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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Trevi Finanziaria Industriale S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Trevi Finanziaria Industriale S.p.A. and its subsidiaries (the "Trevi Group"), comprising the statement of financial position as at 30 June 2023, the statements of profit or loss, comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Trevi Group as at and for the six months ended 30 June

2023 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 29 September 2023

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

TREVI – Finanziaria Industriale S.p.A.

Interim Financial Report at 30 June 2023

TREVI– Finanziaria Industriale S.p.A.

Registered Office in Cesena (FC) – Via Larga 201– Italy

Share capital of Euro 123,044,339.55 fully paid-up

Forlì - Cesena Chamber of Commerce Business Register No. 201.271

Tax code, VAT number and Forlì - Cesena Register of Companies No.: 01547370401

Website: www.trevifin.com

MEMBERS OF THE CORPORATE BODIES

At the date of this report, following the Shareholders' Meeting held on 11 August 2022 and the Shareholders' Meeting held on 10 May 2023, the corporate bodies are composed as follows:

CHAIRMAN
Paolo Besozzi (non-executive and independent) [1]

CHIEF EXECUTIVE OFFICER
Giuseppe Caselli

BOARD OF DIRECTORS
Davide Contini (non-executive and independent)
Bartolomeo Cozzoli (non-executive and independent)
Cristina De Benetti (non-executive and independent)
Manuela Franchi (non-executive and independent)
Sara Kraus (non-executive and independent)
Davide Manunta (executive)
Elisabetta Oliveri (non-executive and independent)
Alessandro Piccioni (non-executive and independent)

1 - In office as Chairman as of 1 August 2023 following the resignation of Anna Zanardi from her position.

BOARD OF STATUTORY AUDITORS
Standing auditors
Marco Vicini (Chairman)
Francesca Parente
Mara Pierini

OTHER CORPORATE BODIES

Committee for the appointment and remuneration of Directors
Alessandro Piccioni (Chairman)
Bartolomeo Cozzoli
Elisabetta Oliveri

Related Party Committee
Cristina De Benetti (Chairperson)
Sara Kraus
Davide Contini

Control, Risks and Sustainability Committee
Manuela Franchi (Chairperson)
Elisabetta Oliveri
Davide Manunta

Director of Administration, Finance and Control
Massimo Sala
Appointed manager in charge of financial reporting by resolution of the Board of Directors on 11 August 2022.

Independent Auditors
KPMG S.p.A.
Appointed on 15 May 2017 and in charge until the Shareholders' Meeting called to approve the financial statements at 31 December 2025.

Supervisory Body of the Organisational Model 231/01
Floriana Francesconi (Chairperson)
Yuri Zugolaro
Valeria Sarti

The Trevi Group is a world leader in all-round underground engineering (special foundations, soil consolidation and reclamation of polluted sites), in the design and marketing of specialised technologies in the sector. Born in Cesena in 1957, the Group has about 65 companies and is present in approximately 90 countries with its dealers and distributors. Among the reasons for the success of the Trevi Group are the internationalisation, integration and continuous interchange between the two divisions: Trevi, which carries out special foundation and soil consolidation works for large infrastructure projects (subways, dams, ports and docks, bridges, railway and motorway lines, industrial and civil buildings) and Soilmec, which designs, manufactures and markets machinery, plants and services for the soil engineering.

The Parent Trevi -Finanziaria Industriale S.p.A. (TreviFin) has been listed on the Milan stock exchange since July 1999. Trevifin is listed on Euronext Milan that supersedes the old term MTA, as a result of the market rebranding activities that followed the acquisition of Borsa Italiana by Euronext N.V.

Directors’ Report

Methodological note

The Directors’ Report includes information concerning the revenue, profitability, financial position and financial performance of the Trevi Group at 30 June 2023.

Unless otherwise indicated, all amounts are expressed in thousands of Euro. Items of the Statement of Financial Position were compared with the amounts of the previous year, while, regarding the Statement of Profit or Loss, the amount was compared to that of the half-year ended 30 June 2022.

Any differences detected in some tables are due to the rounding effects of amounts expressed in thousands of Euro. The Parent, Trevi - Finanziaria Industriale S.p.A., is referred to with its full company name or simply as Trevifin or the Parent; the Group headed by the same is hereinafter referred to as the Trevi Group or simply as the Group.

The Condensed Interim Consolidated Financial Statements are drawn up based on the opening balances resulting from the financial statements at 31 December 2022, approved by the Board of Directors on 29 March 2023.

Significant accounting policies

The Interim Financial Report at 30 June 2023 was prepared in compliance with Art.154-*ter,* paragraph 5 of Italian Legislative Decree 58/98 – T.U.F. [Italian Consolidated Law on Finance] - and subsequent amendments and additions - and pursuant to Art. 2.2.3. of the Italian Market Regulation.

The accounting standards, the basis of consolidation and the accounting policies used in preparing the interim financial report are the same as those used in the 2022 Annual Report, available on the website www.trevifin.com, under the section “*Investor Relations*”.

The Parent and the Group applied the “*International Financial Reporting Standards*” (“IFRS”) endorsed by the European Union, the provisions of Italian Legislative Decree 38/2005 and other CONSOB provisions concerning financial statements, according to the cost method (except for derivative financial instruments and for financial instruments to be measured at fair value) and on a going concern basis.

Reclassified statement of profit or loss

The Statement of Profit or Loss of the Group included in this Directors’ Report was reclassified according to the presentation method deemed useful by Management to represent interim indicators of profitability such as Production Revenue, Gross Operating Profit (EBITDA) and Operating Profit/(Loss) (EBIT).

Some of the interim indicators of profitability mentioned above are not identified as accounting measures by the IFRS endorsed by the European Union and, therefore, the quantitative determination of such indicators may not be unique. Such indicators are measures used by Management to monitor and evaluate the operating performance of the Group. Management believes that said indicators are an important measurement of the operating performance insofar as they are not affected by the various factors used in determining taxable income, by the amount and nature of capital employed and by amortisation and depreciation policies. The criterion used by the Group for determining said indicators may not be consistent with the one adopted by other groups or companies and, therefore, their value may not be comparable with the one determined by the latter.

The Trevi Group financial highlights at 30 June 2023 are shown below:

Group financial highlights

(In thousands of Euro)	First half 2023	First half 2022	Change	% change
Total revenue	280,266	236,125	44,141	18.7%
Recurring gross operating profit (EBITDA)	32,514	23,087	9,427	40.8%
Gross operating profit (EBITDA)	31,133	21,022	10,111	48.1%
Operating profit/(loss) (EBIT)	20,297	(80)	20,377	
Profit/(Loss) from continuing operations	27,636	(18,385)	46,021	
Profit/(Loss) for the period	27,636	(18,385)	46,021	
Profit/(Loss) for the period attributable to the owners of the Parent	23,634	(19,776)	43,410	

Order backlog and order intake

(In thousands of Euro)	**30/06/2023**	**31/12/2022**	***Change***	***% change***
Order backlog	585,951	587,364	(1,413)	-0.2%
(In thousands of Euro)	**First half 2023**	**First half 2022**	***Change***	***% change***
Order intake	310,301	391,333	(81,032)	-20.7%

Trevi Group net financial debt

(In thousands of Euro)	30/06/2023	31/12/2022	Change	% change
Total net financial debt	(187,093)	(251,180)	64,087	26%

Group’s workforce

	30/06/2023	31/12/2022	Change	% change
Number of employees	3,254	3,274	(20)	-1%

Total revenue for the first half of 2023 amounted to approximately Euro 280.3 million, compared to Euro 236.1 million for the first half of 2022, marking an increase of approximately Euro 44.1 million (up by 18.7%).

Recurring gross operating profit and gross operating profit for the first half of 2023 were approximately Euro 32.5 million and Euro 31.1 million, respectively.

The operating profit for the first half of 2023 was Euro 20.3 million, marking an improvement of Euro 20.4 million compared to the same period in 2022 (a loss of Euro 0.08 million).

The profit for the period attributable to the owners of the Parent was Euro 23.6 million (a loss of Euro 19.8 million for the first half of 2022).

The net financial debt amounted to Euro 187.1 million at 30 June 2023, marking an increase of Euro 64.1 million compared to Euro 251.2 million at 31 December 2022.

During the first half of 2023, the Group acquired orders for approximately Euro 310.3 million, compared to approximately Euro 391 million acquired in the same period of 2022. The Trevi Division, in particular, acquired orders for approximately Euro 261.5 million (Euro 310 million in the first half of 2022), while the Soilmec Division acquired orders for Euro 71.2 million (Euro 86 million in the first half 2022). The order backlog at 30 June 2023 amounted to Euro 586 million compared to Euro 587 million at 31 December 2022).

The Group's performance in the first six months of the year in terms of order intake and backlog was in line with the forecasts for the year 2023, part of the 2022-2026 Plan.

The month of January 2023 saw the completion of the overall share capital increase carried out within the framework of the broader capital strengthening and financial debt restructuring transaction aimed at rebalancing the financial position and financial performance of the Trevi Group. No. 161,317,259 newly issued ordinary shares of the Parent were subscribed for a total equivalent amount of Euro 51,137,571.10 (of which Euro 25,568,785.55 to be allocated to share capital and Euro 25,568,785.55 to be allocated to premium reserve). The new share capital of Trevifin therefore amounted to Euro 123,044,339.55, divided into No. 312,172,952 ordinary shares.

Specifically:

- a capital increase against consideration to be offered with option right to shareholders pursuant to Article 2441, paragraph 1 of the Italian Civil Code, for a total maximum amount of Euro 25,106,155.28, to be paid on an indivisible basis up to Euro 24,999,999.90 and on a divisible basis for the excess amount, was subscribed against consideration for Euro 24,999,999.90, of which Euro 17,006,707 paid for the subscription of 53,648,918 shares by the Institutional Shareholders, CDPE Investimenti S.p.A. and Polaris Capital Management, LLC. The remaining Euro 7,993,292.90 was paid for the subscription of 25,215,435 shares by other shareholders; and
- the capital increase against consideration to be paid on an indivisible basis, with the exclusion of the option right, for Euro 26,137,571.21, through the issuance of 82,452,906 ordinary shares, reserved to some Lending Banks of the Group was fully subscribed through a debt-to-equity swap of bank debt, at a conversion ratio of 1.25 to 1, in the manner and to the extent provided for by the restructuring agreement in execution of a certified plan pursuant to Articles 56, paragraph 3 and 284, paragraph 5 of Italian Legislative Decree No. 14/2019.

The overall share capital increase was carried out within the framework of the broader capital strengthening and financial debt restructuring transaction with the aim of overcoming the current situation of crisis and uncertainty regarding the company's ability to continue as a going concern and of enabling the Trevi Group to reach the targets set out in the 2022-2026 Consolidated Plan.

Within the context of the Neom Project - "The Line", the subsidiary Trevi Arabian Soil Contractor Ltd, according to the scoring process of the "NEOM Project Quality Index", was ranked the best contractor for quality, becoming the first piling contractor in December 2022.

As was the case in 2022, the Italian newspaper Corriere della Sera included the Trevi Group among "The most climate-conscious companies 2023". The survey carried out in collaboration with Statista, a renowned German company that manages one of the world's leading portals for statistics and business intelligence, involved about 600 Italian companies and selected the most virtuous ones regarding their ability to reduce their corporate CO_2 emissions.

The performance of the Trevi Finanziaria Industriale share on the Stock Exchange is shown below:

The reclassified Statement of Profit or Loss, Statement of Financial Position and Net Financial Debt are shown below.

(In thousands of Euro)	First half 2023	First half 2022	Change
TOTAL REVENUE	**280,266**	**236,125**	**44,141**
Change in finished goods and work in progress	5,688	7,078	(1,390)
Internal work capitalised	10,869	4,234	6,635
PRODUCTION REVENUE (1)	**296,823**	**247,437**	**49,386**
Consumption of raw materials and external services (2)	(201,179)	(162,663)	(38,516)
VALUE ADDED (3)	**95,644**	**84,774**	**10,870**
Personnel expense	(63,130)	(61,687)	(1,443)
RECURRING GROSS OPERATING PROFIT (4)	**32,514**	**23,087**	**9,427**
Non-recurring expense	(1,381)	(2,065)	684
GROSS OPERATING PROFIT (5)	**31,133**	**21,022**	**10,111**
Depreciation and amortisation	(15,427)	(14,990)	(437)
Provisions and impairment losses	4,591	(6,113)	10,704
OPERATING PROFIT/(LOSS) (6)	**20,297**	**(81)**	**20,378**
Net financial income/(expense) (7)	13,206	(7,089)	20,295
Net exchange gains/(losses)	1,983	(4,682)	6,665
Adjustments to financial assets	(78)	(402)	324
PROFIT/(LOSS) BEFORE TAXES	**35,408**	**(12,254)**	**47,662**
Income taxes	(7,772)	(6,131)	(1,641)
PROFIT/(LOSS) FOR THE PERIOD	**27,636**	**(18,385)**	**46,021**
Attributable to:			
Owners of the Parent	23,634	(19,776)	43,410
Non-controlling interests	4,002	1,391	2,611
PROFIT/(LOSS) FOR THE PERIOD	**27,636**	**(18,385)**	**46,021**

[1] *"Production revenue" includes the following items: revenue from sales and services, internal work capitalised, other operating revenue and change in finished goods and work in progress.*

[2] *"Consumption of raw materials and external services" includes the following items: raw materials and consumables, change in raw materials, consumables, supplies and goods, and other operating expenses not including other operating costs. This item is shown net of non-recurring expense.*

[3] *"Value added" is the sum of production revenue, consumption of raw materials and external services and other operating costs.*

[4] *"Recurring gross operating profit" (recurring EBITDA) represents the normalised EBITDA by eliminating non-recurring operating income and expense from the EBITDA calculation.*

[5] *"Gross Operating Profit" (EBITDA) is a financial indicator not defined in the IFRS, adopted by the Trevi Group starting from the consolidated financial statements at 31 December 2005. EBITDA is a measure used by TREVI's Management to monitor and measure the operating performance of the Group. Management believes that EBITDA is an important measurement of the Group performance insofar as it is not affected by the various factors used in determining taxable income, by the amount and nature of capital employed and by amortisation and depreciation policies. To date (subject to a subsequent in-depth analysis connected with the development of alternative corporate performance measurement criteria), Trevi defines EBITDA as Profit/Loss for the year, gross of depreciation of property, plant and equipment, amortisation of intangible assets, provisions, impairment losses, financial income and expense and income taxes.*

6 "Operating Profit/(Loss)" (EBIT) is a financial indicator not defined in the IFRS. EBIT is a measure used by TREVI's Management to monitor and evaluate the operating performance of the Group. Management believes that EBIT is an important measurement of the Group performance insofar as it is not affected by the volatility generated by the various factors used in determining taxable income, by the amount and nature of capital employed and by amortisation and depreciation policies. Trevi defines EBIT as Profit/Loss for the year, gross of financial income and expense and income taxes.

[7] *"Net financial income/(expense)" is the sum of the following Statement of Profit or Loss items: financial income and (expense).*

The following table shows the analysis of the reclassified statement of financial position at 30 June 2023; inventories include contract work in progress.

	(In thousands of Euro)	30/06/2023	31/12/2022	Change
A)	**Non-current assets**			
	- Property, plant and equipment [(8)]	170,988	164,602	6,386
	- Intangible assets	18,626	17,483	1,143
	- Financial assets [(9)]	529	903	(374)
		190,143	**182,988**	**7,155**
B)	**Net working capital**			
	- Inventories	177,242	195,248	(18,006)
	- Trade receivables [(10)]	168,676	199,518	(30,842)
	- Trade payables (-) [(11)]	(111,986)	(140,641)	28,655
	- Payments on account [(12)]	(54,381)	(42,255)	(12,126)
	- Other liabilities [(13)]	(20,050)	(42,454)	22,404
		159,501	**169,417**	**(9,916)**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital, less current liabilities (A+B+C)**	**349,644**	**352,405**	**(2,761)**
E)	Post-employment benefits (-)	(10,622)	(11,347)	725
F)	**NET INVESTED CAPITAL (D+E)**	**339,022**	**341,058**	**(2,036)**
	Financed by:			
G)	**Equity attributable to the owners of the Parent**	**153,717**	**89,618**	**64,099**
H)	Equity/(Deficit) attributable to non-controlling interests	(1,788)	260	(2,049)
I)	**Net financial debt [(14)]**	**187,093**	**251,179**	**(64,086)**
L)	**TOTAL SOURCES OF FINANCING (G+H+I)**	**339,022**	**341,058**	**(2,036)**

The Statement of Financial Position shown above, referred to in the Notes, is a reclassified summary of the Statement of Financial Position.

[(8)] "Property, plant and equipment" also include investment property.
[(9)] "Financial assets" include equity investments and other non-current loans.
[(10)] "Trade receivables" include non-current and current amounts, current amounts due from associates and amounts due from customers.
[(11)] "Trade payables" include current amounts from suppliers and current amounts due from associates.
[(12)] "Payments on account" include both current and non-current amounts.
[(13)] "Other liabilities" include amounts from/due to others, prepayments and accrued income/(accrued expenses and deferred income), amounts due to customers, tax assets/(liabilities) and current and non-current provisions for risks.
[(14)] The "Net financial debt", used as an indicator of financial debt, is the sum of the following assets and liabilities of the Statement of Financial Position in accordance with CONSOB communication No. DEM/6064293 of 28 July 2006, updated with the provisions of ESMA guideline 32-382-1138 of 4 March 2021 as implemented by CONSOB warning notice No. 5/21 of 29 April 2021. This statement shows a preliminary representation of the Group, based on the current guidelines and interpretations available:
current and non-current assets: cash and cash equivalents (cash, cheques and bank accounts), highly-liquid securities and loans;
current and non-current liabilities: loans and borrowings, loans and borrowings from other financial backers (lease and factoring companies) and shareholder loans. Further details on this item are given in the relevant table in the Notes.

Reconciliation of the Reclassified Statement of Financial Position with the Consolidated Financial Statements with reference to the reclassification of contract work in progress:

The scope of IFRS 15 relates to the accounting of contract work in progress in the financial statements of contractors. The standard requires that contract work in progress be expressed net of the relevant payments on account received from customers and that this net balance be represented by trade receivables or other liabilities, respectively, depending on whether the progress of the work is greater than the payment on account received or lower.

Below is a reconciliation between the figures shown in the reclassified Statement of Financial Position that does not take into account the presentation required by IFRS 15 with respect to the Consolidated Financial Statements in which this effect is reflected.

Net working capital	30/06/2023	Reclassification	30/06/2023 Statement of Financial Position	31/12/2022	Reclassification	31/12/2022 Statement of Financial Position
- Inventories	177,242	(50,065)	127,177	195,248	(74,468)	120,779
- Trade receivables	168,676	64,005	232,680	199,518	80,926	280,444
- Trade payables (-)	(111,986)	0	(111,986)	(140,641)	0	(140,641)
- Payments on account (-)	(54,381)	28,839	(25,541)	(42,255)	7,586	(34,669)
- Other liabilities	(20,050)	(42,779)	(62,829)	(42,454)	(14,043)	(56,496)
Total	**159,501**	**0**	**159,501**	**169,417**	**0**	**169,417**

Net invested capital amounted to Euro 339 million at 30 June 2023, marking a slight decrease of Euro 2 million compared to Euro 341.1 million recognised at 31 December 2022.

The net financial debt at 30 June 2023 compared with figures at 31 December 2022 is shown in the following table:

(In thousands of Euro)	30/06/2023	31/12/2022	Change
Short-term loans and borrowings	(49,004)	(149,807)	100,803
Short-term loans and borrowings from other financial backers	(16,424)	(136,984)	120,560
Current financial assets	17,498	17,545	(47)
Short-term cash and cash equivalents	77,398	94,965	(17,567)
Total short-term	**29,468**	**(174,281)**	**203,749**
Medium/Long-term loans and borrowings	(38,131)	(8,007)	(30,124)
Medium/Long-term loans and borrowings from other financial backers	(177,623)	(67,602)	(110,021)
Trade payables and other non-current liabilities	(810)	(1,290)	480
Total medium/long-term	**(216,564)**	**(76,899)**	**(139,665)**
Net financial debt (as provided for by Consob warning notice No. 5/21 of 29 April 2021)	**(187,096)**	**(251,180)**	**64,084**

The net financial debt amounted to Euro 187.1 million at 30 June 2023, marking an increase of Euro 64.1 million compared to Euro 251.2 million at 31 December 2022.

This improvement reflects the capital strengthening and debt restructuring transaction finalised in January 2023, in accordance with the financial restructuring 2022 (the “Financial Restructuring 2022”), through (i) the collection of Euro 25 million in the form of capital increase against consideration (of which Euro 6.4

million already collected in December 2022) and (ii) the conversion of bank debt by the Lending Banks for Euro 32.7 million, in addition to the application of IFRS9 on the rescheduled financial debt at 31 December 2026 which had an improving effect on the net financial debt at 30 June 2023 of Euro 18.5 million. The reduction effect of short-term loans and borrowings and loans and borrowings from other financial backers of the Group was mainly due to the long-term reclassification due to the rescheduling of bank debt at 31 December 2026.

Performance of the period

The market context

In line with the trends observed at the end of 2022, the current year opened with a further slowdown in global construction market growth. Forecasts for the sector show a sharp decline in output in real terms, with an expansion of just 0.7%, compared to last year's 2.2% growth; excluding China, this trend projects a contraction of the construction market of 0.6% at the end of 2023, compared to a marginal expansion (0.6%) observed last year.

This deceleration reflects the problematic conditions in most world markets, characterised by high inflation and a tightening of monetary policy that has curbed investment. The interest rate increases as a measure taken by central banks to contain inflationary spirals have generated a sharp slowdown in investment in the residential construction segment.

The situation is further aggravated by persistent uncertainties at the geopolitical level, with the well-known repercussions in terms of availability of supplies, raw materials and energy costs, and the generalised increase in the cost of living, discouraging investors.

Partially offsetting the general picture, however, investment in infrastructure, energy and utilities remains one of the main drivers of the - albeit limited - overall growth of the global construction market. These segments have expanded since 2020 despite disruptions due to the COVID-19 pandemic; this expansion has been prompted by the efforts of governments and public institutions in many Countries to accelerate investment to stimulate economic recovery. The post-pandemic recovery and easing restrictions allowed work on significant projects to resume in 2021. Growth is set to remain strong in the coming years, mainly due to considerable investment programmes planned in the US and Asia Pacific countries.

However, supply-side problems remain a significant risk to project momentum, as high material prices have delayed construction and imposed considerable cost increases. Governments also face rising financing costs, which could hamper spending on publicly funded infrastructure development programmes.

Recent periods of high natural gas prices have also underlined the need to diversify energy supplies and develop independent supply chains. The growing global political will to decarbonise economies is also driving the construction of power generation facilities away from carbon-based energy sources and towards renewable energy sources such as wind, solar and nuclear power.

As a result of the above, the infrastructure sector is expected to grow at an average annual rate of 6.3% between 2023 and 2027, and the energy and utilities sector at an average yearly rate of 6.4%. On the other hand, the high prices of oil products, although steadily decreasing in 2023 compared to the peaks of 2022 but still significantly higher than pre-pandemic levels, will continue to guarantee essential revenue streams for Middle Eastern and North African countries, which in turn will help finance infrastructure and housing development projects. The so-called Giga-Projects already being implemented under the SaudiVision 2030 programme in Saudi Arabia are clear examples of this.

Investments

Gross investments by the Trevi Group in 2023 amounted to Euro 26.6 million attributable to property, plant and equipment and Euro 2.9 million attributable to intangible assets.

In terms of property, plant and equipment, the main investments were made in order to carry out projects in the following geographical segments:

- Saudi Arabia: three Soilmec hydraulic drill rigs, drilling mud pumps, excavation tools and ancillary equipment for bored piles;
- Italy: hydromill module complete with accessories (cable motors, mud pump, drums), drilling rods and tools for bored and flight augered piles, instrumentation for directional drilling, and various minor equipment;
- Tajikistan: rigs and ancillary equipment for grouting and consolidation in tunnels;
- Nigeria: telescopic cranes, vehicles and ancillary equipment;
- United States: drilling rigs, high-pressure pumps and tools for Deep Soil Mixing.

Minor equipment purchases mainly characterise the remaining part of investments to serve production.

Total investments also include capitalisations related to hiring contracts discounted to present value by IFRS 16, the equivalent amount of which was Euro 11.9 million and mainly connected to capitalisations of the subsidiary Trevi Australia for an amount of approximately Euro 6 million for the use of machinery on its construction sites and of Trevi S.p.A. for an amount of approximately Euro 3.2 million. The rest of the capitalisations are attributable to minor amounts for many of the Group's subsidiaries.

