	-	-	-
Simba S.p.A.	137	(2)		3	(10)	2,529
Total exposure vs subsidiaries	**2,340**	**(996)**	**-**	**191**	**(136)**	**35,321**
Fruport Tarragona S.L.	-	-	-	-	-	707
Agricola Azzurra	-	-	-	-		250
Total exposure to associates	**-**	**-**	**-**	**-**	-	**957**
Related companies						
Nuova Beni immobiliari S.r.l.	6	(3)	-	-	-	-
Fif Holding S.p.A.	15	-	-	-	-	-
Argentina Srl in liquidazione	1	-	-	-	-	-
Related parties physical person	-	(2,683)	(1,998)	-	-	-
Total exposure to related companies	**22**	**(2,686)**	**(1,998)**	**-**	**-**	**-**
Total exposure to subsidiaries, associates and related companies	**2,363**	**(3,682)**	**(1,998)**	**191**	**(136)**	**36,149**
Income statement data	**2,363**	**(12,281)**	**(2,463)**	**1,557**	**(7,063)**	**36,152**
% of income statement data	**100%**	**30%**	**81%**	**12%**	**2%**	**100%**

** Included in Other operating income/expense

*** Included in Other investment income/expense.

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Receivables from related parties:

- Nuova Beni Immobiliari S.r.l. Euro 6 thousands, all trade;
- Argentina S.r.l. Euro 1 thousand, trade;
- FIF Holding S.p.A. Euro 41 thousand, trade receivables, of which Euro 9 thousand represented by invoices to be issued;

Payables to related parties:

- Nuova Beni Immobiliari S.r.l.: Euro 20 thousand consisting of invoices to be received.
- The amount due to natural person related parties relates as noted to remuneration for the corporate bodies (Euro 88 thousand), employees (Euro 472 thousand) and bonuses (Euro 2,282 thousand).

Revenues with respect to related parties consist of:

Consulting services:

- Nuova Beni Immobiliari S.r.l.: Euro 6 thousand;
- FIF Holding S.p.A. Euro 15 thousand
- Argentina S.r.l. Euro 1 thousand.

Costs with respect to related parties consist of:

Ordinary operating costs:

- Nuova Beni Immobiliari S.r.l.: Euro 3 thousand;
- Costs to related parties who are natural persons relate to remuneration paid to employees for Euro 2,106 thousand and directors or statutory auditors of the Company for Euro 577 thousand.

Other costs and expenses:

- Non-recurring costs include the portion of Top Management incentives referring to natural person related parties for Euro 1,998 thousand.

Transactions with related parties are governed by specific contracts, the conditions of which are in line with those of the market.

NOTE 27. Share-based payments

With reference to the 2023 financial year, the incentives accrued by Top Management represent a cost of Euro 2,652 thousand divided into Euro 1,151 thousand for MBO (bonus component that will be paid following approval of the 2023 financial statements), Euro 641 thousand for LTI relating to the 2020-2022 Plan (deferred bonus component, payable in 2024, subject to the condition that the beneficiaries remain in the company during the reference period, the “vesting period”, and indexed to the performance of the Orsero share price), Euro 820 thousand linked to the 2023-2025 Performance Share Plan (valuing the shares granted at fair value on the assignment date) and Euro 40 thousand as a dividend equivalent component, also in accordance with the Performance Share Plan. It should be noted that for all of the 2020, 2021 and 2022 LTI bonus shares, the revaluation has already been taken into account, to the maximum extent of 40% provided for by the Plan, based on the increase in the share price recorded over the three-year period, also including the value of dividends distributed, as per the Orsero 2020-2022 LTI Plan Regulation. As noted above, with reference to the year 2023, a cost of Euro 820 thousand in non-recurring costs and an additional Euro 424 thousand have been recorded in connection with the 2023-2025 Performance Share Plan as the target for the year 2023 has been reached, thus resulting in the assignment of 96,410 shares, which will be delivered free of charge within 10 trading days of the date of allocation of the final tranche of the Plan, and in any case no later than the date of the Orsero Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. The value specified above represents the fair value, in accordance with IFRS 2, at the assignment date, determined by an outside consultant to be Euro 11.8984 for shares without lock-up and Euro 11.3804 for shares

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with lock-up. Note that these shares are already held by the Company, which allocated a portion of the shares owned specifically for this plan. With regard to the costs associated with the Performance Share Plan, a specific reserve was created in shareholders' equity. It should be noted that the Parent Company recorded an additional Euro 18 thousand as the higher value recognized on equity investments in relation to the dividend equivalent.

NOTE 28. Employees

The following table shows the number of employees as at December 31, 2023 and 2022.

	12.31.2023	12.31.2022	Change
Number of employees	**40**	**42**	**(2)**
Average number of employees	**40**	**42**	**(2)**

NOTE 29. Fees due to the Directors and the Board of Statutory Auditors

The following table details the remuneration for the members of Orsero's corporate bodies for the year.

Thousands of €	12.31.2023	12.31.2022	Change
Board of directors	**489**	**426**	**63**
Board of Statutory Auditors	**88**	**73**	**14**

The amount of "Board of Directors' Fees" includes Directors' emoluments for Euro 443 thousand and social security and welfare contributions relative to the previous items for Euro 46 thousand.

NOTE 30. Guarantees provided, commitments and other contingent liabilities.

The guarantees provided by the Company are as follows:

Thousands of €	2023	2022
Guarantees issued		
Fruttital S.r.l.	214	140
Simba S.p.A.	464	1,220
Galandi S.r.l.	106	106
Fresco S.r.l.	3,580	3,585
AZ France S.A.S	-	1,206
Eurofrutas S.A.	2,001	2,251
Bella Frutta S.A.	300	300
Total guarantees	**6,665**	**8,808**

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The table already shows in detail the main changes that have occurred since December 31 of the previous year, against the changed guaranteed amounts relating to guarantees given on bank accounts and in favor of suppliers of Group companies, including customs authorities.

NOTE 31. Significant events after December 31, 2023

At the date of this Annual Financial Report of the Orsero Group, there were no significant events in terms of operating activities.
With reference to the latest developments in the international geopolitical situation, the Group's management continues to monitor their developments with the aim of maintaining an efficient import and distribution logistics chain and preserving its cost-effectiveness.

NOTE 32. Information on any contributions received

It is noted that the Parent Company has not benefited from the aids for which publication is mandatory in the National State Aid Register.