The global scenario continues to be dominated by high inflation, restrictive monetary policies in the main countries and high uncertainty about the evolution of the war between Russia and Ukraine; as a result, in 2023, the world economy is on a path of marked slowdown compared to historical figures. Economic activity is slowing down both in the US and in the Eurozone, where rising interest rates tend to dampen domestic demand. The IMF predicts that the most significant contribution to economic growth will come from Asia, particularly China and India, which will be the focus of the economic recovery, and the IMF forecasts that in 80% of global economies, inflation will remain above the pre-pandemic level until the end of 2024. The downward dynamic will manifest in 2023 to a significant extent in the Eurozone, where GDP growth will be lower than in the US and Japan, postponing the start of the cyclical recovery until 2024.

Despite the general macroeconomic environment, the Trevi Group is experiencing a phase of economic growth, which began in 2022 and continued in the first half of 2023. This process was characterised by an overall increase in production revenue compared to the first half of 2022, mainly in the Trevi Division, thanks to the decisive role of the work in Saudi Arabia (Neom and other minor projects), projects in Nigeria, Asia and Italy, as well as the acquisition of new major projects and reasonable maintenance of the order backlog.

The capital increase process, completed in January 2023, also enabled the strengthening of the Group's capital structure and the improvement of its net financial debt, which was also helped by the good performance of the projects.

Divestments

Sales volumes of used non-current assets in the first half of 2023 were in line with the objectives set on an annual basis.
In terms of divestments, the process of selling obsolete equipment continued, with an increase in sales of minor equipment and spare parts present in the various warehouses company.
The geographical segment most involved in divestments was the Far East, especially Hong Kong, where the sale of drilling rigs, high-pressure pumps and minor equipment was finalised.
Moreover, the sale of the property of the subsidiary Profuro in Mozambique was successfully completed.
Further divestment activities took place in the Middle East, Italy and the United States.
In addition to the divestments in the above-mentioned segments, the process already started to sell equipment in South America continued.

Performance

The Trevi Group order backlog at 30 June 2023 amounted to Euro 586 million, decreasing of 7% or Euro 47 million compared to June 2022 (Euro 633 million at 30 June 2022), although showing stability with respect to 31Decemebr 2022 (Euro 587 million). The order backlog reached such a level to allow the continuation of the economic growth process initiated by the Group and the strengthening of the financial performance. The order intake at the Group level in the first half of 2023 amounted to approximately Euro 310 million, marking a decrease of 21% (or 81 million compared to the same period of the previous year, amounting to approximately Euro 391 million); nevertheless, some major acquisitions are expected in the second half of 2023.

(In thousands of Euro)

Order backlog	30/06/2023	%	30/06/2022	%	Change	% change
Trevi Division	527,049	90%	564,353	89%	(37,304)	-7%
Soilmec Division	69,786	10%	69,594	11%	192	0%
Eliminations	(10,885)		(847)		(10,038)	
Total	**585,951**	**100%**	**633,100**	**100%**	**(47,149)**	**-7%**

Order intake	First half 2023	%	First half 2022	%	Change	% change
Trevi Division	261,538	84%	310,224	79%	(48,686)	-16%
Soilmec Division	71,283	16%	86,264	21%	(14,981)	-17%
Eliminations	(22,519)		(5,154)		(17,365)	
Total	**310,301**	**100%**	**391,333**	**100%**	**(81,032)**	**-21%**

The breakdown of total revenue by business segment is as follows:

(In thousands of Euro)

Activity	First half 2023	%	First half 2022	%	Change	%
Special foundation works	234,814	80%	182,100	77%	52,715	29%
Manufacturing of special machinery for foundations	57,310	20%	55,928	23%	1,382	2%

Intradivisional eliminations	(12,086)		(2,890)		(9,196)	
Sub-Total of Foundations Segment (Core Business)	**280,039**	**100%**	**235,138**	**100%**	**44,901**	
Parent	**8,043**		**7,798**		**245**	**3%**
Intradivisional and Parent eliminations	(7,815)		(6,811)		(1,004)	
TREVI GROUP	**280,266**	**100%**	**236,125**	**100%**	**44,142**	**19%**

The Trevi Group's total revenue for the first half of 2023 amounted to Euro 280 million, an increase of 19% (equal to Euro 44 million) compared to Euro 236 million totalled in the first half of 2022.

Foundations segment

Trevi Division

Operations at the Trevi Division level are diversified by geographical segment:

- In the **Middle East**, the marked growth in revenue continued compared to June 2022, where the expansive focus is on the Neom project, albeit the entire segment is characterised by a lively pace of initiatives and a good economic recovery, especially in Saudi Arabia. Volumes in the United Arab Emirates also recovered compared to the same period in 2022, mainly due to the acquisition of the Living and Innovation Hub East projects for the SRG Tower in Dubai;

- in the **Far East** segment, revenue is broadly in line with the June 2022 figures: up in Australia due to the progress of the North East Link project, stable or slightly up in the Philippines, where crucial public infrastructure projects are underway despite the time slippage of some significant works (Parex), while in Hong Kong revenue is down as projects to expand the International Airport are in their final stages;

- in **Africa** there was a decrease in revenue compared to the previous year: in Nigeria, the Berth 3 extension project at Jetty 2 MOF in Bonny Island, with the owner Saipem – Daewoo, and the PTML Berth11 extension project are nearing completion, while in Algeria revenue was down as the projects commissioned by Cosider for the Algiers metro were concluded;

- in **Europe**, production volumes increased in the first half of the year thanks to increased activity in Italy. A dispute remains unresolved in Germany, a segment whose restructuring has been completed. In France, all the Paris Metro projects were operationally completed, while a partial settlement of claims was recently obtained, and others are still pending;

- in Tajikistan, revenue increased thanks to the progress of the Rogun Dam project;

- revenue in North America increased in the first half of 2023 compared to the same period of the previous year, thanks to a general market recovery and the performance of the Roxboro and Landmark Phase III projects, while the Lake Okeechobee levee rehabilitation projects in Florida are now complete. North America continues to be an important reference segment for the Trevi Group;

- in South America, revenue is slightly up compared to June 2022, despite the low performance in the Panama City metro project and the many difficulties at the construction sites in Argentina, where the high inflation rate is still creating challenges in controlling costs and recognising contract tariff updates.

The main orders acquired or order variations obtained in the first half of 2023 by the **Trevi Division** broken down by geographical segment are as follows:
Italy:

- **MECT Messina with Consorzio Messina Catania Lotto Nord** - worth approximately Euro 14.6 million. The contract is part of the project to double the railway line in the Messina-Catania section for the construction of a new railway line with a total length of 28.3 km, which will be connected to the existing one. The route will run mainly through tunnels and at a greater distance from the coast than the current line. The work is part of the initiative for the development of sustainable mobility promoted by the European Union, aimed at the creation of a system of European TEN-T Corridors, which will connect and improve connections across the continent. Our Group was entrusted with the works related to the underpinning of part of the project viaducts pertaining to Lot 2 (Taormina - Giampilieri) and consisting of the execution of bored piles of various diameters and consolidation with jet grouting columnar treatments.

- **New Santa Giulia Arena in Milan** - on behalf of the Owner EVD, worth Euro 10.5 million. Trevi will carry out the laying of flight augered foundation piles for the new ice rink in Milan, Santa Giulia, destined to host the hockey competitions in the framework of the Milan - Cortina Winter Olympics in 2026; a project included in the Integrated Intervention Programme Montecity - Rogoredo.

- **New High Speed Railway Link and High-Speed Station in Florence** - worth Euro 37.2 million. The Owner is the Florentia consortium, consisting of Pizzarotti S.p.A. and Saipem S.p.A., while the contracting authority is IFR, of the Ferrovie dello Stato Group. The project consists of works for the completion of the high-speed rail link and the Belfiore station. The work is characterised by very complex operations, since it mainly involves consolidation grouting to protect the pre-existing structures, particularly in Campo di Marte and at the Fortezza da Basso; compensation grouting is planned to cope with any subsidence induced by the passage of the TBM. Considerable ground freezing interventions are also planned both for the connection of the Pozzo Nord with the station, and at the by-passes between the tunnels.
- **Metro C - Piazza Venezia – Rome** - on behalf of the Owner Metro C S.C.p.a. For the execution of these works, a temporary joint venture was set up between Trevi (contractor), SAOS and Cisterna Pozzi. The total amount of the contract is about Euro 23 million, of which Trevi S.p.A.'s share is about Euro 9.5 million. The project includes the construction of the Piazza Venezia station in Rome, on the Metro C line, and a well for the Fire Brigade. The planned works include consolidations to protect the pre-existing structures and consolidations preparatory to the construction of the diaphragms and protection works (piles and micropiles). It is important to emphasise the importance of protecting the pre-existing structures, since they include monuments such as the Vittoriano, Palazzo Venezia, the Foro Traiano-Augusto-Nerva complex, the church of Santa Maria di Loreto, St Mark's Basilica and others. Diaphragms will be executed with hydromills to drive into the Pliocene clays, which are impermeable and consequently grouting will reach a depth of 70 m. The works are scheduled to last

approximately three years, divided into phases related to the mobility of city traffic, which will not be interrupted.

Far East:

Philippines

- **Metro Manila Subway CP102** - Owner ND JV, worth Euro 14.4 million.
  The project involves the construction of two underground stations, for which Trevi Philippines will be asked to build the reinforced concrete diaphragm wall to support the excavation walls. Contract Package (CP) 102 is part of Phase 1 of the Government Plan to provide Metro Manila with a modern and efficient urban transport network. For Trevi Philippines, it is important to contribute to the construction of the country's first metro line, especially to carry out work on behalf of high-end international as well as local contractors.

- **Candaba, Owner Leighton** - worth Euro 6.4 million. The project involves the construction of a motorway viaduct, for which Trevi will carry out deep foundations, consisting of reinforced concrete bored piles. In addition to the peculiarity of the type of project, considering that Trevi will have to operate in a confined area between two existing and operational viaducts, this acquisition represents a further confirmation of trust and professional esteem in our company, both from the Owner of the work and from the Main Contractor, with whom Trevi has already successfully worked on other motorway projects in Metro Manila.

Middle East:

United Arab Emirates

- **Keturah Resort**, client MAG of Life Wellness Real Estate, worth Euro 12.7 million. The project involves the special foundations of a wellness centre destined to become one of the largest centres in the world in a residential complex comprising: villas, 12 buildings based on elements of nature, with three distinct styles that optimise the overall wellness experience: earth, water and sky, a Ritz-Carlton chain hotel with beach access, a private members-only club, a women's club, a children's club, a holistic and immersive wellness centre, Michelin-starred restaurants and a walkway.

- **SRG Tower**, Owner SRG - contract worth approximately Euro 9.3 million. The project involves the design and execution of enabling works to build a 400-metre high residential tower. The tower includes an adjacent car park building; the upper part features two wind turbines with a viewing platform, offering uninterrupted views of iconic Dubai projects, the Downtown Boulevard and the Persian Gulf. The tower is also equipped with high-efficiency photovoltaic solar panels on each floor (in the area of the under-window glass) on the south-east and south-west façades.

- **City Walk Phases 5, Central Park 5.06 and 5.07** – Owner Dubai Holding, total contract worth approximately Euro 8.5 million. The project is executed directly for the client Meraas and consists of enabling works (underpinning, piles, excavation, drainage and ground improvement). City Walk is an elegant and integrated space that harmoniously combines elements of old and new Dubai.

Central Park at City Walk features stylish, contemporary and spacious flats that offer unique views of the park and also of the famous Dubai skyline. The residential development will offer diverse activities such as yoga and meditation areas, food and beverage and retail shops, meeting rooms, picnic pavilions, a nursery and a multitude of sports and leisure facilities that cannot be found in any other residential development.

Oman

- **Construction of Dual Carriage National Road No. 32 – Galfar Engineering & Contracting SAOG** - worth approximately Euro 5.6 million. The project consists in the construction of the National Road No. 32 with dual carriageway and the construction of 3 bridges for the motorway junctions in Duqum.

Kuwait

- **Capital Market Authority Headquarters** with Owner Sayed Hamid Behbehani & Sons Co., contract worth Euro 10.4 million. The project consists of a 46-storey (240 m) octagonal tower for the new headquarters of Kuwait's Capital Market Authority. The building contains offices for an average of 1,000 employees, with associated facilities including an automated car park, cafeteria, prayer rooms and private VIP entrance. A unique engineering feature of the building is the fully automated parking system for 800 vehicles, which uses 14 electric platforms to transfer cars entering the eight-level underground car park. These are enabling works for which Trevi will have to construct piles with a bucket and helical auger, along with diaphragm walls, anchors, internal struts, dewatering and excavations.

Africa:
Nigeria
In the first half of 2023, the Nigerian market was quite active in the private segment, despite the general elections, which took place in March 2023. During the same period, however, infrastructure development in the public sector decreased.
Construction in Lagos remains the key segment of activity, where Trevi Nigeria's established customers continue to invest in the construction of luxury towers, particularly in our recently acquired projects:

- **Metropolitan Tower,** Owner El Alan Nigeria Ltd. Metropolitan Tower, Owner El Alan Nigeria Ltd. The project involves a site where we had already carried out foundation works with piles three years ago, and now we are going to carry out additional piling for the conversion of the project from a five-star hotel to a luxury tower. The tower will have 25 floors and will rest on 100 large-diameter piles of up to 56 metres.

- **Quantum Luxury Tower**, with the Owner Cappa & D'alberto Ltd.; it is a field where Trevi Nigeria was awarded two contracts:
  - the first is a land reclamation work in the lagoon with a prefabricated sheet pile wall;
  - the second is for the entire piling area for the development of two luxury towers.

- **Peace Tower**, with the Owner El Alan Nigeria Ltd; the project consists of foundation works for another major residential tower in Ikoyi, the most exclusive residential area of Lagos.

North America:

- **SERL – C4 Sacrament**, California. The fourth Sacramento River East Levee (SERL) contract is part of five levee segments that will be reconstructed for client Maloney Odin JV - USACE within the Sacramento metropolitan region. The work involves the construction of approximately 2.4 miles of seepage retaining wall using jet grouting and conventional open trench construction methods. The contract also includes the construction of seepage and stability embankments and 0.37 miles of dam elevation.

South America:

Argentina

- Oiltanking – The project, worth approximately Euro 30 million, involves the construction in EPC (Engineering, Procurement & Construction) mode of a port terminal for the operation of oil tankers, located in Puerto Rosales, in the province of Buenos Aires, Argentina. The Owner, Oil Tanking Ebytem SA, which is an international hydrocarbon logistics operator, awarded the contract to a consortium of three companies, PILOTES TREVI Sacims, (35.5%), DYOPSA (44.5%) and CONCRETE NOR (20%). The development of the project involves the construction of new fixed berthing, mooring and manoeuvring facilities to carry out the tasks of loading and unloading fuels and their connection with the existing facilities of the Puerto Rosales Terminal.

Operating performance

Below is a description of the main contracts executed or underway in the first half of 2023, broken down by geographical segment:

Italy

- **Carron – Merano Tunnel (BZ) – Owner Consorzio San Benedetto Scarl, led by Carron Bau S.r.l.** - The project consists of foundation and consolidation works for the new 3.3-km-long underground connection between the Merano-Bolzano motorway and the Val Passiria, the main element of the new north-west bypass. This major project will allow reducing the size of traffic and travel times as well as improving air quality.
- **Works for the “Marcegaglia quay renovation” at the port of Ravenna -** Commissioned by the Autorità di Sistema Portuale del Mare Adriatico Centro Settentrionale. The technologies used consist of soil vibroflotation, driving of steel pilings and tie-rods.
- **Florence South - Incisa - Owner Pavimental S.p.A.** - This project involves works for the widening of the third motorway lane in the Florence South - Incisa section of the A1 Motorway Milan - Naples. Bored piles will be executed for this project.
- **Orogel Policoro - Orogel Soc. Coop. Agricola** - Special foundation works for the construction of an anteroom and a room for the storage of frozen products. The project was completed.
- **New Santa Giulia Arena in Milan**, Owner EVD - The project was completed at the end of August.

Tajikistan

- **Rogun Dam HPP project - Owner Webuild Spa TJ Branch** - The work consists in the execution of the consolidation, jet grouting and drainage of the wall of the Rogun Main Dam Foundation, which makes part of the project to increase the power of the Rogun Hydroelectric Plant. The work planned in the first phase consists in drilling and grouting the rock around the concrete dam to consolidate and fill any cracks and fractures. The works of the second phase (tunnels) were postponed.

Hong Kong

- **Contract No. 3310 North Runway Modification Works** with China Construction Eng. Ltd. - This contract is part of the Hong Kong Airport expansion process and was completed.

Philippines

- **Malolos-Clark Railway NSCR CPN-02 (Zone 2+Zone 4) - with Acciona-Daelim JV** - The project is part of the new 161-km North-South Commuter Railway line, which will connect the cities of Clark and Calamba, located north and south of Manila, respectively. The subsidiary Trevi Foundations Philippines is currently executing the deep foundations of the main railway viaduct, the San Fernando station and three other service buildings. Bored piles will be executed for this project.
- **MRT-7 Stations with SMC MRT-7** - The urban railway project runs between the northern area of Manila and the province of Bulacan and involves the execution of foundation bored piles for six stations of the urban railway line and the main viaduct.
- **C3-R10 Port Extension - Owner SMC SALEX** - This is a 4.6 km long 4-lane elevated urban highway, part of the Southern Access Link Expressway (SALEX), which aims at reducing traffic congestion along the main roads of Metro Manila and connect the capital to the new Manila International Airport. The contract includes the execution of large diameter bored piles (3.5 m) supporting the viaduct columns.

- **205 MLD CAMANA WRF – Owner D.M. Consunji, Inc. (DMCI) -** Execution of foundation works for the expansion of a water reclamation facility (WRF) of Maynilad Water Services, Inc. (Maynilad), located in Caloocan-Malabon-Navotas (CAMANA). The work consists of bored piles, which will be used to support the foundations of the wastewater treatment plant, and a diaphragm wall as a containment system to support the excavation of the circular shaft for the intake pumping station.

- **NSCR CPN-04 – Owner Acciona-EEI JV** - Further section of the North-South Commuter Railway line, which will connect the cities of Clark and Calamba. The execution of ground anchors entrusted to the subsidiary Trevi Foundations Philippines will support the temporary soil retaining structure, necessary for the construction of the underground section of the railway and the Clark International Airport station.

Australia

- **North-East Link Project (NEL Project) in Melbourne**, on behalf of the Spark consortium and in joint venture with Wagstaff Piling, total worth as JV Euro 101.7 million (share of the subsidiary Trevi Australia: 70%). Trevi Australia is executing the foundation and consolidation works. This is the largest tunnelling project in the State of Victoria and involves the construction of two twin three-lane tunnels to complete the Melbourne motorway network, in order to reduce congestion levels and travel times for tens of thousands of drivers.

Saudi Arabia

- **NEOM Main Piling** - The subsidiary Arabian Soil Contractors (ASC) signed a contract with NEOM COMPANY, which consists of several work orders under a framework agreement. Three orders were awarded in 2022 for a **total worth of approximately Euro 156 million**. The project consists in the execution of foundation piles for "The Line", a major futuristic and eco-friendly project of several years' duration, which is currently under construction in the province of Tabuk. The futuristic city will host several million inhabitants in the future and will consist of a series of communities arranged on a straight line, "The Line", which is 170 kilometres long, running from the Red Sea coast in the north-west of the country to the inland, crossing deserts and mountains. The distribution pattern of The Line moves underground, at two distinct levels, high-speed rail and infrastructures.
- **Doubletree by Hilton - Taiba Investment** - The project involves special foundation activities for the Hilton Hotel in Jeddah, in addition to shoring, excavation, diaphragms walls, piles and dewatering works.

Arab Emirates - UAE

- **Living and Innovation Hub East - Owner DIFC** - The Living and Innovation Hub East will become an essential part of the Innovation Hub of the Dubai International Financial Centre (DIFC), the leading global financial centre in the Middle East area, the most significant innovation community in the region. Swissboring Dubai is carrying out special foundation works for the Hub East: shoring, excavation, diaphragms, piling and dewatering works.

Kuwait

- **Hyundai Showroom - Combined Group** - The Hyundai Showroom project will be built in the Shuwaikh Industrial Area in Kuwait City. The work entrusted to Trevi consists of the complete enabling works for Hyundai, including temporary shoring, dewatering, excavation, diaphragm wall and piling.

Oman

- **Construction of Dual Carriage National Road No. 32** – Galfar Engineering & Contracting SAOG

Africa:

Nigeria

- **Berth 3 Extension at Jetty 2 MOF in Bonny Island – Owner Saipem & Daewoo JV** - The project, consisting in the execution of the extension works of berth No. 3 at MOF Jetty 2 in Bonny Island, was completed in June.

- **PTML TERMINAL EXTENSION- Ports & Terminal Multiservices Ltd.** - extension of the Grimaldi's existing quay 11 in Apapa, Lagos, to allow the berthing of the new generation of vessels.

- **American Consulate Lagos – Owner Kopler** - Foundation works for the US Consulate in Lagos.

Algeria

- Completion of the jet grouting and piling works for the Tosyali Steel Plant in Oran.

North America

- **Roxboro – Owner Trans Ash -** The project consists of a preventive environmental protection measure for the construction of containment dikes, Deep Material Mixing (DMM), in the landfill of the coal-fired Roxboro power plant in North Carolina. The coal ash within the waste basin of the landfill must be stabilised to allow the excavation of the ash basin.

- **Landmark Phase III** - Suffolk Construction Co building. The third phase of the Landmark Center Redevelopment project involves the replacement of the existing facility, located at the intersection of Brookline Avenue and Park Drive, with offices and a life science building.

- **Massachusetts General Hospital (MGH) 1st Phase -** Owner Turner Construction Co., a leading construction company in the US market. The project consists of foundation works for the first phase of the expansion of the MGH in Boston, which will change the entire hospital layout to accommodate increasing patient demand and replace outdated beds with evolving technology. The new project involves the construction of a two-tower, 12-storey building with connecting bridges and open spaces, and a second building, adjacent to the larger building, to house administrative spaces, mechanical spaces and support services on its seven floors including a six-floor underground parking.

- **Florida - Herbert Hoover Dike - MATOC#2 and MATOC TO#4 with USACE:** further tranche of the rehabilitation project for the banks of Lake Okeechobee in Florida. Works were completed in the first half of 2023.

South America

- **Metro Panama Line 3** – Owner: Ministry of Public Works, main contractor: Hyundai Engineering & Construction Co. Ltd. The project, aimed at the construction of the Panama Metro Line 3, which will connect Panama City with the western side of the Panama Canal, consists in the execution of foundations, using the onshore large diameter bored pile technology for the viaduct, stations and urban planning.

- **Argentina Aña Cua Project** - Owner Consorcio Aña Cua A.R.T. (Astaldi Italy) – Rovella Carranza (Argentina) – Tecnoedil (Paraguay). The project involves the execution of civil works and some electromechanical parts of the expansion of the Yacyretá hydroelectric plant on the left bank of the Aña Cuá arm. The subsidiary Pilotes Trevi was awarded two subcontracts: a contract for the construction of slurry walls, which will penetrate the watertight cores of the existing dam, in order to connect the dam's sealing components, and a drilling and grouting contract.

Soilmec Division

In the first half of 2023, the Soilmec Division continued to grow, with sales up 2.5% compared to the same period in 2022, thanks to good sales performance in North America.

The plan to restructure and relaunch the business continues according to the planned course, and signs of improvement are visible in the reduction of fixed selling, general and administrative costs.

However, the industrial margin percentage in the first half of the year declined, due to the effect of the increase in raw material costs.

In the first six months of 2023, the Soilmec Division generated orders of approximately Euro 71 million, keeping its order backlog stable at Euro 69.8 million, in line with 2022.

R&D investments committed approximately 2% of turnover, continuing projects on Electrical Machines and Equipment, the development of autonomous and remotely driven machines, digital transformation, skilled job creation and the development of solutions for the safety of people, infrastructure and territories.

ERP Transformation Project

In the second quarter of 2023, the Group successfully completed the ERP Transformation project that involved 25 Group Companies spread over 17 countries in all 5 continents, with more than 600 users, and over 95% of the Trevi Group's revenue was on the new systems.

The adoption of the new ERP SAP S4/HANA involved the main business processes of both the Trevi and Soilmec Divisions of the Group, starting from Operations, passing through the Supply Chain up to Administration, Finance and Control and Treasury.