ANNEX 1. Information in accordance with Art. 149-duodecies of the Consob Issuers' Regulation

The table below, prepared in accordance with Art. 149-duodecies of the Consob Issuers' Regulation, shows the fees for 2023 for auditing and other non-auditing services provided by the independent auditing firm appointed or by companies belonging to its network.

Type of Service (Thousands of €)	Company that provided the service	Fees for 2023
Audit (*)	**Kpmg S.p.A.**	**157**
Other services		
Purchase price allocation (**)	Kpmg S.p.A.	16
Tax declarations	Kpmg S.p.A.	3
Total services provided in 2023 by the auditors		**176**

(*) Includes the audit at December 31, 2023 and the limited review of the interim report as of June 30
(**) Referred to Blampin Groupe and Capexo.

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ANNEX 2. Financial statements tables in accordance with Consob Resolution 15519/2006

Statement of financial position 2023 and 2022

Thousands of €	12.31.23	of which related parties				
		Subsidiaries	Associates	Related	Total	%
ASSETS						
Intangible assets other than Goodwill	58				-	-%
Property, plant and equipment	4,944	-	-	-	-	-%
Equity investments	256,526	245,544	10,981	-	**256,525**	**100%**
Non-current financial assets	647	-	-	-	-	-%
Deferred tax assets	1,121	-	-	-	-	-%
NON-CURRENT ASSETS	**263,296**	**245,544**	**10,981**	**-**	**256,526**	**97%**
Receivables	43,361	43,041	250	49	**43,340**	**100%**
Current tax assets	1,327	-	-	-	-	-%
Other receivables and other current assets	625	-	-	-	-	-%
Cash and cash equivalents	43,651	-	-	-	-	-%
CURRENT ASSETS	**88,964**	**43,041**	**250**	**49**	**43,340**	**49%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**352,260**	**288,585**	**11,231**	**50**	**299,865**	**85%**
Share Capital	69,163	-	-	-	-	-%
Other Reserves and Retained Earnings	71,667	-	-	-	-	-%
Profit/loss	22,165	-	-	-	-	-%
EQUITY	**162,995**	**-**	**-**	**-**	**-**	**-%**
LIABILITIES						
Financial liabilities	100,612	-	-	-	-	-%
Deferred tax liabilities	72	-	-	-	-	-%
Employees benefits liabilities	2,197	-	-	-	-	-%
NON-CURRENT LIABILITIES	**102,881**	**-**	**-**	**-**	**-**	**-%**
Financial liabilities	30,557	-	-	-	-	-%
Payables	50,924	49,466	-	20	**49,486**	**97%**
Current tax liabilities	270	-	-	-	-	-%
Other current liabilities	4,633	-	-	2,841	**2,841**	**61%**
CURRENT LIABILITIES	**86,384**	**49,466**	**-**	**2,861**	**52,327**	**61%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-%**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**352,260**	**49,466**	**-**	**2,861**	**52,327**	**15%**

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Thousands of €	12.31.22	of which related parties				
		Subsidiaries	Associates	Related	Total	%
ASSETS						
Intangible assets other than Goodwill	84	-	-	-	-	-%
Property, plant and equipment	4,920	-	-	-	-	-%
Equity investments	171,218	160,236	10,981	-	**171,217**	**100%**
Non-current financial assets	719	-	-	-	-	-%
Deferred tax assets	1,060	-	-	-	-	-%
NON-CURRENT ASSETS	**178,002**	**160,236**	**10,981**	**-**	**171,217**	**96%**
Receivables	53,681	53,530	-	75	**53,605**	**100%**
Current tax assets	1,514	-	-	-	-	-%
Other receivables and other current assets	687	-	-	-	-	-%
Cash and cash equivalents	45,215	-	-	-	-	-%
CURRENT ASSETS	**101,097**	**53,530**	**-**	**75**	**53,605**	**53%**
Non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**279,099**	**213,766**	**10,981**	**75**	**224,822**	**81%**
Share Capital	69,163	-	-	-	-	-%
Other Reserves and Retained Earnings	73,803	-	-	-	-	-%
Profit/loss	7,261	-	-	-	-	-%
EQUITY	**150,228**	**-**	**-**	**-**	**-**	**-%**
LIABILITIES						
Financial liabilities	61,890	-	-	-	-	-%
Deferred tax liabilities	169	-	-	-	-	-%
Employees benefits liabilities	2,081	-	-	-	-	-%
NON-CURRENT LIABILITIES	**64,141**	**-**	**-**	**-**	**-**	**-%**
Financial liabilities	14,636	-	-	-	-	-%
Payables	44,366	42,135	-	151	**42,286**	**95%**
Current tax liabilities	240	-	-	-	-	-%
Other current liabilities	5,488	-	-	3,431	**3,431**	**63%**
CURRENT LIABILITIES	**64,731**	**42,135**	**-**	**3,582**	**45,716**	**71%**
Liabilities directly associated with non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-%**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**279,099**	**42,135**	**-**	**3,582**	**45,716**	**16%**

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Income statement and Statement of comprehensive income 2023 and 2022

Thousands of €	Year 2023	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Net sales	2,363	2,340	-	22	**2,363**	**100%**
Cost of sales	-	-	-	-	-	
Gross profit	**2,363**					
General and administrative expense	(12,281)	(996)	-	(2,686)	**(3,682)**	**30%**
Other operating income/expense	(2,463)		-	(1,998)	-	**81%**
- of which non-recurring operating income	-	-	-	-	-	*-%*
- of which non-recurring operating expense	*(2,652)*	-	-	*(1,998)*	***(1,998)***	*75%*
Operating result	**(12,381)**					
Financial income	1,557	191	-	-	**191**	**12%**
Financial expense and exchange rate differences	(7,063)	(136)	-	-	**(136)**	**2%**
Other investment income/expense	36,152	35,191	957	-	**36,149**	**100%**
Profit/loss before tax	**18,264**					
Income tax expense	3,901	-	-	-	-	-%
Profit/loss from continuing operations	**22,165**	-	-	-	-	-%
Profit/loss from discontinued operations	-	-	-	-	-	-%
Profit/loss	**22,165**					

Thousands of €	Year 2023	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Profit/loss	**22,165**					
Other comprehensive income that will not be reclassified to profit/loss, before tax	(193)	-	-	-	-	-%
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	-	-	-	-	-	-%
Other comprehensive income that will be reclassified to profit/loss, before tax	(582)	-	-	-	-	-%
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	140	-	-	-	-	-%
Comprehensive income	**21,530**					