The application model was designed and then implemented jointly by all Group companies involved, and this allowed a standardisation of business processes that, as a result, brought accurate, rapid and effective central control of the Group's business performance.

Directive (EU) 2022/2464

With reference to the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting (Corporate Sustainability Reporting Directive - CSRD), during 2023, the Trevi Group started internal discussions in order to transpose and implement the provisions within the envisaged deadline (18 months from publication of the same Directive).

Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption

Overview

This section aims at: (**i**) examining the correct application of the going concern assumption to the Interim Financial Report at 30 June 2023 also in the light of the financial position, financial performance and cash flows and other circumstances that may be relevant in this regard; and (ii) identifying current uncertainties, including the assessment of their relevance and the probability that they can be overcome, taking into consideration the measures put in place by Management and additional mitigation factors.

In order to approve the Separate and Consolidated Financial Statements at 31 December 2022, Management identified some going concern risk factors on which specific analyses were carried out. Specifically: **(a)** the risks, if any, associated with the Group's liquidity for a period of at least 12 months from the reporting date of these financial statements; and **(b)** the risk arising from any failure to achieve the recovery goals, as set out in the 2022-2026 Consolidated Plan (as defined below).

At the time of approval of the Separate and Consolidated Financial Statements at 31 December 2022, the Board of Directors, after having carefully and exhaustively assessed the risks to which the going concern was exposed, as summarised above, had deemed it appropriate to adopt the going concern basis, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan (as defined below) (reference should be made to the accompanying Directors' Reports).

For the purposes of this report, the going concern is assessed based on the above-mentioned circumstances and information available about their development after the date of approval of the financial statements, to be taken into account up to the date of preparation of this Interim Financial Report.

Assessments relating to the going concern assumption

In assessing whether the going concern assumption was appropriate or not also with regard to this Interim Financial Report, the Directors took into account all the available information about the future, relating at least - without limitation - to 12 months following the reporting date of the condensed interim consolidated financial statements at 30 June 2023. Significant risk indicators that may raise doubts about the ability of the Group to continue to operate on a going concern basis were taken into account.

In particular, the Board of Directors took into consideration the assessments that had been carried out at the time of the approval of the 2022 financial statements, paying particular attention to the circumstances that had been identified as possible risk factors at that time, in order to verify their status.

Assessments of the achievement of the 2022- 2026 Consolidated Plan goals

In order to assess the risks associated with achieving the projected goals of the 2022-2026 Consolidated Plan, it should be noted that the aforementioned deviations from the business and financial plan of the Trevi Group for the period 2018-2022 (the "**2018-2022 Consolidated Plan**"), particularly in the second half of 2020, actually led, on the one hand, to the failure to meet the financial covenants set out in the Restructuring Agreement pursuant to Art. 182-*bis* of the Italian Bankruptcy Law signed on 5 August 2019 by, *inter alios*, the Parent along with the subsidiaries Trevi and Soilmec and by the Lending Banks of the Group (the "**Lending Banks**") and, on the other, to the need to update the goals of the aforementioned plan - again in accordance with the original strategic guidelines - as well as to revise the forecasts for the coming years, through the approval by the Parent's Board of Directors on 23 April 2021 of a new business plan for the period 2021-2024. This new plan was subsequently updated, at first, in order to incorporate the accounting figures at 30 June 2021 and, subsequently, in order to extend the relevant time frame to the period 2022-2026 as well as in order to take into account certain aspects, including the performance recorded in 2021 and certain prudential elements that Management deemed appropriate to consider in the subsequent plan years. Such final version of the plan, updated in order to consider the final version of the Financial Restructuring (as defined below), was therefore approved by the Board of Directors of the Parent on 29 September 2022 (the "**2022-2026 Consolidated Plan**").

This plan envisages lower levels of both revenue and gross operating profit compared to the 2018- 2022 Consolidated Plan, as well as lower cash generation and, consequently, a consistently higher net financial debt.

Consistently with assessments made at the time of the approval of the 2022 financial statements, one of the elements taken into account in order to evaluate the uncertainties regarding the going concern is whether the forecasts of the 2022-2026 Consolidated Plan, also in light of the latest results regarding the Group's performance, appear anyhow suitable to allow, within the related time frame of reference, a financial rebalancing to be achieved.

Specifically:

- the 2022- 2026 Consolidated Plan seems to have been drawn up in accordance with reasonable and prudent criteria that include actions aimed at increasing volumes and improving profitability and shows the possibility of having, at the end of the plan, a balanced financial position and performance, such as to allow the refinancing of the remaining debt at market conditions;
- the independent business review carried out by Alvarez & Marsal to verify the reasonable validity of the business and market assumptions underlying the 2022-2026 Consolidated Plan, and shared with the Lending Banks, confirmed the reasonableness and feasibility of the same;
- the Financial Restructuring reflected within the Restructuring Agreement (as defined below), whose content has been subject to comments of both institutional shareholders (*i.e.*, CDPE and Polaris) and the Lending Banks, allowed, with the capital strengthening transaction, to further strengthen the financial position and performance of the Group, also giving a boost to the business as well as to the achievement of the recovery goals in accordance with the 2022-2026 Consolidated Plan;

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan are further supported by the fact that, on 28 November 2022, it was certified by the appointed expert, Mario Stefano Luigi Ravaccia, who meets the requirements provided for by the Italian Bankruptcy Law, thus representing an additional form of protection for Directors and the other stakeholders involved.

In accordance with the Restructuring Agreement:

- on 12 May 2023, a report on the status of implementation of the 2022-2026 Consolidated Plan was prepared by Mario Stefano Luigi Ravaccia, formerly a professional certifier, containing, *inter alia*, an analysis comparing the final figures at 31 December 2022 of the Trevi Group and of each of the companies proposing the Plan pursuant to the agreement (*i.e.,* Trevifin, Trevi S.p.A., Soilmec S.p.A. and PSM S.p.A.) compared to the figures set out in the 2022-2026 Consolidated Plan; and
- on 3 August 2023, Gian Luca Lanzotti - a professional appointed Lending Banks who, in accordance with what provided for by the Restructuring Agreement, was appointed on 26 January 2023 to carry out, *inter alia*, monitoring activities with reference to the implementation of the 2022-2026 Consolidated Plan and the Restructuring Agreement (the "**Monitoring Manager**") - prepared a report

on the activities carried out by him pursuant to the said agreement in the six-month period from his appointment until 25 July 2023, in which he confirmed the compliance with the obligations provided for by the Restructuring Agreement.

In addition, the feasibility of the 2022-2026 Consolidated Plan is confirmed by the results at 30 June 2023, in line with the forecasts of the 2022-2026 Consolidated Plan in terms of revenue and recurring EBITDA for the first half of 2023; the orders acquired in the first half of 2023 amounted to approximately Euro 310.3 million, down by 20.7% compared to the same period of the previous year, with an order backlog of Euro 585.9 million, in line with figures at 31 December 2022, a trend that continued in the third quarter of 2023. There was also a significant decrease of Euro 64.1 million in the net financial debt, from Euro 251.2 million at 31 December 2022 to Euro 187.1 million at 30 June 2023. The Group's performance in the third quarter of 2023, as shown under *"Significant events after the reporting period",* as regards order intake, production revenue and order backlog was in line with the forecasts for 2023, part of the 2022-2026 Consolidated Plan. The continued implementation of the 2022 - 2026 Consolidated Plan, while depending only in part on internal variables and factors controllable by Management, will allow the financial covenants of the Restructuring Agreement to be met. With reference to considerations regarding potential impacts arising from the Russia-Ukraine conflict and the prolonged health emergency from Covid-19, reference should be made to the sections *on "Impacts of the Russia-Ukraine Conflict*", "*COVID-19*" and "*Risk related to the trend in raw material prices"* of this report.

The uncertainties, all traced back to an overall category of "financial risk", reflect the Parent's ability to meet its financial commitments as well as to generate and/or raise sufficient resources to meet its financial requirements to support the business, of the implementation programme to achieve the goals of the 2022-2026 Consolidated Plan. The definitive overcome of these uncertainties, as described in the paragraphs below, should be assessed in the light of the completion of the Restructuring Agreement with the Lending Banks, which incorporates the contents of the Financial Restructuring and takes into account the provisions of the 2022-2026 Consolidated Plan.

More specifically, on 17 November 2022, the Parent's Board of Directors approved the final version of the Financial Restructuring (the "**Financial Restructuring**"), which provided for, in a nutshell:

a) its implementation in accordance with an agreement based on a certified recovery plan pursuant to Art. 56 of the Italian Code of Corporate Crisis and Insolvency ("**CCII**") (corresponding to the previous Art. 67, paragraph III, lett. of Italian Bankruptcy Law) (the "**Restructuring Agreement**");
b) a capital increase against consideration to be offered with option right to shareholders pursuant to Article 2441 paragraph 1 of the Italian Civil Code, for a total maximum amount of Euro 25,106,155.28, to be paid on an indivisible basis up to Euro 24,999,999.90 – amount fully guaranteed by the subscription commitments undertaken by CDPE Investimenti S.p.A. ("**CDPE**") and Polaris Capital Management LLC ("**Polaris**" and, together with CDPE, the "**Institutional Shareholders**") – and on a divisible basis for the excess amount, inclusive of share premium, through the issuance of a total maximum of 79,199,228 new ordinary shares, without nominal value, having the same characteristics as the outstanding shares (to be issued with regular dividend rights), at an issue price per share of Euro 0.3170, of which Euro 0.1585 to be allocated to share capital and Euro 0.1585 to be allocated to share premium reserve (the "**Capital Increase with Option Right**");
c) a capital increase against consideration to be paid on an indivisible basis, for a maximum amount of Euro 26,137,571.21, through the issuance of 82,452,906 ordinary shares, without nominal value, having the same characteristics as the outstanding shares (to be issued with regular dividend rights), at an issue price per share of Euro 0.3170, to be offered with exclusion of the option right pursuant to Article 2441,

paragraph 5, of the Italian Civil Code, to some of the Lending Banks identified in the Restructuring Agreement, to be paid through a debt-to-equity swap of certain, liquid and collectable receivables, in the manner and to the extent provided for in the Restructuring Agreement, in relation to the subscription of the capital increase with exclusion of the option right, at a conversion ratio of 1.25 to 1 (the "**Capital Increase by Conversion**" and, together with the Capital Increase with Option Right, the "**Capital Increase**");
d) the subordination and postponement of a portion of the bank debt for Euro 6.5 million;
e) the extension of the final maturity date of the medium/long-term debt up to 31 December 2026, with the introduction of an amortisation plan starting from 2023;
f) the granting/confirmation of unsecured lines of credit for the execution of the 2022-2026 Consolidated Plan;
g) the extension of the maturity date of the Bond Issue to 2026.

Also on 17 November 2022, the Parent's Board of Directors approved: (**i**) the final version of the recovery plan pursuant to Articles 56 and 284 of CCII, based on the 2022-2026 Consolidated Plan and the Financial Restructuring, relating to the Parent and the Trevi Group; (**ii**) pursuant to the proxy granted by the shareholders' meeting of 11 August 2022 - the Parent's capital increase transaction envisaged by the Financial Restructuring, as amended with a subsequent resolution of 28 November 2022; (**iii**) the signing of the Restructuring Agreement; and (**iv**) the signing of the further agreements in the context of the debt restructuring and capital strengthening transaction in accordance with the aforementioned certified plan, including the agreement with which the Institutional Shareholders undertook to subscribe for their entire share of the Capital Increase with Option Right, as well as any unexercised rights in proportion to the shareholdings held (the "**Letter of Commitment**").

Subsequently, on 29 and 30 November 2022, the Parent signed the contracts relating to the implementation of the Financial Restructuring, such as, in particular, the Restructuring Agreement and the Letter of Commitment, which subsequently became effective on 16 December 2022 after the relevant conditions precedent have been met, including the obtaining, on that date, of the CONSOB's authorisation to publish the prospectus relating to the notice of rights of Trevi Finanziaria shares as part of the Capital Increase with Option Right, it being understood that the fulfilment of the commitments undertaken by the Lending Banks with reference to the Capital Increase by Conversion was subject to the proper execution of the Capital Increase with Option Right up to the indivisibility threshold - of Euro 24,999,999.90 - which occurred on 10 January 2023, thus allowing the conversion of bank loans into Trevifin shares and the consequent execution of the Capital Increase by Conversion, which took place on 11 January 2023, following which the Capital Increase was definitively implemented.

On 11 January 2023, the Parent informed the market about the successful completion of the Capital Increase, in the context of which 161,317,259 newly issued ordinary shares of the Parent were subscribed, for a total amount of Euro 51,137,571.10 (of which Euro 25,568,785.55 to be allocated to share capital and Euro 25,568,785.55 to be allocated to share premium reserve). Upon completion of the Capital Increase, the new share capital of Trevi Finanziaria amounted to Euro 123,044,339.55, divided into 312,172,952 ordinary shares. In particular: (**i**) the Capital Increase with Option Right was subscribed against consideration for Euro 24,999,999.90, of which Euro 17,006,707 paid for the subscription of 53,648,918 shares by the Institutional Shareholders, and the remaining Euro 7,993,292.90 were paid for the subscription of 25,215,435 shares by other shareholders; and (**ii**) the Capital Increase by Conversion was fully subscribed for Euro 26,137,571.21, through the issuance of 82,452,906 ordinary shares.

Below are the main financial position and financial performance figures upon completion of the transaction for the capital strengthening of the Parent and the debt restructuring transaction of the Group – specifying that the related accounting effects have been recognised in 2023 as the capital increase was completed in January 2023:

- the Group's equity, which at 31 December 2022 amounted to Euro 89.6 million, totalled Euro 153.7 million at 30 June 2023; the positive change of Euro 64.1 million was impacted by approximately Euro 52 million due to the financial restructuring related to the capital increase.
- The Group's net financial nebt, which at 31 December 2022 amounted to Euro 251.2 million, decreased by approximately Euro 52 million in January 2023 as a result of the Financial Restructuring, at 30 June 2023 the item amounted to Euro 187.1 million; and
- the residual debt of the Group was almost entirely rescheduled. Specifically, a substantial portion of the medium/long-term debt towards the Lending Banks after the capital increase by conversion, for approximately Euro 185 million, was rescheduled at 31 December 2026, while approximately Euro 6.5 million was subordinated and rescheduled at 30 June 2027.

Expected liquidity trend over the next 12 months

Consistently with assessments made at the approval of the 2022 financial statements, an element that has been assessed with particular attention, in light of the lower cash generation foreseen in the 2022-2026 Consolidated Plan, is the suitability of the cash levels foreseen in the next 12 months to guarantee the ordinary operations of the Group, the financing of the relevant contracts and the regular payment of suppliers. To this end, as will be discussed in more detail below, Management updated the cash flow forecasts that had been made at the time of approval of the consolidated financial statements at 31 December 2022 on the basis of actual data and extended these forecasts until 2024. The reasonable expectation of a positive cash flow position for the Group emerges from that year and until then, assuming, among other things, the use of line of credit - including the use of unsecured lines of credit, necessary for the job orders in which the Group Companies take part - provided the Restructuring Agreement, thus enabling the implementation of the Financial Restructuring (as described below) and the 2022-2026 Consolidated Plan.

With reference to the uncertainty mentioned above, related to the risk that, due to the lower cash generation reflected in the forecasts of the 2022-2026 Consolidated Plan compared to the previous 2018-2022 Consolidated Plan, situations of cash flow tension may arise during the 12 months subsequent to the interim financial report date, the following should be noted.

First of all, the Parent's Management constantly monitors the Group's cash flows, also at the level of the individual Trevi and Soilmec Divisions. In particular, Management prepares a treasury plan until the end of the year that analyses the cash flows on a weekly basis for the first three months and on a monthly basis for the following months, a document that is updated every 4 weeks based on actual available data from all the Group's legal entities. This tool, the results of which are analysed and discussed with the local Management, allows short-term cash flows to be monitored and any shortfalls to be known well in advance, so that the necessary actions can be taken. This treasury plan was last updated on 21 September 2023 (with figures updated at that date), analysing the expected liquidity trend up to 30 September 2024. This analysis shows the maintenance of an adequate liquidity margin to guarantee the normal operations of the Group and the repayments provided for by the Restructuring Agreement, throughout the period under analysis.

Furthermore, in accordance with the provisions of the Restructuring Agreement, the Parent continues to provide the Lending Banks with a cash plan and cash flow analysis for each company of the Group relating to the immediately preceding calendar quarter. This disclosure requirement is validated and verified by the Monitoring Supervisor. The latest updated cash plan and cash flow analysis was provided to the Lending Banks on 15 August 2023, based on which no critical issues arose with respect to the cash position of the Group

and/or individual divisions in the relevant period.
Furthermore, on 14 March 2023, again in accordance with the requirements of the Restructuring Agreement, the Parent provided the Lending Banks with a forecast budget for the current year and up to 31 December 2023, broken down by calendar quarters.
These analyses confirmed the absence of critical situations from a cash point of view, and highlighted a liquidity situation suitable to allow the Group's ordinary operations in the period of reference.
The Board of Directors, for the purposes of approving this Interim Financial Report, examined the update of this liquidity analysis up to 30 September 2024, which corresponds to the time period covered by this analysis. Therefore, based on these projections, it is reasonable to expect that, in the period under analysis, cash and cash equivalents will allow the Group to continue operating on a going concern basis and to meet its financial needs.
Management's monitoring of the Group's liquidity trend, therefore, appears adequate to the situation and the results of the analysis carried out do not currently show situations of liquidity tensions and/or shortfalls until September 2024. Forecasts appear to have been drawn up in a prudent manner.

Finally, given that (**i**) cash-flow forecasts are prepared with methods consolidated over the years, (**ii**) these forecasts are subject to verification by third-parties (*i.e.*, the Monitoring Supervisor and the professional certifier) and are shared on a periodical basis with the Lending Banks, and (**iii**) at 30 June 2023, the backlog is such to allow expecting revenue of approximately Euro 261 million in the second half of the year; at present, it is believed that the risk related to cash-flow forecasts is adequately monitored and mitigated.

Concluding remarks
In conclusion, in the light of the considerations above and of the analysis of risks and uncertainties to which the Parent and the Group are exposed, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan, the Directors deem it appropriate to adopt the going concern basis for preparing the Interim Financial Report of Trevi Finanziaria Industriale S.p.A. and the Trevi Group at 30 June 2023.

COVID-19

During 2023, the Trevi Group, in order to guarantee the safety of employees and the going concern, continued adopting measures to combat the Covid-19 pandemic in relation to the provisions in force nationally and in the countries where it operates, in a general context of low risk.
Furthermore, the management of COVID-19 risk has effectively become a process fully incorporated into the ISO45001 Health and Safety Management System implemented by the Trevi Group.
In the coming months, the Parent will act in compliance with the applicable regulations and the risk scenarios that will arise by implementing the necessary measures.

Company risk management

Aims, management strategies and identification of financial risks

The Trevi Group is subject to various types of risk and uncertainty that may affect its operating activities, financial structure and economic results.
Firstly, one of these is the liquidity risk that affects the strategic choices in terms of investments and acquisition of orders.
Sudden changes within the political contexts in which the Group operates have an immediate effect on its financial position and performance.
The Group is also exposed to the risk of deterioration of the international macro-economic environment.
The introduction of stricter data protection rules in the European Union and the increasing complexity of IT exposes the Group to cyber risks.

In order to ensure an organic and transparent management of the main risks and opportunities that may have an impact on the creation of the Group value, Risk Management, in line with the goals set by the Chief Executive Officer, substantially confirms a process integrated approach to manage uncertainty with consistent methodologies and homogeneous tools, while respecting the necessary specificity of the Divisions.

Job order objectives
This area is intended to support top management and individual *risk owners*, right from the phases of *business development* and negotiation, by ensuring a bottom-up and quali-quantitative analysis to identify and manage events with a potential impact on job order performance and Division backlog, such as revenue, gross operating profit (EBITDA) and cash flows.

Division objectives
This area includes events with a potential impact on the Division objectives (not specifically of job orders) and on the warranty of valuable products and services for Customers, with a focus on KPIs (Key Performance Indicators) of the main Departments. Periodic reporting is aligned with that of the (interim) Consolidated Financial Statements, while monitoring and mitigation actions are carried out on a continuous basis, according to specific planned deadlines.

Business Plan objectives

This area includes the management of events with a potential impact on targets defined in the Business Plan, with particular reference on revenue, operating margins and the creation of an appropriate order backlog in the year of reference.

The Risk Management Function, based on data made available and updated by the companies of the Group, also with the support of the sales managers of Divisions, defines some risk scenarios and opportunities to support Top Management in strategic assessments.

Liquidity risk

For a company, the availability of liquidity guarantees compliance with scheduled deadlines and healthy economic growth. Business cash flow planning allows for periodic liquidity planning while maintaining control over income and expenses and promptly recognising peak demand. Following the signing of the Restructuring Agreement with the Lending Banks on 30 November 2022, the liquidity management was guaranteed and regulated by the said Agreement.
A Steering Committee was also established to evaluate the cash performance of the Group and the individual subsidiaries, giving a permanent boost to financial planning tasks.

Currency risk

Due to the Group's geographical extension and access to international markets for the development of construction, the Group companies are exposed to the risk that a change in exchange rates between the presentation currency and other currencies will generate unexpected changes. The statement of financial position and statement of profit or loss amounts deriving from the above fluctuation could have an impact both on the individual companies' financial statements and at consolidated level. Specifically, given the current Group structure, the exposure to the currency risk is mainly linked to the US dollar. The Group also has interests in countries such as Algeria and Nigeria, whose currencies could be subject to significant fluctuations.
With regard to the US dollar, the currency risk derives mainly from the translation into Euro of items relating to investments in companies whose presentation currency is different from the Euro (so-called "translation risk").
The Group did not enter into any derivative contracts due to the current lack of lines of credit for currency hedging.
The management policy for the currency risk is mostly based on the use of price lists in Euro or Dollar.

Interest rate risk

The Parent's interest rate risk relates to the increase in financial charges derived from the rise in interest rates.
Following the signing of the Restructuring Agreement, the Group obtained a moratorium on principal of medium- and long-term cash lines and - contingent on whether or not certain parameters are met - a moratorium on their interests. With the effectiveness of Restructuring Agreement, the interest rates on

medium and long-term cash lines were changed from a fixed rate to a variable rate component, updated every six months (6-month Euribor).
The short-term lines disbursed and governed by the Restructuring Agreement have maintained the pricing appropriate to the nature of the underlying transaction, maintaining the rates of the original financial documents as required by the Restructuring Agreement.

Credit risk

The management of commercial credit is an essential activity for defining the maximum degree of exposure considered by the company to be reasonably bearable for a supply that provides for a deferred payment. The correct application of credit scoring and Trade Finance techniques is extremely useful for the configuration of financial procedures with an early assessment of the customer's risk and solvency.
Since the factoring credit lines are being restored in accordance with the Restructuring Agreement, the management of credit risk has required the maintenance of a Risk Committee for the assessment of individual transactions and credit & risk management activities through the use of Trade Finance tools for the engineering industry and the control of the progress on orders in the Trevi Division.
The rapid collection of information regarding the customer (or potential customer), its company history, corporate structure, reference management, the activities carried out, its location, characteristics and commercial potential, associated with information of a banking nature and other information made available by companies specialised in the proposal of information of a commercial nature, was an element to support the customer's preliminary assessment.

Risks connected to overseas operations

The development of economic and geo-political scenarios has always influenced the Group's financial and industrial activities.
The Trevi Group's revenue from overseas operations maintained a strong trend in terms of consolidation abroad, amounting to about 90% of the total revenue.
For this reason, the "country risk" is continuously monitored and is distinguished by the risk of insolvency of public and private operators, linked to the geographical area of origin and beyond their control. It is also the risk linked to the origin of a specific financial instrument and dependent on political, economic and social variables.

Risk related to the supply of raw materials.

The issues relevant to the supply of raw materials are divided into the following categories in the Risk Model of the Trevi Group:

- Supply Chain
- Supply
- Raw materials

The revision of the Model, with a focus on Environment, Social & Governance (henceforth ESG) issues, will be achievable with the approval of the Sustainability Plan and the related Management Procedure, which are currently being defined.

For the Soilmec Division, in the first half of 2023, the cost of raw materials undertook a downward trend that led to more stable prices for finished products and energy indices (gas/light). Raw material quotations remain higher than the historical average due to inflation and for this reason some mitigating actions were taken such as purchasing at 06/2023 quotations (lows of the year) throughout 2023.