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Thousands of €	Year 2022	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Net sales	2,358	2,313	-	45	**2,358**	**100%**
Cost of sales	-	-	-	-	-	
Gross profit	**2,358**					
General and administrative expense	(11,386)	(703)	-	(2,425)	**(3,128)**	**27%**
Other operating income/expense	(3,827)	72	-	(2,118)	**(2,045)**	**53%**
- of which non-recurring operating income	*72*	*72*	-	-	***72***	***100%***
- of which non-recurring operating expense	*(4,201)*	-	-	*(2,118)*	***(2,118)***	***50%***
Operating result	**(12,855)**					
Financial income	223	126	-	-	**126**	**57%**
Financial expense and exchange rate differences	(2,082)	(76)	-	-	**(76)**	**4%**
Other investment income/expense	20,164	19,482	707	-	**20,189**	**100%**
Profit/loss before tax	**5,450**					
Financial income	-	-	-	-	-	-%
Income tax expense	1,811	-	-	-	-	-%
Profit/loss from continuing operations	**7,261**					
Profit/loss from discontinued operations	-	-	-	-	-	-%
Profit/loss	**7,261**					

Thousands of €	Year 2022	of which related parties				
		Subsidiaries	Associates	Related	Total	%
Profit/loss	**7,261**					
Other comprehensive income that will not be reclassified to profit/loss, before tax	181	-	-	-	-	-%
Income tax relating to components of other comprehensive income that will not be reclassified to profit/loss	-	-	-	-	-	-%
Other comprehensive income that will be reclassified to profit/loss, before tax	934	-	-	-	-	-%
Income tax relating to components of other comprehensive income that will be reclassified to profit/loss	(224)	-	-	-	-	-%
Comprehensive income	**8,152**					

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Cash flow statement 2023 and 2022

Thousands of €	Year 2023	of which related parties			
		Subsidiaries	Associates	Related	Total
A. Cash flows from operating activities (indirect method)					
Profit/loss for the period	**22,165**				
Adjustments for income tax expense	(3,901)	-	-		-
Adjustments for interest income/expense	5,403	(55)	-	-	**(55)**
Adjustments for provisions	(36,279)	(35,321)	(957)	-	**(36,279)**
Adjustments for depreciation and amortization expense and impairment loss	391	-	-	-	-
Other adjustments for non-monetary elements	1,371	583		575	**1,158**
Change in inventories	10,320	10,488	(250)	26	**10,264**
Change in trade receivables	6,557	7,331	-	(131)	**7,200**
Change in trade payables	3,485	-	-	590	**590**
Change in other receivables/assets and in other liabilities	(5,642)	55	-	-	**55**
Interest received/(paid)	-	-	-	-	-
(Income taxes paid)	36,279	35,321	957	-	**36,279**
Cash flow from operating activities (A)	**40,150**				
B. Cash flows from investing activities					
Purchase of property, plant and equipment	(288)	-	-	-	-
Proceeds from sales of property, plant and equipment	46	-	-	-	-
Purchase of intangible assets	(17)	-	-	-	-
Proceeds from sales of intangible assets	-	-	-	-	-
Purchase of interests in investments accounted for using equity method	(66,977)	(66,977)	-	-	**(66.977)**
Proceeds from sales of investments accounted for using equity method	-	-	-	-	-
Purchase of other non-current assets	-	-	-	-	-
Proceeds from sales of other non-current assets	(60)	-	-	-	-
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	-	-
Cash Flow from investing activities (B)	**(67,297)**				
C. Cash Flow from financing activities					
Increase/decrease of financial liabilities	(5,358)	-	-	-	-
Drawdown of new long-term loans	59,238	-	-	-	-
Pay back of long-term loans	(18,294)	-	-	-	-
Capital increase and other changes in increase/decrease	-	-	-	-	-
Disposal/purchase of treasury shares	(3,981)	-	-	-	-
Dividends paid	(6,022)	-	-	-	-
Cash Flow from financing activities (C)	**25,583**				
Increase/decrease in cash and cash equivalents (A ± B ± C)	**(1,564)**				
Cash and cash equivalents at 1st January 23-22	**45,215**				
Cash and Cash equivalents at 31st December 23-22	**43,651**				

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Thousands of €	Year 2022	of which related parties			
		Subsidiaries	Associates	Related	Total
A. Cash flows from operating activities (indirect method)					
Profit/loss for the period	**7,261**				
Adjustments for income tax expense	(1,811)	-	-	-	-
Adjustments for interest income/expense	2,082	(51)	-	-	**(51)**
Adjustments for dividends	(20,339)	(19,632)	(707)	-	**(20,339)**
Adjustments for depreciation and amortization expense and impairment loss	708	-	-	-	-
Other adjustments for non-monetary elements	-	-	-	-	-
Change in trade receivables	(13,481)	(13,524)	-	83	**(13,441)**
Change in trade payables	19,585	18,218	-	84	**18,302**
Change in other receivables/assets and in other liabilities	2,689	-	-	1,897	**1,897**
Interest received/(paid)	(1,730)	51-	-	-	**51**
(Income taxes paid)	-	-	-	-	-
Dividend received	20,339	19,632	707	-	**20,339**
Cash flow from operating activities (A)	**15,303**				
B. Cash flows from investing activities					
Purchase of property, plant and equipment	(1,192)	(79)	-	-	**(79)**
Proceeds from sales of property, plant and equipment	225	-	-	-	-
Purchase of intangible assets	(8)	-	-	-	-
Proceeds from sales of intangible assets	-	-	-	-	-
Purchase of interests in investments accounted for using equity method	(3,500)	(2,000)	(1,500)	-	**(3,500)**
Proceeds from sales of investments accounted for using equity method	100	(100)	-	-	**(100)**
Purchase of other non-current assets	-	-	-	-	-
Proceeds from sales of other non-current assets	189	-	-	-	-
(Acquisitions)/disposal of investments in controlled companies, net of cash	-	-	-	-	-
Cash Flow from investing activities (B)	**(4,186)**				
C. Cash Flow from financing activities					
Increase/decrease of financial liabilities	318	-	-	-	-
Drawdown of new long-term loans	36,988	-	-	-	-
Pay back of long-term loans	(30,169)	-	-	-	-
Capital increase and other changes in increase/decrease	885	-	-	-	-
Disposal/purchase of treasury shares	(2,215)	-	-	-	-
Dividends paid	(5,206)	-	-	-	-
Cash Flow from financing activities (C)	**601**				
Increase/decrease in cash and cash equivalents (A ± B ± C)	**11,718**				
Cash and cash equivalents at 1st January 22-21	**33,498**				
Cash and Cash equivalents at 31st December 22-21	**45,215**				

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INDEPENDENT AUDITOR’S REPORT

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(The accompanying translated separate financial statements of Orsero S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Orsero S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Orsero S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2023, the income statement and the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Orsero S.p.A. as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
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Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
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R.E.A. Milano N. 512867
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Sede legale: Via Vittor Pisani, 25
20124 Milano MI ITALIA

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of equity investments

Notes to the separate financial statements: section "Valuation criteria – Impairment test on investments" and note 3 –Investments

Key audit matter	Audit procedures addressing the key audit matter
The carrying amount of equity investments at 31 December 2023 is of €256.5 million. The main equity investments included in the financial statements at 31 December 2023 are related to the following subsidiaries: • Capexo S.A. for €44.0 million; • Blampin Group for €39.8 million; • Hermanos Fernandez Lopez SA for €41.4 million; • Fruttital S.r.l. for €40.2 million; • Cosiarma S.p.A. for €31.9 million; • AZ France S.A. for €21.5 million; • Simba S.p.A. for €9.8 million. Investments in subsidiaries are accounted for at cost and adjusted for any impairment loss. In line with the procedure approved by the Orsero S.p.A.'s board of directors on 6 March 2024, when they identify indicators of impairment, or at least annually, the directors test these equity investments for impairment, checking their recoverability by comparing their carrying amounts with their related recoverable amounts. The recoverable amount is estimated based on the value in use, calculated using the discounted cash flow model by discounting the cash flows that are expected to be generated by the company or by the cash-generating units (CGU) to which it belongs for the three-year period 2024-2026. The expected operating cash flows were estimated on the basis of the 2024 budget, approved by the Board of Directors on 6 February 2024.The expected operating cash flows for the years 2025 and 2026 and for	Our audit procedures, which also involved our own specialists, included: • updating our understanding of the process adopted to prepare the impairment tests and the forecasts set out in the update to the 2024-2026 plan; • checking any discrepancies between the previous years forecast and actual figures, in order to understand the accuracy of the estimation process; • analysing the reasonableness of the key assumptions used by the directors to determine the operating cash flows and the valuation models adopted; • checking the consistency of the expected cash flows used for impairment testing with those used for the forecasts and analysing the reasonableness of any discrepancies; • checking the sensitivity analysis presented in the notes to the consolidated financial statements in relation to the key assumptions used for impairment testing; • assessing the appropriateness of the disclosures provided in the notes about the measurement of equity investments and the related impairment test.

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Key audit matter	Audit procedures addressing the key audit matter
the terminal value have been determined on the basis of the operating result of year 2024. For the investment held in Cosiarma S.p.A., it has been considered the operating cash flows for a period consistent with the Expected useful lives of the ships (year 2029), estimated on the basis of the actual results over the previous years and of the 2024 budget. Impairment testing is complex and entails a high level of judgement, especially in relation to: • the expected operating cash flows, calculated by taking into account the general economic performance and that of the Group's sector, the actual cash flows for recent years and the projected growth rates; • the financial parameters used to calculate the discount rate. For the above reasons, we believe that the measurement of the equity investments is a key audit matter.	

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable 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 for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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

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aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of 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 auditors' report to the related disclosures in the separate 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

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Orsero S.p.A.
Independent auditors' report
31 December 2023

Other information required by article 10 of Regulation (EU) no. 537/14

On 24 April 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2023 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of the directors' report and the report on corporate governance and ownership at 31 December 2023 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership referred to above are consistent with the company's separate financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

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With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Genoa, 29 March 2024

KPMG S.p.A.

(signed on the original)

Andrea Fumagallo
Director of Audit

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BOARD OF STATUTORY AUDITORS' REPORT

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ORSERO S.p.A.

Registered office in Milan, Via Vezza d'Oglio 7

Share Capital 69,163,340.00 fully paid-in

Milan Register of Companies and Tax ID 09160710969

REA 2072677

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING

in accordance with Art. 2429 of the Italian Civil Code and Art. 153 of Italian Legislative Decree no. 58/1998

Shareholders,

The Board of Statutory Auditors of Orsero S.p.A. (hereinafter, "Orsero" or the "Company"), also acting as the "internal control and audit committee", reports on the supervisory activities carried out during the year ended December 31, 2023, pursuant to Articles 2429 et seq. of the Italian Civil Code and in compliance with the provisions set forth in Italian Legislative Decree no. 58/1998 (Consolidated Law on Finance); the recommendations laid out in the Rules of Conduct for the Board of Statutory Auditors of Listed Companies issued by the National Board of Chartered Accountants and Expert Tax Advisors; taking into account the indications provided by Consob in communication DEM/1025564 of April 6, 2001, amended and supplemented with communication DEM/3021582 of April 4, 2003 and subsequently with communication DEM/6031329 of April 7, 2006; considering the indications set forth in Consob's warning notice no. 3/22 of May 19, 2022; also taking into account the instructions contained in the new Corporate Governance Code drafted by the Corporate Governance Committee of Borsa Italiana S.p.A, which the Company follows.

In this Report, the Board also reports on the supervisory activity carried out on the Company's compliance with the provisions set forth in Italian Legislative Decree no. 254/2016 on the disclosure of non-financial and diversity information.

The Board of Statutory Auditors acquired the information required to perform its supervisory function

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through the ordinary control activities carried out during its 9 meetings held during the year, as well as by participating in meetings of the Board of Directors and meetings of the Board Committees and by interviewing the Company's management on several occasions, and also thanks to the information acquired from the relevant corporate functions.

APPOINTMENT AND INDEPENDENCE OF THE BOARD OF STATUTORY AUDITORS

This Board was appointed by the Shareholders' Meeting of April 26, 2023, for the 2023/2026 three-year term, in the persons of Lucia Foti Belligambi (Chair), Michele Paolillo (Statutory Auditor) and Marco Rizzi (Statutory Auditor).

The composition of the Board complies with the gender distribution criterion set forth in Art. 148 of Italian Legislative Decree no. 58 of 1998.