For the Trevi Division, the issue is just as important, but since the business is managed on a “job order” basis, it is possible to contractually and punctually mitigate the risk of fluctuations in the cost of raw materials through the definition of guarantee conditions or even the exclusion of the supply of raw materials from the scope of work.

Furthermore, on average the period between the tender for the order and the opening of the building sites is statistically rather short, and the duration of the orders is between six and nine months and, therefore, updated costs in relation to the projects to be carried out can be taken into account in the offers.

Climatic risks

The main environmental aspects associated with the activity of the Trevi Group – unlikely but with potentially high impact – are related to the drilling and foundation activities in the Trevi Division construction sites. In order to reduce the significance of these potential impacts, Trevi applies environmental management principles in line with standard ISO14001, where specific environmental surveys are carried out prior to the start of contracts and periodic checks are carried out during activities.

The activities carried out on the construction sites also have an impact on the climate as they require the use of combustion engine operating machines. Trevi is committed to reducing the environmental impact associated with emissions from such machines through systems of efficiency such as raising awareness among operators of the correct use of equipment, modernising the equipment fleet with the introduction of more efficient or electric machines of new generation (see Soilmec’s High-Tech and E-Tech lines) and using bio-diesel fuels.

Moreover, in the event of weather damage or direct environmental damage, there are Contractor’s all-risks (CAR) insurances on each site, which includes RCT (third-party liability) insurance with accidental pollution coverage and all-risks insurance coverage on the machinery and equipment used.

As part of the non-financial reporting environmental aspects (Non-financial Statement) that the Group has been drafting since 2017, four indicators have been identified and assessed. Those with the greatest impact are “managing emissions and fighting against climate change” and “managing waste and hazardous substances”. The first one refers to the promotion of strategies to reduce atmospheric emissions and develop the use of renewable energies, with the aim for the Group of gradually reducing its dependence on the fossil fuel sector and lessening its impact on the environment. The second refers to the waste produced by the Group (at legal and operational sites and construction sites), with the aim of continuing to increase the quantity destined for reuse and keeping the percentage of hazardous waste below 0.25% of the total produced.
The other two indicators concern the “efficient management of water resources”, whose performance for the Trevi Division is closely linked to the specific types of processing carried out, and the “protection of biodiversity and natural capital”, which, although it affects a small part of the Group’s activities, is

implemented and guaranteed through compliance with precautionary measures suitable for maintaining harmony with nature and safeguarding all living species.

Finally, the Trevi Group distinguished itself in its focus on ESG issues by obtaining several awards during the first six months of the year 2023:

- Qualification among the top 100 companies that have distinguished themselves most in reducing their CO2 emission intensity. The research was carried out by Corriere della Sera with Agenzia Statista and was based on a sample of over 700 Italian companies during 2023.
- The British economics and finance magazine Cfi.co awarded the Trevi Group the "Sustainability Awards 2023 - Best Sustainable Specialised Construction Solutions - Italy 2023".
- The results of the survey "Sustainability Leaders 2023" conducted by Il Sole 24 Ore in collaboration with Statista showed that the Trevi Group is among the Italian companies that have most distinguished themselves in ESG.

Cyber risk

The Group continues its path of adopting new initiatives, tools and procedures aimed at ensuring increasingly high levels of ICT security.

The IT Corporate Department, which provides services for all the companies of the Group, continues pursuing strategies based on the implementation of infrastructures with Hybrid Cloud technologies that, thanks to the adoption of a specific Disaster Recovery and Business Continuity Plan, make it possible to significantly increase the likelihood of safeguarding full business operations, even in the event of a hacker attack or malfunction of the systems that ensure that services are delivered.

Along with an accurate and meticulous use of new technologies to make Cyber Security processes more efficient, the Group is continuing A adopt specific training courses to suggest suitable behaviour to users in order to avoid involvement in "malicious" processes. Furthermore, the Group continues to issue periodical "information pills" to report concrete examples of cases of computer fraud that users might come across if they do not follow the correct procedures and instructions.

The Corporate IT Department successfully completed the process that allowed Trevi Finanziaria Industriale S.p.A., one of the first companies in Italy, to obtain the ISO 27001:2022 certification, which defines the international standard that describes best practices for an ISMS (Information Security Management System). This certification shows once again that the Parent is following best practices on information security and provides independent and qualified control that information security is managed in line with international best practices and business objectives.

Nevertheless, it is considered that the measures adopted and the existing safeguards represent adequate elements to mitigate this risk, and that, as a result, no significant risk remains for the continuity of the Parent's activities.

Impact of the Russia Ukraine conflict

With reference to the war in Ukraine, the Trevi Group has no production activities in Russia or Ukraine, nor has it outsourced the development or use of software and data centres in the areas affected by the conflict. Therefore, there has been no need to move personnel out of the conflict zones, and at the moment it is not believed that other countries impacted to any extent by the conflict generate problems for Trevi Group operations.

Orders still included in the backlog for the Russian segment were neglegible. The New Consolidated Plan does not envisage any developments in these segments.

No financing difficulties are expected since there are no exposures to Russia and Ukraine.

Finally, the Group does not believe that there may be any new fraud risk factors related to the current conflict, while as regards the risk of cyber attacks, in recent years the Group has implemented a series of initiatives aimed at increasing the level of security of the entire IT infrastructure.

At present, it is not believed that the risks indicated above - in light of the factors and considerations made regarding the ongoing conflict, and in general the Russian-Ukrainian geographical segment - represent a residual risk relevant to the going concern.

Impairment test at 30 June 2023

The Group checked the existence of impairment indicators at 30 June 2023 that could indicate the existence of impairment losses. This test was carried out both with reference to external sources (market capitalisation and discount and growth rates) and in relation to internal sources (indications, deriving from the internal information system, about expected results). Having found assumptions of impairment, the Parent proceeded to perform the impairment test at 30 June 2023: see the specific paragraph on "Impairment" included in the Notes to the Interim Consolidated Financial Statements at 30 June 2023.

Staff and Organisation

During the first half of 2023, in line with the provisions of the plan, the reorganisation phase of the Group continued.

With regard to the Trevi Division, this involved optimising the use of resources already in the workforce and increasing skills and resources linked to the needs of the business.

With regard to the Soilmec Division, work continued on downsizing the workforce, accompanied by a reallocation of resources with high skills from areas undergoing reorganisation and streamlining, with the aim of preserving the key skills belonging to the Division.

Workforce at 30 June 2023

The Group workforce at 30 June 2023 was 3,254, with a net increase of 147 units (up by 1 in Trevifin, up by 208 in the Trevi Division and down by 62 in the Soilmec Divisions) compared to 3,107 at 30 June 2022.

The average workforce in the period was approximately 3,181 units.

Purchase of treasury shares

During the first half of the year 2023, the Parent did not buy any treasury shares.

Significant events after the reporting period at 30 June 2023

Commercial and production activities continued in both the Trevi and Soilmec Divisions: in the two months July/August 2023, new orders were acquired for a total of Euro 97.2 million, of which Euro 81.9 million relating to the Trevi Division and Euro 16.3 million relating to the Soilmec Division and the order backlog at 31 August 2023 amounted to Euro 577 million (Euro 586 million at 30 June 2023, against Euro 594 million at 31 August 2022).
The Group's net financial debt amounted to Euro 196.8 million at 31 July 2023 compared to Euro 187.1 million at 30 June 2023.
On 28 August 2023, the Shareholders' Meeting of the subsidiary Soilmec S.p.A. acknowledged that the shareholder Trevi Finanziaria Industriale S.p.A., considering its interest in the subsidiary, resolved on 1 August 2023 to proceed with a debt-to-equity swap for an amount of Euro 19 million.

Outlook

At the date of this report and in light of the information available to the Issuer, revenue of between Euro 565 and Euro 585 million and a recurring EBITDA of between Euro 68 and Euro 72 million are expected for 2023. Production and sales activities by the Trevi and Soilmec Divisions are expected to continue in the coming months along with the acquisition of new orders and the opening of new construction sites. The net financial debt is between Euro 200 and Euro 230 million.
However, the Group's forecasts could be influenced by unforeseeable exogenous factors outside the control of Management, which could change the results of the forecasts.

Cesena, 27 September 2023

On behalf of the Board of Directors

The Chairman
Paolo Besozzi

Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2023

Consolidated financial statements

Statement of Profit or Loss

(In thousands of Euro)	Notes	First half 2023	First half 2022
Revenue from sales and services	(19)	274,421	229,740
- of which from related parties		*475*	*603*
Other operating revenue	(19)	5,845	6,385
- of which from related parties		*42*	*17*
Sub-total of revenue		**280,266**	**236,125**
Changes in inventories of finished and semi-finished products		5,688	7,078
Internal work capitalised	*(20)*	10,869	4,234
Raw materials and consumables		(121,453)	(102,586)
Change in raw materials, consumables, supplies and goods		4,283	14,914
Personnel expense	(21)	(63,606)	(62,699)
Other operating expenses	(22)	(84,914)	(76,044)
- of which to related parties		(27)	0
Depreciation and amortisation		(15,427)	(14,990)
Provisions and impairment losses	(23)	4,591	(6,113)
Operating profit/(loss)		**20,297**	**(81)**
Financial income	(24)	44,155	3,120
(Financial expense)	(25)	(30,949)	(10,209)
Net exchange gains/(losses)	(26)	1,983	(4,682)
Net financial income/(expense)		**15,189**	**(11,771)**
Adjustments to financial assets		(78)	(402)
Profit/(Loss) before taxes		**35,408**	**(12,254)**
Income taxes	(27)	(7,772)	(6,131)
Profit/(Loss) from continuing operations		**27,636**	**(18,385)**
Profit/(Loss) from assets held for sale		**0**	**0**
Profit/(Loss) for the period		**27,636**	**(18,385)**
Attributable to:			
Owners of the Parent		23,634	(19,776)
Non-controlling interests		4,002	1,391
Basic earnings/(losses) per share:	(28)	**0.08**	**(0.13)**
Diluted earnings/(losses) per share:	(28)	**0.07**	**(0.12)**

Statement of Comprehensive Income

(In thousands of Euro)

Description	First half 2023	First half 2022
Profit/(Loss) for the period	27,636	(18,384)
Items that are or may be reclassified to profit or loss		
Translation reserve	(16,032)	21,354
Items that are or may be reclassified to profit or loss net of taxes	**(16,032)**	**21,354**
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses)		
Income taxes		
Items that will not be reclassified to profit or loss net of taxes		
Comprehensive income net of taxes	**11,604**	**2,970**
Owners of the Parent	11,038	1,623
Non-controlling interests	566	1,347

Statement of financial position

(In thousands of Euro)

ASSETS	Notes	30/06/2023	31/12/2022
Non-current assets			
Property, plant and equipment			
Land and buildings		36,922	40,226
Plant and machinery		105,680	98,704
Industrial and commercial equipment		20,375	18,131
Other assets		4,942	5,286
Assets under construction and payments on account		3,069	2,255
Total property, plant and equipment	(1)	**170,988**	**164,602**
Intangible assets and goodwill			
Development costs		8,111	8,737
Industrial patents and intellectual property rights		395	425
Concessions, licences and trademarks		7,216	8226
Goodwill		4	5
Assets under development and payments on account		2,810	0
Other intangible assets		89	90
Total intangible assets and goodwill	(2)	**18,625**	**17,483**
Investment property			
Equity investments	(3)	529	903
- Equity-accounted investments in associates and joint ventures		0	359
- Other equity investments		529	544
Deferred tax assets	(4)	17,408	25,420
Non-current derivatives	(5)		
Other non-current financial assets		2,534	1,987
- of which from related parties			
Trade receivables and other non-current assets	(6)	1,732	2,477
Total non-current assets		**211,816**	**212,872**
Current assets			
Inventories	(7)	127,177	120,779
Trade receivables and other current assets	(8)	256,964	307,786
- of which from related parties		3,228	3,262
Current tax assets	(9)	9,252	6,562
Current derivatives			
Current financial assets	(9a)	17,498	17,545
- of which from related parties		4,044	4,403
Cash and cash equivalents	(10)	77,398	94,965
Total current assets		**488,289**	**547,637**
TOTAL ASSETS		**700,105**	**760,509**

(In thousands of Euro)

EQUITY		30/06/2023	31/12/2022
Share capital and reserves			
Share capital		122,942	97,374
Other reserves		41,212	29,031
Losses carried forward		(34,071)	(17,660)
Profit/(Loss) for the period/year		23,634	(19,127)
Equity attributable to the owners of the Parent	(11)	**153,717**	**89,618**
Share capital and reserves attributable to non-controlling interests		(5,790)	(3,690)
Profit attributable to non-controlling interests		4,002	3,950
Equity/(Deficit) attributable to non-controlling interests		**(1,788)**	**260**
Total equity		**151,929**	**89,878**
LIABILITIES			
Non-current liabilities			
Long-term loans and borrowings	(12)	38,131	8,007
Long-term loans and borrowings from other financial backers	(12)	177,623	67,602
Non-current derivatives	(12)	0	0
Deferred tax liabilities	(4)	13,363	18,751
Post-employment benefits	(13)	10,622	11,347
Non-current provisions	(14)	14,593	25,631
Other non-current liabilities	(15)	2,524	2,852
Total non-current liabilities		**256,856**	**134,190**
Current liabilities			
Trade payables and other current liabilities	(16)	212,829	231,747
- of which to related parties		*1,191*	*881*
Current tax liabilities	(17)	8,784	15,940
Short-term loans and borrowings	(18)	49,004	149,807
Short-term loans and borrowings from other financial backers	(18)	16,424	136,984
Current derivatives			
Current provisions	(14)	4,279	1,963
Total current liabilities		**291,320**	**536,441**
TOTAL LIABILITIES		**548,176**	**670,631**
TOTAL EQUITY AND LIABILITIES		**700,105**	**760,509**

Statement of cash flows

(In thousands of Euro)

Description	Notes	First half 2023	First half 2022
Profit/(Loss) for the period attributable to the owners of the Parent and non-controlling interests		27,637	(18,384)
Income taxes		7,772	6,131
Profit/(Loss) before taxes		**35,409**	**(12,253)**
Amortisation, depreciation and impairment losses	(1)-(2)-(22)	15,561	15,293
Net financial (income)/expense	(23)-(24)	(13,207)	7,089
Change in provisions for risks and charges and post-employment benefits	(13)-(14)	(581)	(200)
Provisions for risks and charges	(22)	(3,174)	7,023
Use of provisions for risks and charges		(3,546)	(717)
Adjustments to financial assets		78	402
(Gains)/losses from the sale or impairment of non-current assets		62	(1,723)
(A) Cash flows from operating activities before changes in the Working Capital		**30,602**	**14,915**
Increase in inventories	(7)	(9,921)	(20,276)
Decrease in trade receivables	(8)	37,219	7,163
(Increase)/Decrease in trade payables	(16)	(31,145)	3,363
(Increase)/Decrease in other assets/liabilities	(8)-(16)	10,843	(9,016)
(B) Changes in working capital		**6,997**	**(18,765)**
(C) Financial income collected/Interest expense paid		(8,636)	(2,108)
(D) Taxes paid		(1,476)	(3,059)
(E) Cash flows from/(used in) operating activities (A+B+C+D)		**27,487**	**(9,018)**
Investing activities			
Investments	(1)-(2)	(29,047)	(7,805)
Net change in financial assets		(375)	7,145
(F) Cash flows used in investing activities		**(29,422)**	**(659)**
Financing activities			
Increase/(Decrease) in Share Capital and reserves for the purchase of treasury shares (*)	(11)	18,554	0
Changes in loans, financing, derivatives, finance leases and other financing		(29,193)	(3,805)
Dividends paid		(425)	(1,047)
(G) Cash flows used in financing activities		**(11,063)**	**(4,852)**
(H) Change in assets/(liabilities) associated with discontinued operations		**0**	**0**
Net Change in Cash Flows (E+F+G+H)		**(12,998)**	**(14,529)**
Opening cash and cash equivalents		**94,965**	**77,647**
Effects of exchange fluctuations on cash and cash equivalents		(4,569)	3,950
Scope change effect		0	
Net change in cash flows		(12,998)	(14,529)
Closing cash and cash equivalents		**77,398**	**67,068**

(*) Net proceeds of Euro 18.5 million, resulting from the Euro 25 million capital increase, net of the Euro 6.5 million proceeds, which were received in advance in 2022.

Statement of changes in equity

(In thousands of Euro)

Description	Share capital	Other reserves	Losses carried forward	Owners of the Parent	Non-controlling interests	Total Equity
01/01/2022	**97,374**	**34,959**	**(40,777)**	**91,556**	**(1,632)**	**89,924**
Loss for the period			(19,776)	(19,776)	1,392	**(18,384)**
Other comprehensive income		21,375		21,375	(21)	**21,354**
Comprehensive income		**21,375**	**(19,776)**	**1,599**	**1,371**	**2,970**
Allocation of 2021 loss and distribution of dividends			(144)	(144)	(854)	(998)
Capital increase					(34)	(34)
Acquisitions/disposals		63	(107)	(44)	44	**0**
30/06/2022	**97,374**	**56,397**	**(60,804)**	**92,967**	**(1,105)**	**91,862**

(In thousands of Euro)

Description	Share capital	Other reserves	Losses carried forward	Owners of the Parent	Non-controlling interests	Total Equity
01/01/2023	**97,374**	**29,031**	**(36,787)**	**89,618**	**260**	**89,878**
Profit for the period			23,634	23,634	4,002	**27,636**
Actuarial gains/(losses)						
Other comprehensive expense		(12,596)		(12,596)	(3,436)	**(16,032)**
Comprehensive income		**(12,596)**	**23,634**	**11,038**	**566**	**11,604**
Allocation of 2022 loss and distribution of dividends		1,969	2,429	4,398	(2,584)	1,814
Capital increase	25,568	23,095		48,663	(30)	48,633
Acquisitions/disposals		(287)	287	0	0	0
30/06/2023	**122,942**	**41,212**	**(10,437)**	**153,717**	**(1,788)**	**151,929**

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Notes to the condensed interim consolidated financial statements as at and for the six months ended 30 June 2023

General information

TREVI Finanziaria Industriale S.p.A. (hereinafter "the Parent") and the companies that it controls (hereinafter "TREVI Group" or the "Group") carry out their activities in the sector of foundation engineering services for civil and infrastructural works and construction of equipment for special foundations (hereinafter "Foundations").

These activities are coordinated by the two main operating companies of the Group:

- Trevi S.p.A., which heads the segment of foundation engineering;
- Soilmec S.p.A., which heads the related Division and manufactures and markets plant and equipment for foundation engineering.

TREVI– Finanziaria Industriale S.p.A. has been listed on the Milan Stock Exchange since 1999.

Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption

Overview

This section aims at: (**i**) examining the correct application of the going concern assumption to the Interim Financial Report at 30 June 2023 also in the light of the financial position, financial performance and cash flows and other circumstances that may be relevant in this regard; and (ii) identifying current uncertainties, including the assessment of their relevance and the probability that they can be overcome, taking into consideration the measures put in place by Management and additional mitigation factors.

In order to approve the Separate and Consolidated Financial Statements at 31 December 2022, Management identified some going concern risk factors on which specific analyses were carried out. Specifically: **(a)** the risks, if any, associated with the Group's liquidity for a period of at least 12 months from the reporting date of these financial statements; and **(b)** the risk arising from any failure to achieve the recovery goals, as set out in the 2022-2026 Consolidated Plan (as defined below).

At the time of approval of the Separate and Consolidated Financial Statements at 31 December 2022, the Board of Directors, after having carefully and exhaustively assessed the risks to which the going concern was exposed, as summarised above, had deemed it appropriate to adopt the going concern basis, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan (as defined below) (reference should be made to the accompanying Directors' Reports). For the purposes of this report, the going concern is assessed based on the above-mentioned circumstances and information available about their development after the date of approval of the financial statements, to be taken into account up to the date of preparation of this Interim Financial Report.

Assessments relating to the going concern assumption

In assessing whether the going concern assumption was appropriate or not also with regard to this Interim Financial Report, the Directors took into account all the available information about the future, relating at least - without limitation - to 12 months following the reporting date of the condensed interim consolidated financial statements at 30 June 2023. Significant risk indicators that may raise doubts about the ability of the Group to continue to operate on a going concern basis were taken into account.

In particular, the Board of Directors took into consideration the assessments that had been carried out at the time of the approval of the 2022 financial statements, paying particular attention to the circumstances that had been identified as possible risk factors at that time, in order to verify their status.

Assessments of the achievement of the 2022- 2026 Consolidated Plan goals

In order to assess the risks associated with achieving the projected goals of the 2022-2026 Consolidated Plan, it should be noted that the aforementioned deviations from the business and financial plan of the Trevi Group for the period 2018-2022 (the "**2018-2022 Consolidated Plan**"), particularly in the second half of 2020, actually led, on the one hand, to the failure to meet the financial covenants set out in the Restructuring Agreement pursuant to Art. 182-*bis* of the Italian Bankruptcy Law signed on 5 August 2019 by, *inter alios*, the Parent along with the subsidiaries Trevi and Soilmec and by the Lending Banks of the Group (the "**Lending Banks**") and, on the other, to the need to update the goals of the aforementioned plan - again in accordance with the original strategic guidelines - as well as to revise the forecasts for the coming years, through the approval by the Parent's Board of Directors on 23 April 2021 of a new business plan for the period 2021-2024.

This new plan was subsequently updated, at first, in order to incorporate the accounting figures at 30 June 2021 and, subsequently, in order to extend the relevant time frame to the period 2022-2026 as well as in order to take into account certain aspects, including the performance recorded in 2021 and certain prudential elements that Management deemed appropriate to consider in the subsequent plan years. Such final version of the plan, updated in order to consider the final version of the Financial Restructuring (as defined below), was therefore approved by the Board of Directors of the Parent on 29 September 2022 (the "**2022-2026 Consolidated Plan**").

This plan envisages lower levels of both revenue and gross operating profit compared to the 2018- 2022 Consolidated Plan, as well as lower cash generation and, consequently, a consistently higher net financial debt.

Consistently with assessments made at the time of the approval of the 2022 financial statements, one of the elements taken into account in order to evaluate the uncertainties regarding the going concern is whether the forecasts of the 2022-2026 Consolidated Plan, also in light of the latest results regarding the Group's performance, appear anyhow suitable to allow, within the related time frame of reference, a financial rebalancing to be achieved.

Specifically:

- the 2022- 2026 Consolidated Plan seems to have been drawn up in accordance with reasonable and prudent criteria that include actions aimed at increasing volumes and improving profitability and shows the possibility of having, at the end of the plan, a balanced financial position and performance, such as to allow the refinancing of the remaining debt at market conditions;
- the independent business review carried out by Alvarez & Marsal to verify the reasonable validity of the business and market assumptions underlying the 2022-2026 Consolidated Plan, and shared with the Lending Banks, confirmed the reasonableness and feasibility of the same;
- the Financial Restructuring reflected within the Restructuring Agreement (as defined below), whose content has been subject to comments of both institutional shareholders (*i.e.*, CDPE and Polaris) and the Lending Banks, allowed, with the capital strengthening transaction, to further strengthen the financial position and performance of the Group, also giving a boost to the business as well as to the achievement of the recovery goals in accordance with the 2022-2026 Consolidated Plan;

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan are further supported by the fact that, on 28 November 2022, it was certified by the appointed expert, Mario Stefano Luigi Ravaccia, who meets the requirements provided for by the Italian Bankruptcy Law, thus representing an additional form of protection for Directors and the other stakeholders involved.

In accordance with the Restructuring Agreement:

- on 12 May 2023, a report on the status of implementation of the 2022-2026 Consolidated Plan was prepared by Mario Stefano Luigi Ravaccia, formerly a professional certifier, containing, *inter alia*, an analysis comparing the final figures at 31 December 2022 of the Trevi Group and of each of the companies proposing the Plan pursuant to the agreement (*i.e.,* Trevifin, Trevi S.p.A., Soilmec S.p.A. and PSM S.p.A.) compared to the figures set out in the 2022-2026 Consolidated Plan; and
- on 3 August 2023, Gian Luca Lanzotti - a professional appointed Lending Banks who, in accordance with what provided for by the Restructuring Agreement, was appointed on 26 January 2023 to carry out, *inter alia*, monitoring activities with reference to the implementation of the 2022-2026 Consolidated Plan and the Restructuring Agreement (the "**Monitoring Manager**") - prepared a report on the activities carried out by him pursuant to the said agreement in the six-month period from his

appointment until 25 July 2023, in which he confirmed the compliance with the obligations provided for by the Restructuring Agreement.