Before drafting this report, the Board of Statutory Auditors verified the fulfillment of the independence requirement by its individual members as part of the broader self-assessment process carried out by following the guidelines set forth in Standard Q.1.1. "Self-Assessment of the Board of Statutory Auditors," contained in the document "Rules of Conduct for the Board of Statutory Auditors of Listed Companies" published by the National Board of Chartered Accountants and Expert Tax Advisors (“CNDCEC”) in December 2023; the indications set forth in the subsequent standards Q.1.2., Q.1.3. and Q.1.4. of the same "Rules of Conduct for the Board of Statutory Auditors of Listed Companies"; as well as the rules set forth in Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance) and those laid out in the Corporate Governance Code.

The Board of Statutory Auditors also carried out the self-assessment process on the composition and functioning of the board with reference to financial year 2023 (as of the date of appointment), in order to confirm the eligibility of the members and the adequate composition of the board, with regard to the requirements of professionalism, expertise and availability of time and resources in proportion with the complexity of official duties. The results of the above-mentioned self-assessment process,

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conducted at the Board of Statutory Auditors meeting held on March 5, 2024, were disclosed to the Board of Directors, pursuant to Art. 144-novies, paragraph 1-ter of the Issuers' Regulations adopted by Consob with resolution no. 11971 of 1999, the provisions of the Corporate Governance Code and the above-mentioned Rules contained in the document prepared by the CNDCEC, at the meeting held on March 13, 2024, and are highlighted in the Corporate Governance Report, which should be referred to for the details.

The members of the Board of Statutory Auditors also confirmed that they are in compliance with the limit on the total number of offices that may be held, as set forth in Art. 144-terdecies of the Issuers' Regulations, and that they have met the training requirements of their respective professional organizations.

SUPERVISORY AND CONTROL ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

In the performance of the functions assigned to it by the law, in its capacity as control body and also as the Internal Control and Audit Committee in Public Interest Entities, pursuant to Art. 19 of Italian Legislative Decree no. 39/2010, in detail the Board of Statutory Auditors carried out the activities described below.

ACTIVITIES TO SUPERVISE COMPLIANCE WITH THE LAW AND THE ARTICLES OF ASSOCIATION

Specifically with reference to the supervision of compliance with the law and the articles of association,

the Board of Statutory Auditors:

- ✓ attended Shareholders' Meetings and Board of Directors meetings, supervising compliance with the law, primary and secondary legislation and the articles of association, as well as compliance with the principles of proper administration;

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- ✓ obtained information from the Directors, with the frequency set forth in Art. 150 of Italian Legislative Decree no. 58/1998 and in the manner established by Art. 22 of the Articles of Association, on the general results of operations, the business outlook and the activities carried out as well as the most significant transactions from the economic, financial and capital point of view approved and carried out by the Company and its subsidiaries during the financial year, focusing particularly on whether the resolutions passed and the actions undertaken were compliant with the law and the Articles of Association and were not manifestly imprudent, risky, in potential conflict of interest, in conflict with the resolutions of the Shareholders' Meeting or such as to compromise the integrity of the Company's assets;
- ✓ acquired knowledge of and supervised, to the extent of its responsibilities, the adequacy of the organizational structure - in terms of its set-up, procedures, powers and responsibilities - in relation to the size of the Company and the nature and manner of its pursuit of the corporate purpose, by collecting information from the managers of the relevant corporate functions and having meetings with the Independent Auditors, as part of the mutual exchange of data and information;
- ✓ monitored compliance with the principles of proper administration through diligent participation in meetings of the Board of Directors and the board committees established in observance of the Corporate Governance Code and by acquiring information from the specific corporate functions, focusing on whether management decisions were inspired by the principle of proper administration and reasonableness and whether the directors were aware of the degree of risk and effects of the transactions carried out;
- ✓ assessed and monitored the adequacy of the internal control system and the administrative-accounting system, and its reliability for correctly representing operating events, by:

  - reviewing the report of the Company's Executive in Charge of Internal Control;

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- reviewing the reports prepared by the Internal Audit Department and the disclosure it provides on the results of its monitoring activities concerning the implementation of corrective actions identified from time to time;
- obtaining information from the managers of the respective corporate functions;
- analyzing the results of the Company's assessment and monitoring corporate risk controls, delving into the assessments performed in this regard by risk owners;
- examining company documents;
- analyzing the results of the work done by the two Independent Auditors, KPMG for the economic and financial part and Deloitte Italia Spa in relation to the NFS;
- exchanging information with the control bodies of subsidiaries pursuant to Art. 151, paragraphs 1 and 2, of Italian Legislative Decree no. 58/1958;

✓ Held nine meetings during the financial year, with an average duration of two hours each, and attended all meetings of the Board of Directors (totalling eleven) and of the board committees, namely, five meetings of the Control and Risks Committee, two meetings of the Remuneration and Appointments Committee and one meeting of the Related Parties Committee, and three meetings of the Sustainability Committee.

✓ supervised the adequacy of the reciprocal flow of information between the Company and its subsidiaries pursuant to Art. 114, paragraph 2 of Italian Legislative Decree no. 58/1998;

✓ supervised compliance with "Market Abuse" and "Internal Dealing" requirements, verifying the adequacy of the rules and procedures adopted by the Company for the management of inside information and their compliance with the applicable regulatory provisions, and focusing on the procedure for the distribution of press releases and information to the public

✓ supervised the compliance of the Company's related party transaction procedures with the new "Regulation on Related Party Transactions" issued by Consob, which became effective on July 1, 2021;

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- ✓ supervised compliance with the rules set forth in the "Code of Conduct for Group Directors," approved by the Company, to provide the directors with uniform standards of conduct;
- ✓ held meetings, pursuant to Art. 150, paragraph 3 of Italian Legislative Decree no. 58/1998, with representatives of the Company engaged as Independent Auditor;
- ✓ exchanged information with the corresponding control bodies of Orsero Spa's subsidiaries, pursuant to Art. 151, paragraphs 1 and 2 of Italian Legislative Decree no. 58/1998;
- ✓ supervised, pursuant to Art. 149, paragraph 1, letter c-bis, of Italian Legislative Decree no. 58/1998, the procedures for the concrete implementation of the Corporate Governance Code, prepared by the Corporate Governance Committee, which the Company follows;
- ✓ verified the adoption of the self-assessment procedure on the composition and functioning of the Board of Directors and the established Board Committees, performed in compliance with the recommendations of the Corporate Governance Code, and found that in the assessment - carried out on the basis of the findings from a self-assessment questionnaire completed by all members of the Board of Directors - no critical issues emerged.
- ✓ verified, in particular, again with regard to the above-mentioned self-assessment procedure, the correct application of the assessment criteria and procedures adopted by the Board of Directors, in compliance with the application criterion pursuant to Recommendation no. 6 of Article 2 of the Corporate Governance Code, to assess the independence of its members;
- ✓ acknowledged the audit performed by Internal Audit on the basis of the controls carried out by the Independent Auditors in order to audit the financial statements, on the reliability of the information systems, including accounting systems;

The Board of Statutory Auditors also acknowledges that it has issued the following favorable opinions:

- ✓ on the assessment of the fulfillment of independence requirements, as set forth in the Corporate Governance Code and Italian Legislative Decree no. 58/1998, by the independent directors;

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- ✓ on the allocation of compensation to directors holding special offices, pursuant to Art. 2389, paragraph 3 of the Italian Civil Code;
- ✓ on the approval of the annual plan of activities prepared by the manager of the Internal Audit Department, pursuant to Recommendation no. 33, letter c) set forth in Art. 6 of the Corporate Governance Code;
- ✓ on the assessment on the accurate use of accounting standards and their uniformity for the purpose of preparing the consolidated financial statements, carried out by the Control and Risks Committee, in accordance with Recommendation no. 35, letter a) pursuant to Art. 6 of the Corporate Governance Code, in consultation with the Corporate Accounting Reporting Officer;
- ✓ on the appointment of the Corporate Accounting Reporting Officer (Art. 154-bis, paragraph 1 of the Consolidated Law on Finance);
- ✓ on the engagement of KPMG Costa Rica to perform tax assistance services on transfer pricing issues for Orsero Costa Rica (subsidiary of Cosiarma);
- ✓ on the engagement of KPMG Costa Rica to perform an assurance/attestation service relating to the performance of an agreed-upon procedure to verify that the accounting information agrees with the financial statement data of Orsero Costa Rica S.R.L.;
- ✓ on the engagement of KPMG Advisory S.p.A. for a Technical Security Assessment advisory service.

SUPERVISORY ACTIVITIES ON THE ADEQUACY OF THE ADMINISTRATIVE-ACCOUNTING SYSTEM AND THE INDEPENDENT AUDIT

With regard to the supervision of the adequacy of the administrative and accounting system and the independent audit, the Board of Statutory Auditors, called upon to supervise, in accordance with Art. 19 of Italian Legislative Decree no. 39/2010, the financial reporting process; the effectiveness of the internal control and risk management systems; the independent audit of the accounts and the independence of the Independent Auditors, especially with regard to the provision of non-audit services, in detail:

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- ✓ supervised the existence of rules and procedures regarding the process of developing and distributing financial reporting; the process of attesting to the reliability of financial reporting; and the ability of the financial reporting process to produce financial reporting in accordance with accounting standards. In particular, it should be noted that the Corporate Governance Report sets out criteria for defining the Internal Control and Risk Management System in relation to the financial reporting process at consolidated level, and that the functioning of administrative-accounting procedures is subject to checks carried out through control monitoring activities, carried out by the Corporate Accounting Reporting Officer with the support of Internal Audit and the consulting firm Deloitte & Touche S.p.A., which performed an assessment of the procedures in view of the change in the Corporate Accounting Reporting Officer during the year. The monitoring of the internal control system on financial reporting did not reveal any setbacks to the issuing of the attestation of the Corporate Accounting Reporting Officer and the Chief Executive Officer concerning the adequacy of administrative and accounting procedures for the preparation of the Company's separate and consolidated financial statements for the year 2023;
- ✓ evaluated with the Corporate Accounting Reporting Officer and other relevant Functions, during several meetings, the potential economic and financial impacts attributable to certain risks to which the Group is exposed;
- ✓ supervised the independent audit of the annual and consolidated accounts and the independence of the Independent Auditors, especially with regard to any non-audit services;
- ✓ received confirmation from the Independent Auditors of their independence pursuant to Art. 17 of Italian Legislative Decree no. 39/2010 and pursuant to paragraph 17 of International Standard on Auditing (ISA Italy) 260;

In carrying out the above activity, the Board of Statutory Auditors coordinated with the Control and Risks Committee in order to avoid overlapping and benefit from their different areas of expertise.

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SUPERVISORY ACTIVITIES ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM AND THE ORGANIZATIONAL STRUCTURE

With respect to supervisory activities on the adequacy of the internal control system and the organizational structure, the Board of Statutory Auditors assessed and supervised the adequacy of internal control and the effectiveness of the internal control and risk management systems, focusing on the most significant activities, also through diligent participation in the Control and Risks Committee meetings.

As part of this activity, the Board of Statutory Auditors acknowledges that it:

- ✓ received periodic reports on the carried-out activities prepared by the Control and Risks Committee and those prepared by the Internal Audit Department;
- ✓ received the reports prepared at the end of the audit and monitoring activities by the Internal Audit Department, with their outcomes and recommended actions, and viewed the evidence of subsequent checks on the actual implementation of these actions;
- ✓ received periodic updates on the evolution of the risk management process, the result of monitoring and assessment activities carried out by Internal Audit, and the results;

The Board of Statutory Auditors oversaw the adequacy of the overall organizational structure of the Company and the Group and also monitored the process of assigning powers.

The Board of Statutory Auditors monitored the adequacy of the instructions issued by the Company to its subsidiaries in order to promptly obtain the information needed to comply with statutory reporting requirements.

On September 11, 2023, the Board of Statutory Auditors (with the members currently in office) met with the Supervisory Body set up pursuant to Italian Legislative Decree 231/2001, which is responsible for overseeing the update, the functioning of and the compliance with the Organization, Management and Control Model and the Code of Ethics, and was informed about the activities it had carried out, as also set forth in the Supervisory Body's Annual Report presented at the Board of Directors' meeting on March 13,

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2024.

As a result of its activities, the Supervisory Body did not report any critical issues.

On December 19, 2023, the Board of Statutory Auditors met with representatives of the Boards of Statutory Auditors of the main Italian subsidiaries (Fruttital S.r.l., S.i.m.b.a. S.p.A. and Cosiarma S.p.A.); no matters worth mentioning in this Report emerged from these meetings.