In addition, the feasibility of the 2022-2026 Consolidated Plan is confirmed by the results at 30 June 2023, in line with the forecasts of the 2022-2026 Consolidated Plan in terms of revenue and recurring EBITDA for the first half of 2023; the orders acquired in the first half of 2023 amounted to approximately Euro 310.3 million, down by 20.7% compared to the same period of the previous year, with an order backlog of Euro 585.9 million, in line with figures at 31 December 2022, a trend that continued in the third quarter of 2023. There was also a significant decrease of Euro 64.1 million in the net financial debt, from Euro 251.2 million at 31 December 2022 to Euro 187.1 million at 30 June 2023. The Group's performance in the third quarter of 2023, as shown under *"Significant events after the reporting period",* as regards order intake, production revenue and order backlog was in line with the forecasts for 2023, part of the 2022-2026 Consolidated Plan. The continued implementation of the 2022 - 2026 Consolidated Plan, while depending only in part on internal variables and factors controllable by Management, will allow the financial covenants of the Restructuring Agreement to be met. With reference to considerations regarding potential impacts arising from the Russia-Ukraine conflict and the prolonged health emergency from Covid-19, reference should be made to the sections *on "Impacts of the Russia-Ukraine Conflict*", "*COVID-19*" and "*Risk related to the trend in raw material prices"* of this report.

The uncertainties, all traced back to an overall category of "financial risk", reflect the Parent's ability to meet its financial commitments as well as to generate and/or raise sufficient resources to meet its financial requirements to support the business, of the implementation programme to achieve the goals of the 2022-2026 Consolidated Plan. The definitive overcome of these uncertainties, as described in the paragraphs below, should be assessed in the light of the completion of the Restructuring Agreement with the Lending Banks, which incorporates the contents of the Financial Restructuring and takes into account the provisions of the 2022-2026 Consolidated Plan.

More specifically, on 17 November 2022, the Parent's Board of Directors approved the final version of the Financial Restructuring (the "**Financial Restructuring**"), which provided for, in a nutshell:

h) its implementation in accordance with an agreement based on a certified recovery plan pursuant to Art. 56 of the Italian Code of Corporate Crisis and Insolvency ("**CCII**") (corresponding to the previous Art. 67, paragraph III, lett. of Italian Bankruptcy Law) (the "**Restructuring Agreement**");

i) a capital increase against consideration to be offered with option right to shareholders pursuant to Article 2441 paragraph 1 of the Italian Civil Code, for a total maximum amount of Euro 25,106,155.28, to be paid on an indivisible basis up to Euro 24,999,999.90 – amount fully guaranteed by the subscription commitments undertaken by CDPE Investimenti S.p.A. ("**CDPE**") and Polaris Capital Management LLC ("**Polaris**" and, together with CDPE, the "**Institutional Shareholders**") – and on a divisible basis for the excess amount, inclusive of share premium, through the issuance of a total maximum of 79,199,228 new ordinary shares, without nominal value, having the same characteristics as the outstanding shares (to be issued with regular dividend rights), at an issue price per share of Euro 0.3170, of which Euro 0.1585 to be allocated to share capital and Euro 0.1585 to be allocated to share premium reserve (the "**Capital Increase with Option Right**");

j) a capital increase against consideration to be paid on an indivisible basis, for a maximum amount of Euro 26,137,571.21, through the issuance of 82,452,906 ordinary shares, without nominal value, having the same characteristics as the outstanding shares (to be issued with regular dividend rights), at an issue price per share of Euro 0.3170, to be offered with exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code, to some of the Lending Banks identified in the Restructuring

Agreement, to be paid through a debt-to-equity swap of certain, liquid and collectable receivables, in the manner and to the extent provided for in the Restructuring Agreement, in relation to the subscription of the capital increase with exclusion of the option right, at a conversion ratio of 1.25 to 1 (the "**Capital Increase by Conversion**" and, together with the Capital Increase with Option Right, the "**Capital Increase**");

k) the subordination and postponement of a portion of the bank debt for Euro 6.5 million;

l) the extension of the final maturity date of the medium/long-term debt up to 31 December 2026, with the introduction of an amortisation plan starting from 2023;

m) the granting/confirmation of unsecured lines of credit for the execution of the 2022-2026 Consolidated Plan;

n) the extension of the maturity date of the Bond Issue to 2026.

Also on 17 November 2022, the Parent's Board of Directors approved: (**i**) the final version of the recovery plan pursuant to Articles 56 and 284 of CCII, based on the 2022-2026 Consolidated Plan and the Financial Restructuring, relating to the Parent and the Trevi Group; (**ii**) pursuant to the proxy granted by the shareholders' meeting of 11 August 2022 - the Parent's capital increase transaction envisaged by the Financial Restructuring, as amended with a subsequent resolution of 28 November 2022; (**iii**) the signing of the Restructuring Agreement; and (**iv**) the signing of the further agreements in the context of the debt restructuring and capital strengthening transaction in accordance with the aforementioned certified plan, including the agreement with which the Institutional Shareholders undertook to subscribe for their entire share of the Capital Increase with Option Right, as well as any unexercised rights in proportion to the shareholdings held (the "**Letter of Commitment**").

Subsequently, on 29 and 30 November 2022, the Parent signed the contracts relating to the implementation of the Financial Restructuring, such as, in particular, the Restructuring Agreement and the Letter of Commitment, which subsequently became effective on 16 December 2022 after the relevant conditions precedent have been met, including the obtaining, on that date, of the CONSOB's authorisation to publish the prospectus relating to the notice of rights of Trevi Finanziaria shares as part of the Capital Increase with Option Right, it being understood that the fulfilment of the commitments undertaken by the Lending Banks with reference to the Capital Increase by Conversion was subject to the proper execution of the Capital Increase with Option Right up to the indivisibility threshold - of Euro 24,999,999.90 - which occurred on 10 January 2023, thus allowing the conversion of bank loans into Trevifin shares and the consequent execution of the Capital Increase by Conversion, which took place on 11 January 2023, following which the Capital Increase was definitively implemented.

On 11 January 2023, the Parent informed the market about the successful completion of the Capital Increase, in the context of which 161,317,259 newly issued ordinary shares of the Parent were subscribed, for a total amount of Euro 51,137,571.10 (of which Euro 25,568,785.55 to be allocated to share capital and Euro 25,568,785.55 to be allocated to share premium reserve). Upon completion of the Capital Increase, the new share capital of Trevi Finanziaria amounted to Euro 123,044,339.55, divided into 312,172,952 ordinary shares. In particular: (**i**) the Capital Increase with Option Right was subscribed against consideration for Euro 24,999,999.90, of which Euro 17,006,707 paid for the subscription of 53,648,918 shares by the Institutional Shareholders, and the remaining Euro 7,993,292.90 were paid for the subscription of 25,215,435 shares by other shareholders; and (**ii**) the Capital Increase by Conversion was fully subscribed for Euro 26,137,571.21, through the issuance of 82,452,906 ordinary shares.

Below are the main financial position and financial performance figures upon completion of the transaction for the capital strengthening of the Parent and the debt restructuring transaction of the Group – specifying that the related accounting effects have been recognised in 2023 as the capital increase was completed in January

2023:

- the Group's equity, which at 31 December 2022 amounted to Euro 89.6 million, totalled Euro 153.7 million at 30 June 2023; the positive change of Euro 64.1 million was impacted by approximately Euro 52 million due to the financial restructuring related to the capital increase.
- The Group's net financial debt, which at 31 December 2022 amounted to Euro 251.2 million, decreased by approximately Euro 52 million in January 2023 as a result of the Financial Restructuring, at 30 June 2023 the item amounted to Euro 187.1 million; and
- the residual debt of the Group was almost entirely rescheduled. Specifically, a substantial portion of the medium/long-term debt towards the Lending Banks after the capital increase by conversion, for approximately Euro 185 million, was rescheduled at 31 December 2026, while approximately Euro 6.5 million was subordinated and rescheduled at 30 June 2027.

Expected liquidity trend over the next 12 months

Consistently with assessments made at the approval of the 2022 financial statements, an element that has been assessed with particular attention, in light of the lower cash generation foreseen in the 2022-2026 Consolidated Plan, is the suitability of the cash levels foreseen in the next 12 months to guarantee the ordinary operations of the Group, the financing of the relevant contracts and the regular payment of suppliers. To this end, as will be discussed in more detail below, Management updated the cash flow forecasts that had been made at the time of approval of the consolidated financial statements at 31 December 2022 on the basis of actual data and extended these forecasts until 2024. The reasonable expectation of a positive cash flow position for the Group emerges from that year and until then, assuming, among other things, the use of line of credit - including the use of unsecured lines of credit, necessary for the job orders in which the Group Companies take part - provided the Restructuring Agreement, thus enabling the implementation of the Financial Restructuring (as described below) and the 2022-2026 Consolidated Plan.

With reference to the uncertainty mentioned above, related to the risk that, due to the lower cash generation reflected in the forecasts of the 2022-2026 Consolidated Plan compared to the previous 2018-2022 Consolidated Plan, situations of cash flow tension may arise during the 12 months subsequent to the interim financial report date, the following should be noted.

First of all, the Parent's Management constantly monitors the Group's cash flows, also at the level of the individual Trevi and Soilmec Divisions. In particular, Management prepares a treasury plan until the end of the year that analyses the cash flows on a weekly basis for the first three months and on a monthly basis for the following months, a document that is updated every 4 weeks based on actual available data from all the Group's legal entities. This tool, the results of which are analysed and discussed with the local Management, allows short-term cash flows to be monitored and any shortfalls to be known well in advance, so that the necessary actions can be taken. This treasury plan was last updated on 21 September 2023 (with figures updated at that date), analysing the expected liquidity trend up to 30 September 2024. This analysis shows the maintenance of an adequate liquidity margin to guarantee the normal operations of the Group and the repayments provided for by the Restructuring Agreement, throughout the period under analysis.

Furthermore, in accordance with the provisions of the Restructuring Agreement, the Parent continues to provide the Lending Banks with a cash plan and cash flow analysis for each company of the Group relating to the immediately preceding calendar quarter. This disclosure requirement is validated and verified by the Monitoring Supervisor. The latest updated cash plan and cash flow analysis was provided to the Lending Banks on 15 August 2023, based on which no critical issues arose with respect to the cash position of the Group and/or individual divisions in the relevant period.

Furthermore, on 14 March 2023, again in accordance with the requirements of the Restructuring Agreement, the Parent provided the Lending Banks with a forecast budget for the current year and up to 31 December 2023, broken down by calendar quarters.
These analyses confirmed the absence of critical situations from a cash point of view, and highlighted a liquidity situation suitable to allow the Group's ordinary operations in the period of reference.
The Board of Directors, for the purposes of approving this Interim Financial Report, examined the update of this liquidity analysis up to 30 September 2024, which corresponds to the time period covered by this analysis.
Therefore, based on these projections, it is reasonable to expect that, in the period under analysis, cash and cash equivalents will allow the Group to continue operating on a going concern basis and to meet its financial needs.
Management's monitoring of the Group's liquidity trend, therefore, appears adequate to the situation and the results of the analysis carried out do not currently show situations of liquidity tensions and/or shortfalls until September 2024. Forecasts appear to have been drawn up in a prudent manner.

Finally, given that (**i**) cash-flow forecasts are prepared with methods consolidated over the years, (**ii**) these forecasts are subject to verification by third-parties (*i.e.*, the Monitoring Supervisor and the professional certifier) and are shared on a periodical basis with the Lending Banks, and (**iii**) at 30 June 2023, the backlog is such to allow expecting revenue of approximately Euro 261 million in the second half of the year; at present, it is believed that the risk related to cash-flow forecasts is adequately monitored and mitigated.

Concluding remarks

In conclusion, in the light of the considerations above and of the analysis of risks and uncertainties to which the Parent and the Group are exposed, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan, the Directors deem it appropriate to adopt the going concern basis for preparing the Interim Financial Report of Trevi Finanziaria Industriale S.p.A. and the Trevi Group at 30 June 2023.

Accounting policies and basis of preparation

Background

The Condensed Interim Consolidated Financial Statements refer to the six-month period ended 30 June 2023 and were prepared pursuant to Art. 154-*ter* paragraphs 2 and 3 of the Italian Consolidated Finance Act, in accordance with IAS 34 - Interim Financial Reporting. They consist of the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and these Notes.

IAS 34 allows for the preparation of "condensed" interim financial statements, namely based on minimum disclosures that are significantly lower than those required by IFRS as a whole, if complete financial statements prepared in accordance with IFRS have previously been made available to the public. These Interim Consolidated Financial Statements were prepared in a condensed form and should therefore be read together with the Consolidated Financial Statements of the Group at 31 December 2022 prepared in accordance with the IFRS endorsed by the European Union, to which reference should be made to better understand the accounting policies and criteria applied.

The drawing up of interim financial statements in accordance with IAS 34 calls for judgements, estimates and assumptions that may have an impact on assets, liabilities, costs and revenue. Actual figures may differ from those obtained on the basis of these estimates.

Financial statements

The Condensed Interim Consolidated Financial Statements are made up of the Statement of Financial Position, the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and these Notes. The Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity figures for the six months ended 30 June 2023 are compared to the corresponding figures of the interim financial statements at 30 June 2022, while the Statement of Financial Position figures at 30 June 2023 are shown with the corresponding amounts at 31 December 2022. The Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows are drafted in the long form. The presentation currency is the Euro, being this currency principally used in the countries in which the companies of the TREVI Group operate. All the amounts stated are in thousands of Euro, unless otherwise indicated.

Finally, these Condensed Interim Consolidated Financial Statements at 30 June 2023 were reviewed by KPMG S.p.A.

Changes to accounting policies

For the preparation of the Condensed Interim Consolidated Financial Statements at 30 June 2023, except for what became applicable starting from 1 January 2023 and explained below, the Group applied the same accounting policies and basis of preparation adopted in the consolidated financial statements at 31 December 2022, to which reference should be made for a more complete disclosure. In preparing the

Condensed Interim Consolidated Financial Statements at 30 June 2023, the Group did not opt for the early application of standards, interpretations or improvements issued for which application is not yet mandatory.

Newly issued and endorsed standards and interpretations effective from 1 January 2023.

Below is a list of the standards, amendments and interpretations issued by IASB and endorsed by the European Union applied starting from 1 January 2023:

- On 18 May 2017, IASB published the new standard IFRS 17 Insurance Contracts, which supersedes the current IFRS 4. The new standard on insurance contracts aims to increase transparency on the sources of profit and the quality of profits made and to ensure high comparability of results by introducing a single revenue recognition standard that reflects the services provided. In addition, on 25 June 2020, IASB published the document "Amendments to IFRS 17", which includes some amendments to IFRS 17 and the deferral of the effective date of the new accounting standard to 1 January 2023. The standard was endorsed on 19 November 2021.
- On 12 February 2021, IASB published the document "Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates", with the aim of distinguishing changes in accounting standards from changes in accounting estimates. This document, endorsed by the European Union with Regulation No. 357 of 2 March 2022, is applicable to financial statements for financial years beginning on or after 1 January 2023. The standard was endorsed on 02 March 2022.
- On 23 January 2020, IASB published amendments to IAS 1. The document "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" requires that a liability be classified as current or non-current depending on the rights existing at the reporting date. Furthermore, it states that classification is unaffected by the entity's expectation to exercise its rights to defer settlement of the liability. Finally, it is clarified that such settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments were initially supposed to become effective on 1 January 2022, however, IASB, in a second document published on 15 July 2020 entitled "Classification of Liabilities as Current or Non-current - Deferral of Effective Date", deferred their effective date to 1 January 2023. The approval process ended with the endorsement on 2 March 2022.
- On 07 May 2021, IASB published the document "IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The amendments require the recognition of deferred tax liabilities on transactions that, upon initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for financial years beginning on or after 1 January 2023. The approval process ended with the endorsement on 11 August 2022.
- On 9 December 2021, IASB published the amendment to the transitional provisions of IFRS 17 "Initial Application of IFRS 17 and IFRS 9-Comparative Information". The amendment provides insurers with an option to improve the relevance of disclosures to investors in the initial application of the new standard. The approval process ended with the endorsement on 11 August 2022.

The adoption of the new standards applicable from 1 January 2023 had no significant impact on the Group.

Endorsed standards and interpretations that are not adopted in advance by the Company

At the date of approval of these condensed interim consolidated financial statements, the following accounting standards, interpretations and amendments have been issued by IASB but have not been endorsed yet:

- Amendments to IAS 1 Presentation of Financial Statements: a) Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); b) Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and c) Non-current Liabilities with Covenants (issued on 31 October 2022). The amendments are effective for financial years beginning on or after 1 January 2023. Earlier application is permitted. The endorsement process is still ongoing.
- On 23 May 2023, IASB published the document "International Tax Reform-Pillar two model rules". The amendments are effective for financial years beginning on or after 1 January 2023. Earlier application is permitted. The endorsement process is still ongoing.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022). The amendment to IFRS 16 Leases specifies requirements for selling lessees in measuring the lease liability in a sale and leaseback transaction. The amendment does not change the accounting for leases unrelated to "sales and leaseback" transactions. The amendments are effective for financial years beginning on or after 1 January 2024 and may be applied early. The endorsement process is still ongoing.

Any effects that the accounting standards, amendments and interpretations soon to be applied may have on the Group's financial reporting are currently being investigated and assessed.

Use of estimates

The preparation of consolidated financial statements requires the Directors to apply standards and methods which in certain circumstances are based on difficult and subjective judgements and estimates related to past experience and assumptions that are periodically considered reasonable and realistic, depending on the circumstances. Taking into account the joint document from the Bank of Italy/Consob/Isvap No. 2 of 6 February 2009, it is specified that estimates are based on the most recent information available to Directors at the time these Financial Statements were drawn up without undermining their reliability.

The application of these estimates and assumptions affects the amounts recognised in the Financial Statements, including the statement of financial position, the statement of profit or loss and the statement of cash flows, as well as the disclosure provided.

The Financial Statements items listed below are those that require more subjectivity than others from the Directors when preparing the estimates and for which a change in the conditions underlying the assumptions used may have a significant impact on the Consolidated Financial Statements of the Group:

- Measurement of non-current assets and impairment test;
- Contract work in progress;
- Development costs;
- Deferred tax assets;

- Loss allowances;
- Employee benefits;
- Provisions for risks and charges;
- Measurement of financial assets and financial liabilities;
- Derivative instruments.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognised in the Statement of Profit or Loss for the period in which the change occurred.

Additional disclosures on financial instruments

With regard to derivatives recognised in the Statement of Financial Position at fair value, IFRS 9 requires that they are classified according to a fair value hierarchy that reflects the significance of the inputs used in determining the fair value. Specifically, the fair value hierarchy is made up as follows:

- Level 1: corresponds to quoted prices in active markets.
- Level 2: corresponds to prices calculated through elements taken from observable market data.
- Level 3: corresponds to prices calculated through data elements other than observable market data.

The following tables show the assets and liabilities at 30 June 2023 according to the categories provided by IFRS 9.

Key to IFRS 9 Categories	
Fair value through profit or loss	FVTPL
Fair value through other comprehensive income	FVOCI
Amortised cost	AC
HI – Hedging instrument	FVOCI or FVTPL

Below are the additional disclosures on financial instruments pursuant to IFRS9.

	IFRS9 categories	Notes	30/06/2023	Fair Value in Equity	Fair value through Profit or Loss	Effect on Profit or Loss
ASSETS						
Non-current financial assets						
Other non-current financial assets	AC		2,534			
Total non-current financial assets			**2,534**			
Current financial assets						
Other current financial assets	AC		13,694			
Current derivatives	FVTPL		-			
Current financial assets	AC		3,804			
Cash and cash equivalents	AC	10	77,398			
Total current financial assets			**94,896**			
Total financial assets			**97,430**			
LIABILITIES						
Non-current financial liabilities						
Long-term loans and borrowings	AC	11	38,131			2,868
Long-term loans and borrowings from other financial backers	AC	11	177,623			359
Non-current derivatives	FV		-			
Total non-current financial liabilities			**215,754**			
Current financial liabilities						
Short-term loans and borrowings	AC	17	49,004		22,790	3,686
Short-term loans and borrowings from other financial backers	AC	17	16,424			33
Current derivatives	FVTPL		-			
Total current financial liabilities			**65,428**			
Total financial liabilities			**281,182**			
Warrant	FVTPL		2			29

Exchange rates adopted

The exchange rates applied in the translation of financial statements and foreign currency balances at 30 June 2023 were the following (foreign exchange rate corresponding to 1 Euro):

Currency - Description	Currency	Average rate	Closing rate
United Arab Emirates Dirham	AED	3.969	3.991
Argentine Peso	ARS	229.178	278.502
Australian Dollar	AUD	1.599	1.640
Brazilian Real	BRL	5.483	5.279
Canadian Dollar	CAD	1.457	1.442
Swiss Franc	CHF	0.986	0.979
Chilean Peso	CLP	871.111	872.590
Chinese Renminbi	CNY	7.489	7.898
Colombian Peso	COP	4960.429	4546.240
Danish Krone	DKK	7.446	7.447
Algerian dinar	DZD	147.034	147.275
Egyptian pound	EGP	32.884	33.574
Pound Sterling	GBP	0.876	0.858
Hong Kong Dollar	HKD	8.471	8.516
Indian Rupee	INR	88.844	89.207
Japanese Yen	JPY	145.760	157.160
Kuwait Dinar	KWD	0.331	0.334
Libyan Dinar	LYD	5.179	5.210
Mexican Peso	MXN	19.646	18.561
Mozambican Metical	MZN	69.141	69.500
Nigerian Naira	NGN	519.620	825.034
Norwegian Crown	NOK	11.320	11.704
Omani Rial	OMR	0.416	0.418
Philippine Peso	PHP	59.701	60.082
Guarani	PYG	7838.983	7899.090
Qatari Riyal	QAR	3.934	3.955
Romanian Leu	RON	4.934	4.964
Saudi Riyal	SAR	4.052	4.075
Swedish Krona	SEK	11.333	11.806
Singapore Dollar	SGD	1.444	1.473
Thai Baht	THB	36.956	38.482
Turkish Lira	TRY	21.566	28.319
US dollar	USD	1.081	1.087
Uruguayan Peso	UYU	42.079	40.784

Consolidation scope

Compared to 31 December 2022, the consolidation scope at 30 June 2023 includes Dragados Y Obras Portuarias S.A. - Pilotes Trevi S.A. - Concret Nor S.A. - UT., an Argentinian consortium that is 35% jointly controlled by Pilotes Trevi The company is proportionally consolidated.

Impairment test at 30 June 2023

The Group checked the existence of impairment indicators at 30 June 2023 that could indicate the existence of impairment losses. This test was carried out both with reference to external sources (*inter alia*: market capitalisation and discount rates) and in relation to internal sources (*inter alia*: indications, deriving from the internal information system, about expected results).

Having found assumptions of impairment and based on the recommendations provided by Regulators, the Parent has updated, with reference to 30 June 2023, the impairment test carried out at 31 December 2022 pursuant to IAS 36 on the net invested capital in the consolidated financial statements. This update required:

- the estimate of the recoverable amount of Trevi and Soilmec CGUs at the first level;
- the estimate of the recoverable amount of the Group at the second level.

In accordance with IAS 36, the carrying amount of the asset or group of assets composing the cash-generating unit (CGU) was initially compared with its recoverable amount, which is the higher of fair value (less costs to sell) and the discounted net cash flows expected to be generated by the asset or group of asset composing the CGU (value in use).

This update determined the recoverability of the carrying amount of each CGU by the value in use, identified by discounting the plan cash flows of each CGU, or by the financial Discounted Cash Flow method, a method directly referred to in IAS 36.

This update was carried out by taking into account the actual financial position and financial performance figures at 30 June 2023, the forecasts for the second half of 2023 of the CGUs Trevi, Soilmec and Trevi Finanziaria Industriale of the Trevi Group, as well as the 2024 - 2026 forecasts of the CGUs Trevi, Soilmec and Trevi Finanziaria Industriale of the Trevi Group deriving from the 2023 - 2026 strategic plans prepared by Management with the support of PricewaterhouseCoopers and subject to independent business reviews by Alvarez & Marsal, approved by the Parent on 17 November 2022.

In addition, the financial parameters underlying the discounted cash flows were updated at 30 June 2023. In line with the method at 31 December 2022, a weighted average cost of capital "WACC" was calculated for the discounting of cash flows, updated at 30 June 2023 and determined according to the CAPM economic model (Capital Asset Pricing Model) for the CGUs business segment, namely «Foundation/Heavy Construction» for the Trevi Division and «Industrial Machinery» for the Soilmec Division.