COMPLIANCE WITH THE PRINCIPLES OF PROPER ADMINISTRATION AND RELATIONS WITH RELATED PARTIES

The Board of Statutory Auditors monitored adherence to the principles of proper administration, particularly with regard to transactions that had a material impact on the Company's income statement, balance sheet and financial position, by attending meetings of the Board of Directors on an ongoing basis and reviewing the documents provided.

In this regard, the Board of Statutory Auditors has received information from the Chief Executive Officers and the Board of Directors on the activities carried out and on the most important economic, financial and capital operations undertaken by the Company and the Group; this information is adequately represented in the Financial Report.

For the definition of "related party," reference was made to the International Accounting Standards adopted by the European Union, IAS 24 as prescribed by Art. 2427 of the Italian Civil Code.

On the basis of the information made available, the Board of Statutory Auditors believes that these transactions can be considered compliant with the law, the Company's Articles of Association and the principles of proper administration and that they do not appear to be manifestly imprudent, risky or in contrast with the resolutions passed by the Shareholders' Meeting, nor such as to compromise the integrity of the Company's assets.

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MAJOR EVENTS

- In January 2023 Orsero S.p.A. executed the agreements relating to the purchase of 100% of the share capital of Capexo and 80% of the share capital of Blampin, French companies operating in the import and distribution of fruit and vegetable products, the former with a turnover of about Euro 66 million in 2021, very active in the exotic fruits segment, and the latter with a turnover of around Euro 195 million in 2021, the first national operator in the wholesale markets. These acquisitions will allow to achieve a strong strategic market positioning in France in terms of size, product range and sales channel coverage.
  The total investment for the two acquisitions amounts to about Euro 92 million.
  The acquired companies were consolidated by Orsero as of January 1, 2023;
- Orsero S.p.A. has taken out a 2022-2028 medium-/long-term ESG-linked loan from a pool of leading European banks, for a total of Euro 90 million, mainly intended for financial commitments deriving from the new acquisitions in Capexo and Blampin;
- On June 29, 2023, the company signed the settlement agreement with the Customs Agency for the facilitated settlement of the dispute and the ensuing abandonment of all pending litigation relating to the companies Simba and Fresco for contested duties associated with the group's import of bananas from 1997 to 2001 in the amount of approximately Euro 6.5 million relating to taxes and interest. In response to this event, the company released the provision for risks set aside for that purpose.
- On February 1, 2023, based on the Budget projections approved by the BoD, the FY 2023 Guidance was announced to the market.
- On April 26, 2023, the shareholders' meeting approved the distribution of the 2022 profit for the year amounting to Euro 7,261 thousand, with the allocation of a unit dividend of Euro 0.35 per

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share.

- On April 26, 2023, the shareholders' meeting approved the appointment of the Board of Directors and the Board of Statutory Auditors for the 2023/2025 three-year period.
- The shareholders' meeting on April 26, 2023 and the shareholders' meeting on December 20, 2023 authorized share buyback transactions.

TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES ATYPICAL AND/OR UNUSUAL TRANSACTIONS

The Company has a "Procedure for transactions with related parties", in compliance with the provisions of Consob Regulation no. 17221/2010 as amended, Article 2391-bis of the Italian Civil Code and Articles 113-ter, 114, 115 and 154-ter of the Consolidated Law on Finance.

The 2023 Financial Report shows the transactions with associated and related parties. In 2023, no transactions with associated and related parties were implemented other than those falling within the ordinary scope of the Group's business.

The Board of Statutory Auditors has assessed as adequate the information provided by the Board of Directors in the 2023 Annual Financial Report regarding transactions with associated and related parties.

To the best of our knowledge, no atypical and/or unusual transactions were carried out during the 2023 financial year.

In conclusion, as a result of the supervisory and control activities carried out during the year in the terms exemplified (the list is not exhaustive, as supervision takes all possible forms) in the previous paragraphs, the Board of Statutory Auditors can attest that:

- no omissions, irregularities and/or objectionable or otherwise significant facts have emerged, such as to require their reporting to the control bodies or mention in this report;
- no complaints were received by the Board of Statutory Auditors pursuant to Art. 2408 of the

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Italian Civil Code, nor were there any complaints from third parties;

- no transactions with third parties, with Group Companies or with other related parties were identified that had atypical and/or unusual features in terms of content, nature, size or timing.

The set of transactions and choices made is inspired by the principle of proper administration and reasonableness.

SUPERVISORY ACTIVITIES ON THE IMPLEMENTATION OF CORPORATE GOVERNANCE RULES

As concerns supervisory activities on the implementation of corporate governance rules, the Board of Statutory Auditors acknowledges:

- ✓ that it checked the evolution of governance also in light of the considerations set forth in the Corporate Governance Report regarding the recommendations included in the letter of the Chairman of the Corporate Governance Committee dated December 14, 2023 and, in this context, that it positively evaluated the attention paid by the Company to the above-mentioned recommendations in order to assess the Company's position with respect to them;
- ✓ that it acknowledged, through diligent participation in Remuneration and Appointments Committee meetings, the concrete verification of the application of the Remuneration Policy and the compliance of the conduct adopted by the Company with the principles and criteria established therein.

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THE SUPERVISORY ACTIVITIES RELATING TO THE ANNUAL FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED NON-FINANCIAL STATEMENT

As for the supervisory activities relating to the Annual Financial Statements, the Consolidated Financial Statements and the Consolidated Non-financial Statement, the Board of Statutory Auditors acknowledges:

- ✓ that it received - on March 13, 2024 - the draft consolidated financial statements of the Group and the separate financial statements as of December 31, 2023 prepared in accordance with international accounting standards and in ESEF - European Single Electronic Format, as well as the Directors’ Report, within the terms set forth in Art. 2429 of the Italian Civil Code, and that it ascertained, also through information received from the Independent Auditors, compliance with the legal standards governing their preparation;
- ✓ that it obtained analytical information regarding the impairment test performed, in accordance with IAS 36, to confirm the asset values recorded in the Company's financial statements and the financial statements of subsidiaries and relating to goodwill. All assessments underlying the impairment test, conducted as of December 31, 2023, again with the support of a leading consulting firm, were analyzed by the Board of Statutory Auditors. In order to determine the impairment testing, goodwill is considered as allocated to the individual cash generating units (or “CGUs”) representing the financially-independent business units through which the Group operates. It should be also noted that until December 31, 2022, the individual CGUs were identified by geographical area in which the distribution companies operated (Country-CGU), with a separate Cash Generating Unit for the shipping business. As of 2023, taking into account the major acquisitions that took place during the year, in order to be more consistent with the characteristics and strategy of the group's business, two Cash Generating Units have

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instead been identified in the group, namely: the (Distribution Business Unit CGU and the Shipping/Cosiarma CGU), assisted in all of these activities by a leading consulting firm. In more detail, the main reasons for the different approach regarding the allocation of goodwill and the relative impairment test can be briefly explained as the gradual implementation of the group's growth strategy, the exploitation of group synergies and strategic investments and monitoring reports relating to distribution versus shipping. The impairment test performed as of December 31, 2023 made it possible for the competent function to certify that the value in use of the intangible assets was accurate (with respect to the relative book value).

- ✓ that it received, on March 28, 2024, the reports issued pursuant to Art. 14 and Art. 19, paragraph 3 of Italian Legislative Decree no. 39/2010 for the annual financial statements and the consolidated financial statements for the year ended December 31, 2023, respectively, from the independent auditors KMPG. These reports indicate that the Company's annual financial statements and consolidated financial statements provide a true and fair view of its financial position, results of operations and cash flows for the year ended December 31, 2023, in compliance with the International Financial Reporting Standards adopted by the European Union as well as the measures issued in implementation of Art. 9 of Italian Legislative Decree no. 38/2005; and that the directors' report and the information in the report on corporate governance and ownership structure referred to in paragraph 4 of Art. 123-bis of Italian Legislative Decree no. 58/1998 are consistent with the annual financial statements and the consolidated financial statements. In addition, the audit report includes an indication of the key aspects of the audit, in relation to which, however, no separate opinion is expressed, as they were addressed in the audit and in the formation of the opinion on the financial statements as a whole.
- ✓ that it received, on March 28, 2024, the report from the independent auditors KPMG S.p.A.

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required by Art. 11 of Regulation (EU) 537/2014, which brought to light no significant shortcomings in the internal control system in relation to the financial reporting process worth being brought to the attention of those responsible for governance activities.

- ✓ that it received, also on March 13, 2024, the Sustainability Report containing the Consolidated Non-Financial and Diversity Statement, by the deadlines set by Art. 5 of Italian Legislative Decree no. 254/16;
- ✓ that it is able to certify, in relation to such Sustainability Report, the adequacy of the organizational structures in relation to the strategic objectives in the social/environmental field that the Company has set for itself, as well as the consistency of the statement produced with the provisions of Italian Legislative Decree no. 254/2016. Going into detail, the Board of Statutory Auditors, as part of its ordinary activities carried out in implementation of current regulations, supervised the Company's compliance with the provisions established on the disclosure of non-financial information and diversity information. The statement mentioned above, prepared in accordance with the reporting principles identified in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standard for short), 2021 Edition, "in accordance" option, presents the strategies adopted in order to ensure the economic growth of the Company and the development of its business from a sustainable perspective. On the above statement, which was approved by the Board of Directors at its meeting on March 13, 2024 and made available to the Statutory Auditors on the same date, the Board of Statutory Auditors conducted a summary review of systems and processes in order to confirm compliance with the law and proper administration. Specifically, the audit focused on updating the materiality analysis performed by the competent Departments in relation to the 2023 financial year to come into line with the new GRI standards; the reporting of the new "General Disclosure" and "Sector Specific" indicators; the expansion of information on

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environmentally sustainable activities according to the Taxonomy Regulation and the EU Climate Delegated Act; the reporting of the financial impact on business activities connected to climate change risks and opportunities according to the methodology recommended by the Task Force on Climate-Related Financial Disclosure (TCFD); the Key Performance Indicators on Environment and Governance (ESG KPIs); as well as how the information provided by Group companies is reported and whether it is truthful and consistent with legal requirements.

- ✓ met with the Representatives of the Independent Auditors Deloitte & Touche S.p.A. appointed to carry out the limited examination ("limited assurance engagement") of the consolidated non-financial statement of Orsero S.p.A. and its subsidiaries and acknowledged that the Independent Auditors issued, on March 28, 2024, the Report pursuant to Art. 3, paragraph 10 of Italian Legislative Decree no. 254/2016 and Art. 5 of the Consob Regulation adopted by Resolution no. 20267/2018. As part of said report, Deloitte & Touche S.p.A. attested that, on the basis of the work carried out, no elements have come to its attention that would suggest that the NFS was not prepared, in all significant aspects, in compliance with the reference standards and reporting standards used.

The Board of Statutory Auditors in turn observes that, as a result of the work it performed, nothing was brought to its attention which would indicate that the NFS did not comply with the regulations governing its preparation.

The Board of Statutory Auditors will inform the Company's Board of Directors about the results of the independent audit.

With regard to supervisory activities on relations with subsidiaries, the Board:

acquired knowledge of and supervised, pursuant to Art. 149, paragraph 1, letter d) of Italian Legislative Decree no. 58/1998, for the main companies subject to control, the adequacy of the

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instructions issued by the Company to its subsidiaries pursuant to Art. 114, paragraph 2 of the same Italian Legislative Decree no. 58/1998, through:

- ✓ the acquisition of information from the managers of the relevant corporate functions;
- ✓ meetings and exchanges of information with the Chairs of the Boards of Statutory Auditors and with the Sole Statutory Auditor where applicable;
- ✓ meetings with the Company responsible for the independent audit of the investees.

CONCLUSIONS

After the supervisory activities carried out during financial year 2023 described above, reiterating the considerations already expressed, the Board of Statutory Auditors can certify that the choices made by the Directors appear to comply with the law and the articles of association and the principles of proper administration, and are also consistent and compatible with the company's size and assets; that - also on the basis of the information obtained from the Independent Auditors - no omissions and/or objectionable facts and/or irregularities or in any case significant facts were detected such as to require their reporting to the control bodies or mention in this report.

Based on the above-mentioned supervisory activities, and from the analysis of the draft of the submitted financial statements, considering that on March 28, 2024, the Independent Auditors issued their reports with no findings, the Board of Statutory Auditors does not see any reason to object to the approval of the financial statements for the year ended December 31, 2023 and the proposed resolutions provided by the Board of Directors.

March 29, 2024

The Board of Statutory Auditors

Lucia Foti Belligambi – Chair

Michele Paolillo – Statutory Auditor

Marco Rizzi – Statutory Auditor