The WACC for the Trevi Division was determined at 11.26%, and the individual variables were derived as follows:

- risk-free rate: 3.64%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the six months prior to 30 June 2023 (source: investing.com);
- beta levered: 0.99, calculated as an average of the unlevered beta at 3Y of a sample of comparable companies of the «Special Foundations/Heavy Construction» segment leveraged based on the average D/E ratio of the comparables (source: Bloomberg);
- equity risk premium: used at a rate equal to 5.50%, in line with best practices;
- country risk: 3.39%, this component was added to Ke after weighing the ERP for the beta, and was calculated as an average of the country risk of countries where the Trevi CGU operate, weighted by the percentage of production of operating profit in these countries in 2026 (source: Aswath Damodaran);
- inflation differential: 1.53%, this component was added to Ke in order to consider the effect of inflation and determine the real rate sources (source: International Monetary Fund);
- alpha coefficient equal to 1 percentage point;

- cost of the gross debt: equal to 4.77% (post tax: 3.70%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 33.16%; E/D+E= 66.84%, determined as the average of the comparables of the «Special Foundation/Heavy Construction» segment already considered for the definition of the beta (source: Bloomberg).

The WACC for the Soilmec Division was determined at 9.59%, and the individual variables were derived as follows:

- risk-free rate: 3.64%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the six months prior to 30 June 2023 (source: investing.com);
- beta levered: 1.00, calculated as an average of the unlevered beta at 3Y of a sample of comparable companies of the «Industrial Machinery» segment written based on the average D/E ratio of the comparables (souce: Bloomberg);
- equity risk premium: used at a rate equal to 5.50%, in line with best practices;
- country risk: 2.22%, this component was added to Ke after weighing the ERP for the beta, and was calculated as an average of the country risk of countries where the Soilmec CGU operate, weighted by the percentage of production of operating profit in these countries in 2026 (source: Aswath Damodaran);
- alpha coefficient equal to 1 percentage point;
- cost of the gross debt: equal to 4.77% (post tax: 3.56%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 31.55%; E/D+E= 68.45%, determined as the average of the comparables of the «Industrial Machinery» already considered for the definition of the beta (source: Bloomberg).

For the years after 2026, the cash flows of the CGUs have been calculated based on a Terminal Value determined by projecting in perpetuity the normalised operating profit of the last explicit plan year (2026), net of imputed tax at the full rate. Furthermore, a g growth rate was considered, based on the average expected inflation rate in countries where these CGUs operate, weighted by the percentage of operating profit in 2026 actually produced by these CGUs in those countries. Specifically, the g growth rate of the Trevi CGU was was identified as 3.63% while the g growth rate of the Soilmec CGU was was identified as 2.06%. It is specified that for the purposes of determining the Terminal Value, on a prudential basis, the WACCs were increased by 1 percentage points (namely a WACC for TV of 12.26% for the Trevi CGU and a WACC for TV of 10.59% for the Soilmec CGU).

What mentioned above did not highlight the need to impair the assets of the Trevi and Soilmec CGUs, compared to their carrying amount.

In addition, a further update was carried out in asset side mode, verifying that the recoverable amount of the Group's assets was higher than their carrying amount. The overall enterprise value was calculated using the sum-of-parts method (SOTP), or through the sum of:

- (+) the Enterprise Value of the Trevi and Soilmec CGUs;
- (+) the present value of cash flows of the Parent Trevi Finanziaria Industriale;
- (+) the value of the assets pertaining to ancillary investments;
- (-) the carrying amount of non-operating funds similar to financial debt.

The comparative carrying amount is derived (for consistency) on the basis of:

- (+) equity attributable to the owners of the parent at 30 June 2023;
- (+) the net financial debt, recognised at the carrying amount at 30 June 2023.

The comparison between the amounts above did not highlight the need to impair the assets of the Group compared to their carrying amount.
Finally, Management analysed the variability of the results of the second-level estimates, as the main input assumptions change, assuming alternatively: the increase in the discount rate (WACC) relevant for determining the Terminal Value and the variation of free cash flows from operating activities relevant for determining the Terminal Value.
A sensitivity analysis was first carried out on the discount rate (WACC) adopted for the Terminal Value to identify the rate increase that would bring the recoverable amount of the Group's assets to be at least equal to the relevant carrying amount (*i.e.*, the zeroing of the headroom found in the second level of the test). In this case, a precise increase in the WACC for TV of 6.13% for the Trevi and Soilmec CGUs (with WACC for TV of 18.39% against a WACC for TV of 12.26% adopted in the base case for the Trevi Division and with WACC for TV of 16.72% against a WACC for TV of 10.59% adopted in the base case for the Soilmec Division) would lead the recoverable amount to match the carrying amount of the Group's assets (with a first-level margin: for the Trevi CGU of Euro 20.72 million compared to Euro 115.76 million in the base case and for the Soilmec CGU of Euro 6.26 million compared of Euro 64.29 million in the base case).
A sensitivity analysis was then carried out on the change in free cash flows from operating activities relevant to the determination of Terminal Value, keeping all the other estimate criteria and assumptions unchanged, to identify the percentage decrease in free cash flows from operating activities of Terminal Value that would bring the recoverable amount of the Group's assets to equal the relevant carrying amount.
This percentage of decrease was identified as 41.63% (corresponding to a FCFO of TV equal to: Euro 16.74 million for the Trevi CGU against FCFO of TV of base case equal to Euro 28.68 million and Euro 9.53 million for the Soilmec CGU against FCFO of TV of base case equal to Euro 16.32 million). In this case, a first-level margin of Euro 20.49 million would be obtained for the Trevi CGU compared with Euro 115.76 million in the base case and Euro 6.49 million for the Soilmec CGU compared with Euro 64.29 million in the base case.

Notes to the main items of the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2023

Below are the notes to the main items of the Consolidated Statement of Financial Position:

(1) Property, plant and equipment

Property, Plant and Equipment at 30 June 2023 totalled Euro 171 million, marking an increase of Euro 6 million compared to 31 December 2022 (Euro 165 million).
Changes in the first half of 2022 are summarised in the table below:

Description	Original cost at 31/12/2022	Accumulated depreciation 31/12/2022	Carrying amount at 31/12/2022	Incr.	Decr.	Deprec.	Use of Provision	Adjustments	Reclass. of changes in acc. depr.	Reclass. of changes in historical cost	Exchange diff. in historical cost	Exchange diff. in acc. depr.	Original cost at 30/06/2023	Accumulated depreciation on 30/06/2023	Carrying amount at 30/06/2023
Land	18,501	(3,994)	14,507	1,003	0	(543)	0	0	(86)	116	(1,410)	146	18,210	(4,477)	13,733
Buildings	58,633	(32,914)	25,719	1,235	(1,666)	(1,313)	1,637	(1,478)	279	(1,012)	(329)	117	55,383	(32,194)	23,189
Plant and machinery	254,520	(155,816)	98,704	18,249	(7,842)	(8,070)	7,711	0	1,092	(2,303)	(2,486)	625	260,138	(154,458)	105,680
Industrial and commercial equipment	77,828	(59,697)	18,131	3,845	(985)	(2,727)	776	(134)	(20,179)	22,484	(8,108)	7,271	94,931	(74,556)	20,375
Other assets	35,005	(29,719)	5,286	810	(1,240)	(1,039)	1,160	0	(188)	352	(854)	655	34,073	(29,131)	4,942
Assets under construction and payments on account	2,255	0	2,255	1,412	(0)	0	0	0	0	(556)	(43)	0	3,068	0	3,068
TOTAL	**446,742**	**(282,140)**	**164,602**	**26,554**	**(11,733)**	**(13,692)**	**11,284**	**(1,612)**	**(19,082)**	**19,082**	**(13,230)**	**8,814**	**465,803**	**(294,816)**	**170,987**

The gross increases in the period were Euro 26.6 million, while the decreases deriving from divestment were Euro 11.7 million. The exchange loss in the first half of the year amounted to Euro 4.4 million.

(2) Intangible assets and goodwill

Intangible assets and goodwill at 30 June 2023 amounted to Euro 18.6 million, in line with the amount at 31 December 2022 (Euro 17.5 million).
Changes in the period are summarised in the table below:

Description	Original cost at 31/12/2022	Accumulated amortisation 31/12/2022	Carrying amount at 31/12/2022	Incr.	Decr.	Amort.	Use of Provision	Exchange diff. in historical cost	Exchange diff. in Acc. Amortisation	Other Changes	Acc. Amortisation	Original cost at 30/06/2023	Accumulated depreciation 30/06/2023	Carrying amount at 30/06/2023
Goodwill	464	(459)	5	0	0	0	0	0	0	(1)	0	463	(459)	4
Development costs	47,797	(39,060)	8,737	45	0	(671)	0	0	0	199	(200)	48,041	(39,931)	8,110
Industrial patents and intellectual property rights	3,714	(3,289)	425	0	0	(51)	20	0	0	225	(224)	3,939	(3,544)	395
Concessions, licences, trademarks and similar rights	15,343	(7,117)	8,226	0	(15)	(1,006)	13	(2)	2	98	(99)	15,424	(8,207)	7,217
Assets under development and payments on account	0	0	0	2,941	0	0	0	0	0	(131)	0	2,810	0	2,810
Other intangible assets	3,733	(3,643)	90	7	(2,068)	(7)	1,936	(109)	107	966	(833)	2,529	(2,440)	89
TOTAL	**71,051**	**(53,568)**	**17,483**	**2,993**	**(2,083)**	**(1,735)**	**1,969**	**(111)**	**109**	**1,356**	**(1,356)**	**73,206**	**(54,581)**	**18,625**

Development costs at 30 June 2023 were Euro 8.1 million (Euro 8.7 million at 31 December 2022), with marginal gross increases compared to 31 December 2022; these costs, which meet the requirements of IAS 38, were capitalised and subsequently amortised from the start of production and over the average useful life of the related products.
No impairment losses on intangible assets were recognised during the period.

(3) Equity investments

Equity investments amounted to Euro 529 thousand, down by Euro 374 thousand compared to 31 December 2022. This decrease was mainly attributable to the adjustment of the investment in Trevi Icos Nicholson JV, measured using the equity method.

(4) Deferred tax assets and deferred tax liabilities

Description	30/06/2023	31/12/2022	Change
Deferred tax assets	17,408	25,420	(8,012)
TOTAL	**17,408**	**25,420**	**(8,012)**
Deferred tax liabilities	(13,363)	(18,751)	5,388
TOTAL	**(13,363)**	**(18,751)**	**5,388**
Net deferred tax assets at the end of the period	**4,045**	**6,669**	**(2,624)**

Deferred tax assets refer in part to temporary differences and prior tax losses which, in accordance with tax regulations, may be recovered in future years and, for the remaining part, they refer to the deferred tax effects deriving from consolidation entries. At 30 June 2023, deferred tax assets amounted to Euro 17.4 million, down by Euro 8 million compared to 31 December 2022. Deferred tax assets are considered recoverable in part through the offsetting against deferred tax liabilities that will be concurrently reversed in the future and, for the remaining part, are attributable to the tax losses of the U.S. subsidiary US Trevi Holding USA Corporation, which generates, also prospectively, sufficient taxable income in its tax consolidation scheme to recover net deferred tax assets.

Deferred tax liabilities mainly refer to the differences between the carrying amounts of assets and liabilities shown in the Consolidated Financial Statements and the corresponding amounts recognised for tax purposes in the countries where the Group operates. At 30 June 2023, deferred tax liabilities amounted to Euro 13.4 million, down by Euro 5.4 million compared to 31 December 2022. Losses carried forward at 30 June 2023 relating to the Italian companies participating in the tax consolidation scheme, on which deferred tax assets were recorded for approximately Euro 2.1 million, totalled approximately Euro 215 million. These were calculated considering the estimates of future taxable amounts consistently with the profitability forecasts of the Group for the explicit period of the New Consolidated Plan.

Below the table showing the changes in question:

Description	Balance at 31/12/2022	Provisions	Decreases	Other Changes	Balance at 30/06/2023
Deferred tax assets	25,420	(9,177)	15	1,150	17,408
Deferred tax liabilities	(18,751)	5,013	394	(19)	(13,363)

Other changes are mainly attributable to exchange differences.

(5) Non-current derivatives

At 30 June 2023, no non-current derivatives were recognised.

(6) Trade receivables and other non-current assets

Description	30/06/2023	31/12/2022	Change
Trade receivables	1,731	2,476	(744)
Prepayments and accrued income	0	0	0
Other non-current assets	1	1	0
TOTAL	**1,732**	**2,477**	**(744)**

Trade receivables refer to receivables from third parties due beyond one year, for Euro 1.7 million from the subsidiary Swissboring Overseas Piling Corp. Ltd (Dubai).

(7) Inventories

Total inventories at 30 June 2023 amounted to Euro 127.2 million and were made up as follows:

Description	30/06/2023	31/12/2022	Change
Raw materials, consumables and supplies	83,049	78,427	4,622
Work in progress and semi-finished products	23,499	20,029	3,470
Finished goods	19,375	20,110	(735)
Payments on account	1,254	2,213	(959)
TOTAL INVENTORIES	**127,177**	**120,779**	**6,398**

Total inventories increased (Euro 6.4 million) with respect to 31 December 2022, mainly as the result of the production of rigs for underground engineering. Inventories are shown net of the allowance for inventory write-down of Euro 26.2 million, almost unchanged compared to 31 December 2022, to cover the risk of obsolescence and the slow disposal of some inventory units at the end of the reporting period.

(8) Trade receivables and other-current assets

The total amount at 30 June 2023 was Euro 257 million. This item is broken down as follows:

Description	30/06/2023	31/12/2022	Change
Trade receivables	163,865	193,779	(29,914)
Due from customers	64,005	80,926	(16,921)
Sub Total: Trade receivables	**227,870**	**274,705**	**(46,835)**
Due from associates	3,228	3,262	(34)
VAT assets	5,726	7,593	(1,867)
Due from others	14,393	14,251	142
Prepayments and accrued income	5,747	7,975	(2,228)
Total trade receivables and other current assets	**256,964**	**307,786**	**(50,822)**

Below is a breakdown of Due from customers and Due to customers:

Description	30/06/2023	31/12/2022	Change
Current assets			
Contract work in progress	70,969	82,806	(11,837)
Total contract work in progress	***70,969***	***82,806***	***(11,837)***
Payments on account from customers	(6,964)	(1,880)	(5,084)
Total due from customers	**64,005**	**80,926**	**(16,921)**
Current liabilities:			
Contract work in progress	(20,904)	(8,337)	(12,567)
Payments on account from customers	(21,875)	(5,705)	(16,169)
Total due to customers	**(42,779)**	**(14,043)**	**(28,737)**

The loss allowance amounted to Euro 66.2 million. Changes relating to this allowance were as follows:

Description	Balance at 31/12/2022	Accruals	Decreases	Releases	Other changes	Balance at 30/06/2023
Loss allowance	69,069	401	(1,190)	(97)	(1,955)	66,228
TOTAL	**69,069**	**401**	**(1,190)**	**(97)**	**(1,955)**	**66,228**

Accruals totalled Euro 0.4 thousand at 30 June 2023 and refer to individual measurement of receivables, based on a specific analysis of each position where there could be a collection risk. Releases are attributable to measurements of trade receivables pursuant to IFRS 9.

Prepayments and accrued income

This item is mainly composed of prepayments detailed as follows:

Description	30/06/2023	31/12/2022	Change
Accrued income	225	96	129
Prepayments	5,522	7,879	(2,357)
TOTAL	**5,747**	**7,975**	**(2,228)**

The breakdown of the item Due from others is as follows:

Description	30/06/2023	31/12/2022	Change
Due from employees	856	983	(127)
Advances to suppliers	7,466	7,875	(409)
Other	6,220	5,393	827
TOTAL	**14,542**	**14,251**	**291**

(9) Current tax assets

Tax assets, amounting to Euro 9.3 million, are mainly represented by direct taxes and tax advances.

(In thousands of Euro)

Description	30/06/2023	31/12/2022	Change
Direct taxes	9,252	6,562	2,690
TOTAL	**9,252**	**6,562**	**2,690**

The most significant amounts are represented by the credits for taxes paid abroad and by the payments on account paid to the subsidiaries in Italy.
The increase compared to 31 December 2022 was Euro 2.7 million and is attributable to the Trevi Division.

(9a) Current financial assets

Description	30/06/2023	31/12/2022	Change
Current financial assets	17,498	17,545	(47)
TOTAL	**17,498**	**17,545**	**(47)**

Current financial assets amounted to Euro 17.5 million at 30 June 2023 and includes Euro 4 million of financial assets from unconsolidated associates headed by Trevi S.p.A. and Euro 3.8 million of bank deposits related to the Middle East subsidiary Swissboring.
The remaining part refers to the loan granted by the Parent to MEIL Global Holding BV, dated 31 March 2020 with a 3-year maturity date. Starting from 1 April 2022, this loan was recognised in current financial assets; to date, the amount has not yet been repaid by the counterparty.
As a result of multiple payment reminders remained unanswered, the Parent started the appropriate legal proceedings for the enforced recovery of the debt at the competent Court. Based on the contractual documentation and correspondence, the Parent considers the debt recoverable.

(10) Cash and cash equivalents

This item is broken down as follows:

Description	30/06/2023	31/12/2022	Change
Bank and postal accounts	76,149	94,057	(17,908)
Cash-in-hand and cash equivalents	1,249	908	341
TOTAL	**77,398**	**94,965**	**(17,567)**

For the analysis of the net financial debt and cash and cash equivalents of the Trevi Group, reference should be made to the Directors' Report and the Statement of Cash Flows.
There are Group companies for which cash and cash equivalents on company current accounts are not immediately transferable abroad due to currency restrictions (mainly in Nigeria for an equivalent value of approximately Euro 9.9 million).

(11) Equity
The breakdown of Equity at 30 June 2023 amounting to Euro 153,717 thousand is given below:

- *Share capital*

The Parent issued 312,172,952 shares, of which 20 are held as treasury shares. Compared to 31 December 2022, subscribed shares increased by Euro 161,317,259 as a result of the capital increase successfully concluded at the beginning of 2023. At 30 June 2023, the Parent's fully subscribed and paid-up share capital amounted to Euro 122,942 thousand, up by Euro 25,568 thousand compared to 31 December 2022.

- *Share premium reserve:*

This reserve totalled Euro 25,568 thousand while it was reduced to zero at 31 December 2022. This increase resulted from the conclusion of the capital increase completed at the beginning of 2023.

- *Legal Reserve*

The legal reserve is the share of the profit that, pursuant to Article 2430 of the Italian Civil Code, cannot be distributed as dividends. At 30 June 2023 this reserve was Euro 9,235 thousand (Euro 8,353 thousand at 31 December 2022).

- *Reserve for treasury shares:*

The reserve for treasury shares was negative for Euro 736 thousand at 30 June 2023, unchanged compared to 31 December 2022.

Other reserves:
The other reserves are as follows:

- *Fair value reserve:*

  This reserve amounted to Euro 2,409 thousand and includes the changes in fair value of derivatives measured as cash flow hedges under IAS 39.

- *Extraordinary reserve:*

  There were no changes with respect to the previous year.

- *IFRS transition reserve:*

The item includes the effects of the transition to IFRS of the Group companies as of 1 January 2004.

- *Translation reserve:*

This reserve, equal to Euro 6,079 thousand at 30 June 2023, concerns the exchange differences from the translation into Euro of financial statements expressed in currencies other than the Euro; exchange rate fluctuations mainly occurred between the Euro and the US Dollar and between the Euro and the currencies of countries in the Middle East, Africa and South America, marking a decrease of Euro 12,882 against Euro 18,961 at 31 December 2022.

- *Retained earnings/losses carried forward:*

The item includes the profit or loss of previous years, for the part not distributed as dividends to Shareholders, and shows a loss of Euro 10,437 thousand.

- Other Reserves include a decrease of Euro 2.5 million related to costs associated with the capital increase.

(12) Loans and borrowings and loans and borrowings from other financial backers

Description	30/06/2023	31/12/2022	Change
Bank loans and borrowings	38,131	8,007	30,124
Lease liabilities	8,725	9,779	(1,054)
Loans and borrowings from other financial backers	168,898	57,823	111,075
TOTAL	**215,754**	**75,609**	**140,145**

The breakdown of loans and borrowings and loans and borrowings from other financial backers by maturity can be summarised as follows:

Description	From 1 to 5 years	After 5 years	Total
Bank loans and borrowings	38,131		38,131
Lease liabilities	7,690	1,035	8,725
Loans and borrowings from other financial backers	168,898		168,898
TOTAL	**214,719**	**1,035**	**215,754**

With the effectiveness of the New Financial Restructuring in January 2023, bank loans and borrowings under the New Restructuring Agreement were reclassified with medium-long term maturity following their rescheduling at 31 December 2026.

The New Restructuring Agreement provides for the compliance with two financial covenants that will measured on a six-monthly basis starting from the financial statements at 31 December 2023: the ratio of the consolidated net financial debt to the consolidated recurring gross operating profit (that must be lower than 3.75 at 31 December 2023) and the ratio of the consolidated net financial debt to the consolidated equity (that must be lower than 2.60 at 31 December 2023). These covenants are expected to be met.

Calculated at 30 June 2023, the two covenants result as follows:

2.53x the ratio of net financial debt to recurring gross operating profit achieved in the previous twelve months and 1.23x the ratio of the Group's net financial debt to the consolidated equity.

Lease liabilities amounted to Euro 8.7 million, mainly relating to the liability arising from the application of the new IFRS 16. Loans and borrowings from other financial backers were attributable to the Parent for Euro 117.43 million and are mainly represented by amounts due to non-banking institutions deriving from the sale by banks of their financial receivables for approximately Euro 67.4 million and by the bond issue of Euro 50 million. These loans and borrowings were subjected to rescheduling at 31 December 2026 pursuant to the 2022 Financial Restructuring finalised in January 2023. The remaining part of loans and borrowings from other financial backers is attributable to the Trevi Division for Euro 30.3 million and to the Soilmec Division for Euro 21 million.
Non-current derivatives were reduced to zero.

(13) Post-employment benefits

The post-employment benefits and the provision for pensions amounted to Euro 10.6 million at 30 June 2023 and reflect the indemnity accrued at the end of the year by employees of Italian companies under the law and provisions made by foreign subsidiaries to cover liabilities accrued to employees. These were determined as the present value of the defined benefit obligation and adjusted to take into account actuarial gains and losses. The effect recognised was calculated by an external and independent actuary based on the projected unit credit method.

Changes over the period were as follows:

Description	Balance at 31/12/2022	Accruals	Benefits and advances paid	Other changes	Balance at 30/06/2023
Post-employment benefits	3,825	66	(392)	48	3,547
Provisions for pensions and similar obligations	7,522	32	(96)	(383)	7,075
TOTAL	**11,347**	**98**	**(488)**	**(335)**	**10,622**

Description	30/06/2023	31/12/2022
Opening balance	**3,825**	**4,948**
Service cost	37	77
Interest expense	67	44
Benefits paid	(383)	(751)
Other changes		(493)
Closing balance	**3,547**	**3,825**

(14) Provisions for risks and charges

Provisions for risks and charges consist of:

Description	30/06/2023	31/12/2022	Change
Contractual risks	2,281	9,468	(7,187)
Work carried out under warranty	802	798	4
Loss allowance for investees	1,014	920	94
Dispute risks	147	483	(336)
Other current provisions for risks and charges	10,348	13,962	(3,614)
TOTAL Non-current provisions for risks and charges	**14,592**	**25,631**	**(11,039)**
Other current provisions for risks and charges	4,279	1,963	2,316
TOTAL Current provisions for risks and charges	**4,279**	**1,963**	**2,316**

TOTAL	**18,871**	**27,594**	**(8,723)**

The balance of the provision for contractual risks amounted to approximately Euro 2.3 million, attributable to the Trevi Division for Euro 1.6 million and to the Soilmec Division for approximately Euro 0.6 million. The decrease of Euro 7.2 million compared to 31 December 2022 is almost exclusively attributable to the release by the subsidiary Trevi S.p.A. of a provision for contractual risks, which, following the positive final settlement through an insurance coverage, which fully covers the costs related to an Italian job order, concluded in previous years, allowed the release of the relative provision for risks amounting to Euro 7.0 million.

The provision for work carried out under warranty of Euro 0.8 million relates to the provisions for technical guarantees on products that can be serviced by companies in the mechanical engineering segment.
The loss allowance for investees of Euro 1 million refers to minor investments of Trevi S.p.A.
The provision for dispute risks equal to Euro 0.1 million was attributable the subsidiary Trevi S.p.A.
This provision represents Management's best estimate of the liabilities that must be accounted for with reference to:

- Legal proceedings arising during the ordinary course of business;

Legal proceedings involving tax authorities.

The item other non-current provisions for risks and charges includes provisions for risks amounting to approximately Euro 7.6 million linked to the risk that the Parent will be required to settle a liability for the enforcement of guarantees. It also includes debt assumption for a total amount of Euro 1.8 million, mainly attributable to the Trevi Division.
The item other current provisions for risks and charges, amounting to Euro 4.3 million at 30 June 2023, mainly includes provisions for bonuses to employees for Euro 3.3 million and for Euro 1 million attributable to tax and legal disputes.
The nature of the Group business reduces the risks to which it is exposed as sales of equipment and services are spread over hundreds of contracts each year. Expenses relating to existing or future proceedings cannot be estimated with certainty. It is possible that the outcome of such procedures will entail expenses for which provisions have not been made or which are not covered by insurance guarantees and, therefore, may have an impact on the financial position and financial performance of the Group. However, at 30 June 2023, the Group believed it does not have any contingent liabilities exceeding the amount set aside under the "Other Provisions" item in the category "Work carried out under warranty" as it considers that there is no probable outlay of resources.

Below are details of changes in current and non-current portions of provisions.

Description	Balance at 31/12/2022	Provisions	Uses of allowance	Other changes	Balance at 30/06/2023
Non-current provisions for risks	25,631	(6,722)	(3,639)	(677)	14,592
Current provisions for risks	1,963	1,717	(466)	1,065	4,279
TOTAL	**27,594**	**(5,005)**	**(4,105)**	**388**	**18,871**

(15) Other non-current liabilities

Other on-current liabilities amounted to Euro 2.5 million at 30 June 2023 (Euro 2.8 million at 31 December 2022), almost exclusively attributable to the Parent.

(16) Trade payables and other current liabilities

Description	30/06/2023	31/12/2022	Change
Trade payables	110,870	139,835	(28,965)
Payments on account	25,510	34,598	(9,088)
Due to customers	42,779	14,043	28,736
Due to associates	1,191	881	310
Due to social security institutions	3,595	3,300	295
Accrued expenses and deferred income	3,130	1,855	1,275
Other liabilities	21,147	29,372	(8,225)
VAT liabilities	4,608	7,863	(3,255)
TOTAL	**212,830**	**231,747**	**(18,917)**

Due to customers, amounting to Euro 42.3 million, shows the carrying amount of contract work in progress for which the amount of the advances collected exceeds the amount of the relating work.

Other liabilities:

The item Other liabilities mostly includes:

Description	30/06/2023	31/12/2022	Other changes
Due to employees	13,408	14,956	(1,548)
Other	7,739	14,417	(6,677)
TOTAL	**21,147**	**29,373**	**(8,225)**

Amounts due to employees relate to wages and salaries and holidays accrued but not taken.

Accrued expenses and deferred income:

Accrued expenses and deferred income amounted to Euro 3.1 million at 30 June 2023. This item is composed as follows:

(In thousands of Euro)

Description	30/06/2023	31/12/2022	Change
Accrued expenses	1,461	941	520
Deferred income	1,670	914	756
TOTAL	**3,130**	**1,855**	**1,275**

The above tables mainly include the profit or loss effects of some job orders of subsidiaries in the Foundations segment to recognise contract revenue on an accruals basis.

(17) Current tax liabilities

Tax liabilities at 30 June 2023 amounted to Euro 8.8 million, down by Euro 7.3 million compared to Euro 15.9 million at 31 December 2022. The balance at 30 June 2023 includes liabilities related to estimated taxes pertaining to the first half of 2023.

(18) Short-term loans and borrowings and loans and borrowings from other financial backers

Short-term loans and borrowings amounted to Euro 49 million at 30 June 2023 and are broken down as follows:

Description	30/06/2023	31/12/2022	Change
Bank overdrafts	4,063	4,608	(545)
Bank loans and borrowings	33,330	135,038	(101,708)

Portion of mortgages and loans expiring within twelve months	11,612	10,161	1,451
TOTAL Short-term loans and borrowings	**49,005**	**149,807**	**(100,802)**

Description	30/06/2023	31/12/2022	Change
Lease liabilities	11,698	8,392	3,306
Loans and borrowings from other financial backers	4,726	128,591	(123,865)
TOTAL Loans and borrowings from other financial backers	**16,424**	**136,983**	**(120,559)**

Short-term loans and borrowings are made up of bank loans and borrowings and of the residual short-term portions of long-term mortgages.

Lease liabilities mainly refer to the principal portions of instalments due within 12 months and include the amounts referring to the application of IFRS16.

Loans and borrowings from other financial backers at 30 June 2023 mainly include amounts due to non-banking institutions.

The reduction effect of short-term loans and borrowings of the Group was mainly attributable to the long-term reclassification due to the rescheduling of bank debt at 31 December 2026, as a result of the overall capital strengthening and debt restructuring transaction, finalised in January 2023, in accordance with the 2022 financial restructuring (the “2022 Financial Restructuring”).

Net financial debt

Below are financial disclosures prepared in accordance with CONSOB communication No. DEM/6064293 of 28 July 2006, updated with the provisions of ESMA guideline 32-382-1138 of 4 March 2021 as implemented by CONSOB warning notice No. 5/21 of 29 April 2021. This statement shows a preliminary representation of the Group, based on the current guidelines and interpretations available.

Description		30/06/2023	31/12/2022	Change
A	Cash and cash equivalents	**77,398**	**88,519**	**(11,121)**
B	Other cash equivalents	3,804	9,835	(6,031)
C	Other current financial assets	13,694	14,156	(462)
D	**Cash and cash equivalents (A+B+C)**	**94,896**	**112,510**	**(17,614)**
E	Current financial liabilities (including debt instruments)	43,871	269,127	(225,256)
F	Current portion of non-current debt	21,557	17,664	3,893
G	**Net financial debt (E+F)**	**65,428**	**286,791**	**(221,363)**
H	**Net current financial debt (G-D)**	**(29,468)**	**174,281**	**(203,749)**
I	Non-current financial liabilities	165,754	25,609	140,146
J	Debt instruments	50,000	50,000	0
K	Trade payables and other non-current liabilities	810	1,290	(480)
L	**Non-current financial debt (I+ J+ K)**	**216,564**	**76,899**	**139,666**
M	**Net financial debt (H+L) (as provided for by Consob warning notice No. 5/21 of 29 April 2021)**	**187,096**	**251,179**	**(64,083)**

GUARANTEES AND COMMITMENTS

The main guarantees provided are listed below:

- **Corporate Sureties/Bank guarantees** for Euro 379,546,160.42, *i.e.*, sureties for bonds issued by Trevi Finanziaria Industriale, Trevi S.p.A. and Soilmec S.p.A to guarantee cash and unsecured lines of credit and lease contracts for its subsidiaries or made available for subsidiaries.
  This category also includes the Corporate Sureties issued by Trevi - Finanziaria Industriale S.p.A. in favour of US Sureties, namely in favour of leading North American insurance companies for guarantees issued on behalf of North American subsidiaries.

Insurance guarantees

- Guarantees given to insurance companies for **Euro 34,904,158.16.** These refer to the issuance of sureties for VAT reimbursements of Trevi Finanziaria Industriale S.p.A., Trevi S.p.A. and Soilmec S.p.A. and of the main Italian subsidiaries; commercial sureties issued mainly to participate in tenders, to cover the proper execution of works and for contractual advances.
- This category also includes guarantees taken out with local insurance companies by the subsidiaries Trevi Foundations Philippines Inc. and Trevigalante SA.

Guarantees given to third parties for Euro 123,192,246.37 and refer in particular to:

- **Bank commercial guarantees for Euro 122,155,067.20.**
  Guarantees mainly issued to take part in tenders, to cover performance bonds and for contractual advances.
- **Financial Sureties for Euro 1,037,179.17**
  These refer to sureties issued to credit institutions for loans granted to Group companies (SBLC) or Supplier's Bonds (issued in favour of the supplier to guarantee payment of the supply).

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(19) Revenue from sales and services and other operating revenue

This item amounted to Euro 280.3 million compared to Euro 236.1 million in the first half of 2023, marking an increase of Euro 44.1 million.
The Group operates in various business segments and in different geographical segments.
The geographical breakdown of revenue from sales and services and other operating revenue is as follows:

Geographical segment	First half 2023	%	First half 2022	%	Change	%
Italy	27,152	10%	24,021	10%	3,131	13%
Europe	10,315	4%	28,214	12%	(17,899)	-63%
U.S.A. and Canada	45,116	16%	40,419	17%	4,697	12%
Latin America	12,202	4%	16,393	7%	(4,191)	-26%
Africa	36,739	13%	33,078	14%	3,661	11%
Middle East and Asia	91,101	33%	43,102	18%	47,998	111%
Far East and Rest of the World	57,641	21%	50,898	22%	6,743	13%
Total revenue	**280,266**	**100%**	**236,125**	**100%**	**44,141**	**19%**

The increase in revenue was mostly attributable to some job orders of the Trevi Division in the Middle East and to a lesser extent in the Far East, Africa and U.S.A.
Revenue relating to the "Neom" project of the subsidiary Arabian Soil Contractors in Saudi Arabia amounted to Euro 40.4 million.

The breakdown of revenue between the Foundations segment and the Parent is shown below:

Activity	First half 2023	First half 2022	Change
Special foundation works	234,814	182,100	52,714
Manufacturing of special machinery for foundations	57,714	55,928	1,786
Intradivisional eliminations and adjustments	(12,085)	(2,890)	(9,195)
Sub-Total of Foundations Segment (Core Business)	**280,443**	**235,138**	**45,305**
Parent	**8,043**	**7,798**	**245**
Intradivisional and Parent eliminations	**(8,220)**	**(6,811)**	**(1,409)**
TREVI GROUP	**280,266**	**236,125**	**44,141**

Other operating revenue

Other operating revenue amounted to Euro 5.8 million in the first half of 2023, down by Euro 0.5 million compared to the first half of 2022. This item is broken down as follows:

Description	First half 2023	First half 2022	Change
Grants related to income	89	115	(26)
Recovery of expenses and recharges to Consortia	669	409	260
Sales of spare parts and raw materials	192	892	(700)
Gains on sale of operating assets	557	1,865	(1,308)
Compensation for damage	37	135	(98)
Lease income	49	62	(13)
Prior year income	395	649	(254)
Other	3,857	2,258	1,599
Total	**5,845**	**6,385**	**(540)**

Grants related to income refer to Trevi S.p.A. for Euro 50 thousand and to Soilmec S.p.A. for Euro 39 thousand. In the first half of 2023, recovery of expenses and recharges to Consortia amounted to Euro 0.7 million, up by Euro 0.3 million compared to the same period of the previous year; sales of spare parts amounted to Euro 0.2 million, down by Euro 0.7 million compared to the first half of 2022 and are almost exclusively attributable to the Trevi Division; gains on sale of operating assets amounted to Euro 0.6 million compared to Euro 1,9 million in the first half of 2023 mainly attributable to the Trevi Division; compensation for damage amounted to Euro 37 thousand, down by Euro 98 thousand compared to the first half of 2022, attributable to the Trevi Division.

Lease income revenue amounted to Euro 49 thousand in the first half of 2023, mainly attributable to the Trevi Division, decreasing by Euro 13 million compared to the first half of 2022.

Prior year income amounted to Euro 0.4 million and was generated for Euro 215 thousand by the Trevi Division, for Euro 170 thousand by the Soilmec Division and the remaining part by the Parent.

The item other amounted to Euro 3.9 million with an increase of Euro 1.6 million compared to the first half of 2022. This increase is attributable to the favourable resolution of a contractual dispute with a client of the subsidiary Swissboring Qatar.

(20) Internal work capitalised

Internal work capitalised amounted to Euro 10.9 million in the first half of 2023, marking an increase of Euro 6.6 million compared to the first half of 2022.

PRODUCTION COST

Production cost totalled Euro 276.5 million in the first half of 2023, compared to Euro 247.5 million in the first half of 2022, with an increase of Euro 29 million. This item is detailed below:

(21) Personnel expense

This item amounted to Euro 63.6 million in the first half of 2023, an increase by Euro 0.9 million over the first half of 2022.

Description	First half 2023	First half 2022	Change
Wages and salaries	51,858	48,885	2,973
Social security charges	10,180	11,569	(1,389)
Post-employment benefits	66	301	(235)
Pension fund	32	428	(396)
Other costs	1,469	1,516	(46)
Total	**63,606**	**62,699**	**907**

The breakdown of personnel and changes compared to the previous year is as follows:

Description	First half 2023	First half 2022	Change	Average
Executives	69	62	7	66
- of which Managers	42	46	(4)	44
White-collar workers and Middle managers	1,119	1,142	(23)	1,131
Blue-collar workers	2,066	1,903	163	1,985
Total staff	**3,254**	**3,107**	**147**	**3,181**

The increase in personnel expense was mainly due to the increase in the Group's workforce, which went from 3,107 units in the first half of 2022 to 3,254 units in the first half of 2023. The net increase of 147 employees was generated by the increase of 208 resources in the Trevi Division and 1 resource in the Parent, which more than offset the decrease in resources in the Soilmec Division, which recorded a decrease of 62 employees.

The breakdown by geographical segment is as follows:

	Workforce		
Geographical segment	**30/06/2023**	**31/12/2022**	**30/06/2022**

Italy	711	709	778
Europe (excluding Italy)	31	27	38
United States and Canada	138	112	96
South America	276	295	222
Africa	545	535	544
Middle East and Asia	788	687	617
Far East and Rest of the World	765	909	812
Total	**3,254**	**3274**	**3,107**

(22) Other operating expenses

This item amounted to Euro 84.9 million in the first half of 2023**,** up by Euro 8.9 million compared to the to the first half of 2022. The breakdown of this item is given below:

Description	First half 2023	First half 2022	Change
Services	65,839	62,763	3,076
Use of third-party assets	15,632	10,856	4,776
Other operating expenses	3,443	2,425	1,018
Total	**84,914**	**76,044**	**8,870**

Services

This item amounted to Euro 65.8 million in the first half of 2023, against Euro 62.8 million over the first half of 2022. This item mostly includes:

Description	First half 2023	First half 2022	Change
Sub-contracts	14,119	17,455	(3,336)
Technical, legal, tax consultancy services	15,961	8,050	7,911
Other expenses for the provision of services	10,462	10,013	449
Food, accommodation and travel expenses	5,081	4,594	487
Insurance companies	2,809	3,979	(1,170)
Shipping, customs and transport costs	7,979	6,643	1,336
Maintenance and repairs	1,850	2,084	(234)
Bank services	628	685	(57)
Expenses for energy, telephone, gas, water and post	1,328	1,285	43
Outsourcing	4,855	5,979	(1,124)
Advertising and promotions	347	230	117
Administrative services	142	343	(201)
Driving force	33	423	(390)
Commissions and ancillary charges	39	846	(806)
Entertainment expenses	206	155	51
Total	**65,839**	**62,763**	**3,076**

Other expenses for the provision of services includes third-party expenses and services such as costs for waste disposal and expenses for audits and other miscellaneous management costs.

Use of third-party assets:

This item amounted to Euro 15.6 million in the first half of 2023, an increase by Euro 4.8 million over the first half of 2022.

The item mainly refers to:

Description	First half 2023	First half 2022	Change

Equipment leases	14,396	9,047	5,349
Lease expense	1,236	1,809	(573)
Total	**15,632**	**10,856**	**4,776**

Equipment leases include operating lease costs relating to contracts that meet the requirements to be excluded from the accounting treatment provided by IFRS 16.

Other operating expenses:

This item amounted to Euro 3.4 million in the first half of 2023, an increase by Euro 1.02 million over the first half of 2022. Its composition is as follows*:*

Description	First half 2023	First half 2022	Change
Indirect duties and fees	1,926	957	969
Prior year expense	561	753	(192)
Other sundry expenses	337	573	(236)
Ordinary losses on the sale of assets	619	142	477
Total	**3,443**	**2,425**	**1,018**

(23) Provisions and impairment losses:

Description	First half 2023	First half 2022	Change
Provisions for risks	(5,139)	4,386	(9,525)
Accruals to loss allowances	414	1,424	(1,010)
Impairment losses	134	303	(169)
Total	**(4,591)**	**6,113**	**(10,704)**

Provisions for risks:

These amounted to a lower cost of Euro 5.1 million and mainly related to the release of a provision for contractual risks of Euro 7 million in the Trevi Division, which more than offset the provisions for the first half of 2023, the latter of which concerned:

- Provisions for tax disputes in the Trevi Division of Euro 279 thousand.
- Provisions for bonuses to employees of Euro 1.5 million equally divided between the Trevi Division and the Parent.

With regard to provisions for risks, the subsidiary Trevi S.p.A. released a provision for risks of about Euro 7 million following the positive settlement of an insurance claim for damages relating to a job order carried out in past years in Italy.

Accruals to loss allowances:

The amount of Euro 0.4 million refers almost exclusively to the loss allowances for trade receivables of the individual subsidiaries.

Impairment losses:

Net impairment losses amounted to Euro 134 thousand in the first half of 2023, mainly due to the impairment losses on the assets of the Trevi Division.

(24) Financial income

Financial income amounted to Euro 44.2 million in the first half of 2023, with an increase by Euro 41 million over the first half of 2022.

This item is broken down as follows:

Description	First half 2023	First half 2022	Change
Bank interest income	581	95	486
Interest income on trade receivables	509	140	369
Financial income from fair value measurement (IFRS9)	41,247	0	41,247
Financial income from financial restructuring	761	0	761
Other financial income	1,057	2,885	(1,828)
Total	**44,155**	**3,120**	**41,035**

The increase in financial income compared to the previous year derives almost exclusively from the effect of the financial restructuring and in particular from the positive effects of IFRS9 accounting.

(25) Financial expense:

Financial expense amounted to Euro 30.9 million in the first half of 2023, with an increase by Euro 20.7 million over the first half of 2022.

This item is broken down as follows:

Description	First half 2023	First half 2022	Change
Interest expense on bank loans and borrowings	5,341	3,217	2,124
Financial expense from fair value measurement (IFRS9)	22,790	4,748	18,042
Bank fees and commissions	1,069	1,111	(42)
Interest expense on loans	144	7	137
Interest expense on right-of-use assets	392	331	61
Expense deriving from the recognition of Warrants	0	513	(513)
Other financial expense	1,213	282	931
Total	**30,949**	**10,209**	**20,740**

Interest expense on bank loans and borrowings represents the costs associated with raising the financial resources necessary for the functioning of the Group's activities, which are mainly affected by the heads of the divisions.

The change in financial expense compared to the same period of the previous year was mainly affected by the cost effects of the IFRS 9 accounting.

The overall effect of the financial income and expense related to the restructuring and the recalculation of IFRS 9 had a positive impact for a total of Euro 19.2 million in the first half of 2023.

(26) Exchange gains/(losses)

Net exchange gains amounted to Euro 2 million in the first half of 2023, mainly due to the fluctuation between the Euro and the following currencies: US dollar, Nigerian Naira, Dirham of the UAE and Argentine Peso.

These exchange gains are almost entirely unrealised.

The composition of this item is shown below:

Description	First half 2023	First half 2022	Change
Realised exchange gains	7,411	2,578	4,833
Realised exchange losses	(7,597)	(1,615)	(5,982)
Net realised exchange gains/(losses)	**(186)**	**963**	**(1,149)**
Unrealised exchange gains	23,377	21,156	2,221
Unrealised exchange losses	(21,208)	(26,801)	5,593
Net unrealised exchange gains/(losses)	**2,169**	**(5,645)**	**7,814**
Net exchange gains/(losses)	**1,983**	**(4,682)**	**6,665**

(27) Income taxes

Net income taxes for the period show an increase by Euro 1.6 million compared to the first half of 2022 and are broken down as follows:

Description	First half 2023	First half 2022	Change
Current taxes:			
- Regional Business Tax (IRAP)	0	0	0
- Income taxes	3,608	4,624	(1,016)
Change in deferred tax liabilities	(4,336)	(2,085)	(2,251)
Change in deferred tax assets	8,500	3,592	4,908
Total	**7,772**	**6,131**	**1,641**

Income taxes for the period refer to the estimate of direct taxes, calculated on the basis of the taxable income of the individual companies included in the consolidation scope of the Group.
Taxes for foreign companies are calculated according to the rates in force in the respective countries.

(28) Earnings/(losses) per share

The calculation of basic and fully diluted earnings/(losses) per share was as follows:

	Description	First half 2023 Profit/(Loss) from continuing operations	First half 2022 Profit/(Loss) from continuing operations
A	Profit/(Loss) for the period (in thousands of Euro)	23,634	(19,776)
B	Weighted average number of ordinary shares for calculating basic earnings per share	302,369,141	150,855,693
C	Basic earnings/(losses) per share: (A*1000) / B	0.08	(0.13)
D	Profit/(Loss) adjusted for the dilution analysis (in thousands of Euro)	23,634	(19,776)
E	Weighted average number of ordinary shares for calculating diluted earnings per share (B)	317,998,222	167,594,236
F	Diluted earnings/(losses) per share: (D*1000) / E	0.07	(0.12)

RELATED PARTY TRANSACTIONS

The Trevi Group's related party transactions mainly consist of the commercial transactions of the subsidiary Trevi S.p.A. with its consortia, regulated at market conditions.

The most significant amounts of these non-current financial assets at 30 June 2023 are shown below:

Financial assets	30/06/2023	31/12/2022	Change
Porto Messina S.c.a.r.l.	716	713	3
Pescara Park S.r.l.	629	626	3
Overturning S.c.a.r.l.	2,569	2,964	(395)
Bologna Park S.r.l.	130	100	30
Total	**4,044**	**4.403**	**(359)**

The most significant amounts of trade receivables and other current assets at 30 June 2023 are shown below:

Trade receivables and other current assets	30/06/2023	31/12/2022	Change
Porto Messina S.C.A.R.L.	830	826	4
Nuova Darsena S.C.A.R.L.	149	0	149
Trevi SGF INC S.C.A.R.L.	1,884	1,861	23
Treviicos-Nicholson JV (USA)	0	36	(36)
SEP SEFI (France)	89	89	0
Filippella S.C.A.R.L.	30	26	4
Other	246	424	(178)
Total	**3,228**	**3,262**	**(34)**
% of consolidated trade receivables	1.4%	1.2%	

The Group revenue generated with these companies is shown in the following table:

Revenue from sales and services	First half 2023	First half 2022	Change
Sofitre S.r.l.	0	200	(200)
Treviicos-Nicholson JV (USA)	0	17	(17)
Hercules Trevi Foundation AB	0	273	(273)
Overturning S.c.a.r.l.	32	0	32
Italthai Trevi Ltd	485	128	357
Other	0	2	(2)
Total	**517**	**620**	**(103)**
% of total revenue	0.2%	0.3%	

Financial income	First half 2023	First half 2022	Change
Bologna Park - S.r.l.	14	7	7
Other		2	(2)
Total	**14**	**9**	**5**

The most significant amounts due to related parties at 30 June 2023 included in trade payables and other current liabilities are shown below:

Trade payables and other current liabilities	30/06/2023	31/12/2022	Change
IFC Ltd	173	173	0
Filippella S.C.A.R.L.	46	46	0
Nuova Darsena	173	173	0
Porto Messina S.c.a.r.l.	234	234	0
Trevi SGF INC S.C.A.R.L.	90	90	0
Other	475	165	310
Total	**1,191**	**881**	**310**
% of consolidated trade payables	1.1%	0.6%	

Expenses incurred by the Group with these companies were as follows:

Consumption of raw materials and external services	First half 2023	First half 2022	Change
Overturning S.c.a.r.l.	29	0	29
Other	(2)	0	(2)
Total	**27**	**0**	**27**
% of consumption of raw materials and consolidated external services	0.0%	0.0%	

Segment disclosure

The Group identified the breakdown by business of activity as the primary framework for presenting segment data, for the purposes of segment reporting. This representation reflects the organisation of the Group's business and internal reporting structure, based on the consideration that risks and benefits are influenced by the business sectors in which the Group operates.
Management monitors the operating results of its business units separately in order to make decisions regarding the allocation of resources and assessment of performance. Segment performance is evaluated on operating profit or loss, which, as shown in the tables below, is calculated differently from the operating profit or loss shown in the Consolidated Financial Statements.

Segment statement of profit or loss and statement of financial position figures at 30 June 2023 are provided in the following tables and further information on the performance of the two divisions is given in the Directors' Report.
Management believes business segments are the primary segment disclosure for understanding the business of the Group whilst geographical segment disclosure is the secondary segment; the Directors' Report includes comments on the summary data shown in these Notes on segment reporting.

TREVI DIVISION

Statement of Financial Position summary (in thousands of Euro)

	Trevi Division Statement of Financial Position Summary	30/06/2023	31/12/2022	Change
A)	**Non-current assets**	**137,832**	**128,393**	**9,439**
B)	**Net working capital**			
	- Inventories	94,408	116,359	(21,951)
	- Trade receivables	130,704	154,760	(24,056)
	- Trade payables (-)	(87,030)	(116,304)	29,274
	- Payments on account (-)	(47,893)	(35,586)	(12,307)
	- Other liabilities	(1,509)	(27,169)	25,660
		88,680	**92,060**	**(3,380)**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital less liabilities (A + B)**	**226,513**	**220,453**	**6,060**
E)	**Post-employment benefits (-)**	**(8,265)**	**(8,591)**	**326**
F)	**NET INVESTED CAPITAL (D+E)**	**218,248**	**211,862**	**6,386**

TREVI DIVISION

Statement of Profit or Loss summary (in thousands of Euro)

Trevi Division Statement of Profit or Loss Summary	First half 2023	First half 2022	Change
TOTAL REVENUE	**234,814**	**182,100**	**52,715**
Change in finished goods and work in progress	0	0	(0)
Internal work capitalised	334	499	(165)
PRODUCTION REVENUE	**235,149**	**182,599**	**52,550**
Consumption of raw materials and external services	(151,564)	(114,494)	(37,070)
VALUE ADDED	**83,585**	**68,105**	**15,480**
% of Total Revenue	35.6%	37.4%	29.4%
Personnel expense	(46,740)	(44,042)	(2,698)
RECURRING GROSS OPERATING PROFIT (EBITDA)	**36,845**	**24,063**	**12,782**
% of Total Revenue	15.7%	13.2%	24.2%
Non-recurring expense	(83)	(639)	556
GROSS OPERATING PROFIT (EBITDA)	**36,762**	**23,424**	**13,338**
% of Total Revenue	16%	13%	25%
Depreciation and amortisation	(11,717)	(10,383)	(1,334)
Provisions and impairment losses	6,189	(4,121)	10,310
OPERATING PROFIT (EBIT)	**31,234**	**8,920**	**22,314**
% of Total Revenue	13.3%	4.9%	

SOILMEC DIVISION

Statement of Financial Position summary (in thousands of Euro)

	Soilmec Division Statement of Financial Position Summary	30/06/2023	31/12/2022	Change
A)	**Non-current assets**	**40,404**	**39,975**	**429**
B)	**Net working capital**			
	- Inventories	86,181	80,291	5,890
	- Trade receivables	45,543	52,427	(6,883)
	- Trade payables (-)	(48,990)	(51,509)	2,520
	- Payments on account (-)	(10,588)	(6,520)	(4,068)
	- Other assets/(liabilities)	(1,048)	811	(1,859)
		71,100	**75,500**	**(4,401)**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital less liabilities (A + B)**	**111,504**	**115,475**	**(3,971)**
E)	**Post-employment benefits (-)**	**(1,575)**	**(2,022)**	**446**
F)	**NET INVESTED CAPITAL (D+E)**	**109,929**	**113,453**	**(3,525)**

SOILMEC DIVISION

Statement of Profit or Loss summary (in thousands of Euro)

Soilmec Division Statement of Profit or Loss Summary	First half 2023	First half 2022	Change
TOTAL REVENUE	**57,310**	**55,928**	**1,382**
Change in finished goods and work in progress	7,712	6,919	793
Internal work capitalised	3,906	3,732	174
PRODUCTION REVENUE	**68,928**	**66,579**	**2,349**
Consumption of raw materials and external services	(56,330)	(51,798)	(4,532)
VALUE ADDED	**12,599**	**14,781**	**(2,183)**
% of Total Revenue	22.0%	26.4%	-157.9%
Personnel expense	(12,527)	(13,867)	1,340
RECURRING GROSS OPERATING PROFIT (EBITDA)	**72**	**914**	**(842)**
% of Total Revenue	0.1%	1.6%	-60.9%
Non-recurring expense	(615)	(372)	(243)
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**(543)**	**542**	**(1,085)**
% of Total Revenue	-1%	1%	-78%
Depreciation and amortisation	(2,303)	(3,070)	767
Provisions and impairment losses	(898)	(1,282)	383
OPERATING LOSS (EBIT)	**(3,744)**	**(3,809)**	**65**
% of Total Revenue	-6.5%	-6.8%	

RECONCILIATION STATEMENT AT 30 June 2023

Statement of Financial Position summary (in thousands of Euro)

	Statement of Financial Position	Trevi Division	Soilmec Division	Trevi Finanziaria	Adjustments	Trevi Group
A)	**Non-current assets**	**137,832**	**40,404**	**214,259**	**(202,353)**	**190,143**
B)	**Net working capital**					
	- Inventories	94,408	86,181	0	(3,348)	177,242
	- Trade receivables	130,704	45,543	19,541	(27,112)	168,676
	- Trade payables (-)	(87,030)	(48,990)	(7,332)	31,366	(111,986)
	- Payments on account (-)	(47,893)	(10,588)	(475)	4,575	(54,381)
	- Other liabilities	(1,509)	(1,048)	(16,893)	(601)	(20,050)
		88,680	**71,100**	**(5,159)**	**4,880**	**159,501**
C)	**Assets held for sale and liabilities associated with assets held for sale**	**0**	**0**	**0**	**0**	**0**
D)	**Invested capital less liabilities (A + B)**	**226,513**	**111,504**	**209,101**	**(197,474)**	**349,644**
E)	**Post-employment benefits (-)**	**(8,265)**	**(1,575)**	**(636)**	**(145)**	**(10,622)**
F)	**NET INVESTED CAPITAL (D+E)**	**218,248**	**109,929**	**208,464**	**(197,619)**	**339,022**

In the statement of financial position, the column adjustments includes what follows: the elimination of equity investments and the elimination of intragroup non-current financial assets for non-current assets, the remaining intragroup eliminations for trade receivables and payables and the offsetting entry for the elimination of equity investments for the Group equity.

RECONCILIATION STATEMENT AT 30 JUNE 2023

Statement of Profit or Loss summary (in thousands of Euro)

Statement of Profit or Loss	Trevi Division	Soilmec Division	Trevi Finanziaria	Adjustments	Trevi Group
TOTAL REVENUE	**234,814**	**57,310**	**8,043**	**(19,902)**	**280,266**
Change in finished goods and work in progress	(0)	7,712	0	(2,024)	5,688
Internal work capitalised	334	3,906	0	6,629	10,869
PRODUCTION REVENUE	**235,149**	**68,928**	**8,043**	**(15,297)**	**296,824**
Consumption of raw materials and external services	(151,564)	(56,330)	(5,067)	11,782	(201,179)
VALUE ADDED	**83,585**	**12,599**	**2,976**	**(3,515)**	**95,644**
% of Total Revenue	35.6%	22.0%	37.0%		34.1%
Personnel expense	(46,740)	(12,527)	(3,496)	(367)	(63,130)
RECURRING GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**36,845**	**72**	**(520)**	**(3,882)**	**32,514**
% of Total Revenue	15.7%	0.1%	-6.5%		11.6%
Non-recurring expense	(83)	(615)	(683)	0	(1,381)
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**36,762**	**(543)**	**(1,203)**	**(3,882)**	**31,133**
% of Total Revenue	16%	-1%	-15%		11%
Depreciation and amortisation	(11,717)	(2,303)	(1,849)	442	(15,427)
Provisions and impairment losses	6,189	(898)	(538)	(163)	4,591
OPERATING PROFIT/(LOSS) (EBIT)	**31,234**	**(3,744)**	**(3,590)**	**(3,603)**	**20,297**
% of Total Revenue	13.3%	-6.5%	-44.6%		7.2%

Significant events after the reporting period at 30 June 2023

Commercial and production activities continued in both the Trevi and Soilmec Divisions: in the two-month period July/August 2023, new orders were acquired for a total of Euro 97.2 million, of which Euro 81.9 million relating to the Trevi Division and Euro 16.3 million relating to the Soilmec Division and the order backlog at 31 August 2023 amounted to Euro 577 million (Euro 586 million at 30 June 2023, against Euro 594 million at 31 August 2022).

The Group's net financial debt amounted to Euro 196.8 million at 31 July 2023 compared to Euro 187.1 million recognised at 30 June 2023.

Significant non-recurring events and transactions

There were no significant non-recurring events and transactions in the first half of 2023.

Positions or transactions deriving from atypical and/or unusual operations

In the first half of 2023, the Trevi Group did not record positions or transactions deriving from atypical and/or unusual transactions.

Annexes

The following annexes supplement the information contained in the Notes to the Condensed Interim Consolidated Financial Statements of which they form an integral part.
1 Companies consolidated in the Condensed Interim Consolidated Financial Statements at 30 June 2023 on a line-by-line basis and on a proportional consolidation basis.
2 Organisational chart of the Group

Annex 1

Companies included in the Condensed Interim Consolidated Financial Statements at 30 June 2023 on a line-by-line basis

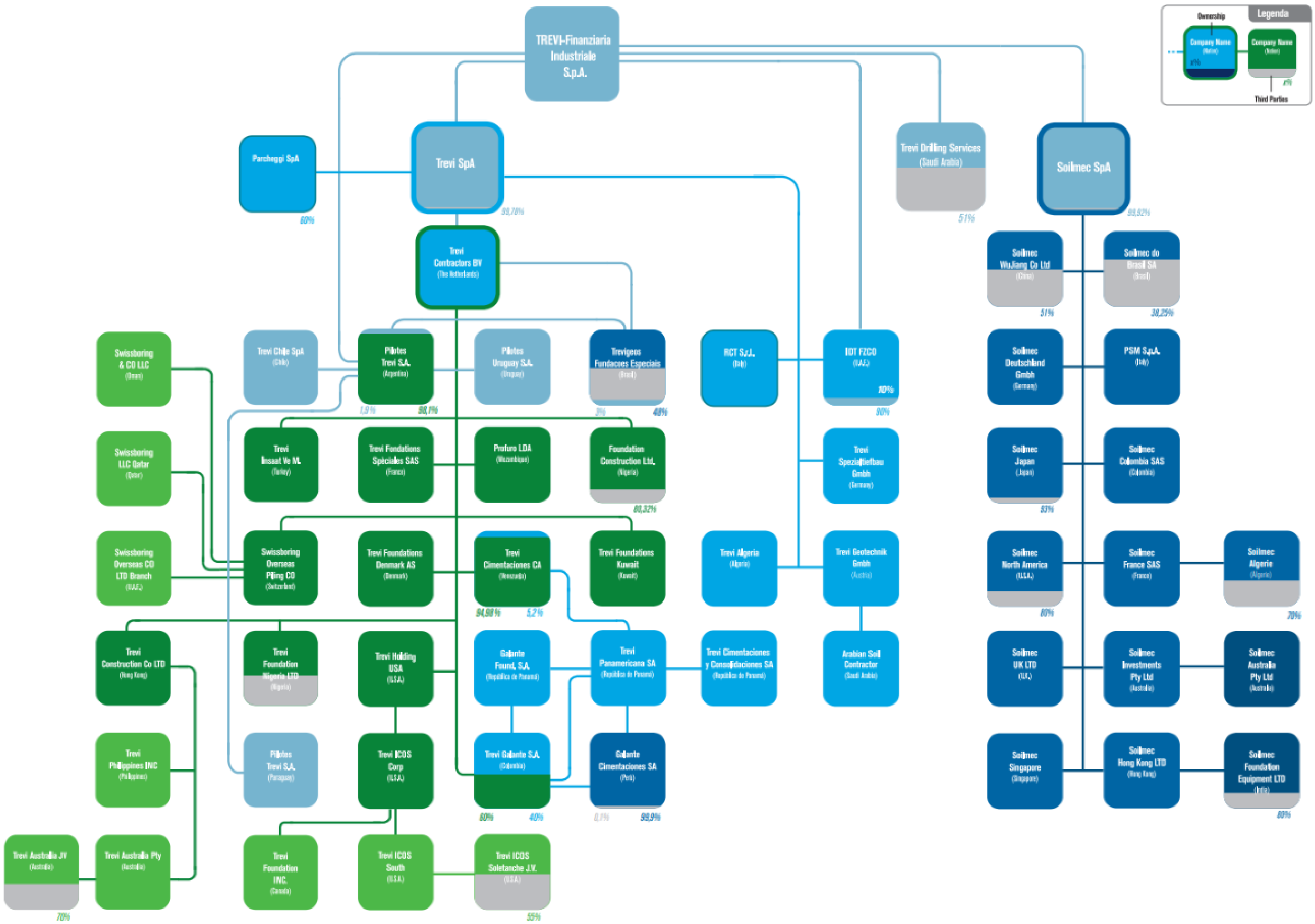
COMPANY NAME	COUNTRY	CURRENCY	SHARE/QUOTA CAPITAL	% HELD BY THE GROUP
TREVI – Finanziaria Industriale S.p.A.	Italy	Euro	123,044,339.55	Parent
6V Srl	Italy	Euro	154,700	50.89%
Arabian Soil Contractors Ltd	Saudi Arabia	Saudi Riyal	1,000,000	99.78%
Foundation Construction Ltd	Nigeria	Naira	28,006,440	80.15%
Galante Cimentaciones Sa	Peru	US Dollar	1,213,612	99.78%
Galante Foundations Sa	Republic of Panama	US Dollar		99.78%
Hyper Servicos de Perfuracao Ltda	Brazil	Brazilian Real	1,200,000	99.78%
Idt Fzco	United Arab Emirates	United Arab Emirates Dirham	1,000,000	99.80%
Idt Llc Fzc	United Arab Emirates	United Arab Emirates Dirham	6,000,000	94.82%
Parcheggi S.p.A.	Italy	Euro	307,536	59.27%
Pilotes Trevi Sacims	Argentina	Argentine Peso	390,919,437	99.76%
Pilotes Trevi Sacims - Paraguay	Paraguay	Guarani		99.76%
Pilotes Uruguay Sa	Uruguay	Uruguayan Peso	80,000	99.76%
Profuro Intern. Lda	Mozambique	Metical	36,000,000	99.29%
PSM S.p.A.	Italy	Euro	1,000,000	99.92%
RCT S.r.l.	Italy	Euro	500,000	99.78%
Soilmec Algeria	Algeria	Algerian dinar	1,000,000	69.94%
Soilmec Australia Pty Ltd.	Australia	Australian Dollar	100	99.92%
Soilmec Colombia Sas	Colombia	Colombian Peso	371,433,810	99.92%
Soilmec Deutschland Gmbh	Germany	Euro	100,000	99.92%
Soilmec do Brasil Sa	Brazil	Brazilian Real	5,500,000	83.75%
Soilmec F. Equipment Pvt. Ltd	India	Indian Rupee	500,000	79.94%
Soilmec France Sas	France	Euro	1,100,000	99.92%
Soilmec H.K. Ltd	Hong Kong	Euro	44,743	99.92%
Soilmec Investment Pty Ltd.	Australia	Australian Dollar	100	99.92%
Soilmec Japan Co. Ltd	Japan	Japanese Yen	45,000,000	92.93%
Soilmec North America Inc.	U.S.A.	US Dollar	10	79.94%
Soilmec Singapore Pte Ltd	Singapore	Euro	100,109	99.92%
Soilmec S.p.A.	Italy	Euro	25,155,000	99.92%
Soilmec U.K. Ltd	United Kingdom	British Sterling	120,000	99.92%
Soilmec WuJiang Co. Ltd	China	Renminbi	58,305,193	99.92%
Swissboring & Co. LLC	Oman	Omani Rial	250,000	99.78%
Swissboring Overseas Piling Corp. Ltd (Dubai)	United Arab Emirates	United Arab Emirates Dirham	6,000,000	99.78%
Swissboring Overseas Piling Corporation	Switzerland	Swiss Franc	100,000	99.78%
Swissboring Qatar WLL	Qatar	Qatari Riyal	250,000	99.78%
Trevi Algerie EURL	Algeria	Algerian dinar	53,000,000	99.78%
Trevi Arabco JV	Egypt	US Dollar		99.78%
Trevi Australia Pty & Wagstaff Piling Victoria Pty Ltd JV	Australia	Australian Dollar		69.85%
Trevi Australia Pty Ltd	Australia	Australian Dollar	10	99.78%
Trevi Chile S.p.A.	Chile	Chilean Peso	10,510,930	99.76%
Trevi Cimentaciones CA	Venezuela	Euro	46,008,720	99.78%
Trevi Cimentacones y Consolidaciones Sa	Republic of Panama	US Dollar	9,387,597	99.78%
Trevi Construction Co. Ltd	Hong Kong	US Dollar	2,051,668	99.78%
Trevi Contractors BV	The Netherlands	Euro	907,600	99.78%
Trevi Fondations Spéciales Sas	France	Euro	100,000	99.78%
Trevi Foundations Canada Inc	Canada	US Dollar	8	99.78%
Trevi Foundations Denmark A/S	Denmark	Danish Krone	2,000,000	99.78%
Trevi Foundations Kuwait Co. WLL	Kuwait	Kuwait Dinar	100,000	99.78%
Trevi Foundations Nigeria Ltd	Nigeria	Naira	500,000,000	59.75%
Trevi Foundations Philippines Inc.	Philippines	Philippine Peso	52,500,000	99.78%
Trevi Galante Sa	Colombia	Colombian Peso	1,000,000,000	99.78%

Trevi Geotechnik GmbH	Austria	Euro	100,000	99.78%
Trevi Holding USA Corporation	United States	US Dollar	1	99.78%
Trevi Insaat Ve Muhendislik AS	Turkey	Turkish Lira	9,660,600	99.78%
Trevi ITT JV	Thailand	US Dollar		99.78%
Trevi Panamericana Sa	Republic of Panama	US Dollar	1,221,366	99.78%
Trevi S.p.A.	Italy	Euro	32,300,000	99.78%
Trevi SpezialTiefBau GmbH	Germany	Euro	50,000	99.78%
TreviGeos Fundacoes Especiais Ltda	Brazil	Brazilian Real	5,000,000	50.89%
Treviicos Corporation	U.S.A.	US Dollar	23,500	99.78%
Treviicos Soletanche JV	United States	US Dollar		54.88%
Treviicos South Inc	U.S.A.	US Dollar	5	99.78%
Trevi-Trevi Fin.-Sembenelli UTE (Bordeseco)	Venezuela	US Dollar		94.89%
Wagner Constructions LLC	U.S.A.	US Dollar	5,200,000	99.78%
6V Srl	Italy	Euro	154,700	50.89%
Arabian Soil Contractors Ltd	Saudi Arabia	Saudi Riyal	1,000,000	99.78%
Foundation Construction Ltd	Nigeria	Naira	28,006,440	80.15%

(*) Soilmec do Brasil Sa is 38.25% owned by the Group, however the percentage considered for consolidation purposes is 83.75%.
(*) Soilmec WuJiang Co. Ltd (*) is 51% owned by the Group, however it is fully consolidated.
(*) Swissboring & Co. LLC*) is 70% owned by the Group, however it is fully consolidated.
(*) Swissboring Qatar WLL is 49% owned by the Group, however it is fully consolidated.
(*) Swissboring Overseas Piling Corporation (Zurich) is 99% owned by the Group, however it is fully consolidated.
(*) Trevi Arabco JV is 51% owned by the Group, however it is fully consolidated.
(*) Trevi Foundations Kuwait Co. WLL is 49% owned by the Group, however it is fully consolidated.
(*) Trevi ITT JV is 95% owned by the Group, however it is fully consolidated.

Companies included in the Condensed Interim Consolidated Financial Statements at 30 June 2023 on a proportional consolidation basis

COMPANY NAME	COUNTRY	CURRENCY	EQUITY	% HELD BY THE GROUP
Dragados Y Obras Portuarias S.A. - Pilotes Trevi S.A. - Concret Nor S.A. - UT.	Argentina	Argentine Peso	278,933,992	35.50%



TREVI-Finanziaria Industriale S.p.A.
Trevi SpA
99,78%
Parcheggi SpA
80%
Trevi Drilling Services (Saudi Arabia)
51%
Soilmec SpA
99,92%
Trevi Contractors BV (The Netherlands)
Trevi Chile SpA (Chile)
Pilotes Trevi S.A. (Argentina)
1,9%
98,1%
Pilotes Uruguay S.A. (Uruguay)
Trevigeos Fundacoes Especiais (Brasil)
2%
48%
RCT S.r.l. (Italy)
IDT FZCO (U.A.E.)
10%
90%
Trevi Insaat Ve M. (Turkey)
Trevi Fondations Spéciales SAS (France)
Profuro LDA (Mozambique)
Foundation Construction Ltd. (Nigeria)
80,32%
Trevi Spezialtiefbau Gmbh (Germany)
Swissboring & CO LLC (Oman)
Swissboring LLC Qatar (Qatar)
Swissboring Overseas CO LTD Branch (U.A.E.)
Swissboring Overseas Piling CO (Switzerland)
Trevi Foundations Denmark AS (Denmark)
Trevi Cimentaciones CA (Venezuela)
94,98%
5,2%
Trevi Foundations Kuwait (Kuwait)
Trevi Algeria (Algeria)
Trevi Geotechnik Gmbh (Austria)
Trevi Construction Co LTD (Hong Kong)
Trevi Foundation Nigeria LTD (Nigeria)
Trevi Holding USA (U.S.A.)
Galante Found. S.A. (República de Panamá)
Trevi Panamericana SA (República de Panamá)
Trevi Cimentaciones y Consolidaciones SA (República de Panamá)
Arabian Soil Contractor (Saudi Arabia)
Trevi Philippines INC (Philippines)
Pilotes Trevi S.A. (Paraguay)
Trevi ICOS Corp (U.S.A.)
Trevi Galante S.A. (Colombia)
60%
40%
Galante Cimentaciones SA (Perù)
0,1%
99,9%
Trevi Australia JV (Australia)
70%
Trevi Australia Pty (Australia)
Trevi Foundation INC. (Canada)
Trevi ICOS South (U.S.A.)
Trevi ICOS Soletanche J.V. (U.S.A.)
55%
Soilmec Wu.Jiang Co Ltd (China)
51%
Soilmec do Brasil SA (Brasil)
38,25%
Soilmec Deutschland Gmbh (Germany)
PSM S.p.A. (Italy)
Soilmec Japan (Japan)
93%
Soilmec Colombia SAS (Colombia)
Soilmec North America (U.S.A.)
80%
Soilmec France SAS (France)
Soilmec Algerie (Algeria)
70%
Soilmec UK LTD (U.K.)
Soilmec Investments Pty Ltd (Australia)
Soilmec Australia Pty Ltd (Australia)
Soilmec Singapore (Singapore)
Soilmec Hong Kong LTD (Hong Kong)
Soilmec Foundation Equipment LTD (India)
80%
Legenda
Ownership
Company Name (Nation)
x%
Third Parties

Declaration relating to the Summary Consolidated First-Half Financial Statements in accordance with Article 154-*bis* of Legislative Decree 58/98 and of Article 81-*ter* of Consob Ruling no. 11971 of 14 May 1999 and subsequent modifications and additions

1. The undersigned Giuseppe Caselli, Managing Director, and Massimo Sala, Group Chief Financial Officer and in his capacity as Manager responsible for drawing up the financial statements of the Trevi Group, declare, taking note of the provisions of Article 154-*bis*, paragraphs 3 and 4 of Legislative Decree of 24 February 1998, no. 58:
   - the appropriateness in relation to the characteristics of the business; and
   - the effective application

   of the administrative and accounting procedures for the preparation of the Summary Consolidated First-Half Financial Statements for the first semester of 2023.

2. It is also declared that:

2.1 The Summary Consolidated First-Half Financial Statements at 30 June 2023:

a) have been prepared in accordance with the applicable International Accounting Standards recognised by the European Community in accordance with EC Regulation no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002;

b) correspond to the results contained in the accounting records and documents;

c) provide a true and fair view of the capital, economic and financial position of the issuer and of the businesses included in the area of consolidation.

2.2 The review of operations includes information on significant events that occurred in the course of the first six months of the financial year and of their impact on the Summary Consolidated First-Half Financial Statements, together with a description of the main risks and uncertainties of the remaining six months of the financial year, and information concerning material related party transactions.

Cesena, 27 September 2023

Giuseppe Caselli
Amministratore Delegato

Massimo Sala
Direttore Amministrazione, finanza e controllo di Gruppo