TREVI - Finanziaria Industriale S.p.A.

Annual Report 2023

TREVI Group

TREVI – Finanziaria Industriale S.p.A.

2023 Annual Report

TREVI – Finanziaria Industriale S.p.A.
Registered office in Cesena (FC) – Via Larga di Sant'Andrea 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. : 1547370401
Website: www.trevifin.com

Cover photo: Trevi Philippines, Cebu Bridge Connection

SUMMARY

MEMBERS OF THE CORPORATE BODIES

At the reporting date, 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 (non-executive)

Elisabetta Oliveri (non-executive and independent)

Alessandro Piccioni (non-executive and independent)

Board of Statutory Auditors

Standing auditors

Marco Vicini (Chairman)

Francesca Parente

Mara Pierini

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

Other Corporate Bodies

Appointments and Remuneration Committee

Alessandro Piccioni (Chairman)

Bartolomeo Cozzoli

Elisabetta Oliveri

Control, Risks and Sustainability Committee

Manuela Franchi (Chairperson)

Elisabetta Oliveri

Davide Manunta

Related Party Committee

Cristina De Benetti (Chairperson)

Sara Kraus

Davide Contini

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. Set up 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 freeway lines, industrial and civil buildings) and Soilmec, which designs, manufactures and markets machinery, plants and services for the foundation engineering.

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.

Chairman and CEO | Trevi Group

Paolo Besozzi

TREVI
Finanziaria Industriale S.p.A.

Chairman

Giuseppe Caselli

TREVI
Finanziaria Industriale S.p.A.

CEO
Soilmec SpA Chairman
Trevi SpA Chairman

Management Team | Trevi Group









Massimo Sala
Group CFO

Pio Franchini
Corporate Organization and HR Director

Alessandro Vottero
Legal and Contractual Director

Andrea Acerbi
General Manager TREVI Division

Marcello Stradini
General Manager SOILMEC Division

Donato Angelillo
Risk Manager

Franco Cicognani
Corporate Communication and Sustainability Director

Luca Garavini
Corporate QHSE Director

Valeria Sarti
Internal Audit Director


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DIRECTORS' REPORT

Dear Shareholders,

"If in 2022 we had glimpsed the first concrete signs of optimism, in 2023, we laid the foundations for recovery. As always, it is the numbers that confirm this. And the numbers in these Financial Statements, which are submitted for your approval, encourage us to continue in this direction with ever greater determination. Aware that this is a point of departure and certainly not of arrival.

The Trevi Group can look back on a remarkably encouraging 2023. A year that saw a significant increase in the order intake, which reached Euro 741.2 million in 2023, and in the order backlog, which increased by 23% (Euro 42 million) at 31 December 2023 compared to 2022, a 4.5% increase in revenue for the year, and a 15.6% increase in recurring EBITDA. These results were possible thanks to the full support of our shareholders and lending banks, and to the unwavering and unconditional commitment of the women and men of our Group, despite the tensions in the global context.
The latest update of the applicable 2022-2026 Consolidated Business Plan extended its duration by one year to 2027. After some complicated and complex years, we are convinced we are heading in the right direction. I believe it is right, as well as necessary, to convey this sense of renewed confidence to our shareholders with a positive message and with the full reassurance that the Group is redoubling its efforts to regain the role it deserves in the global soil engineering market in terms of experience, ability to innovate, manage and solve complex problems.

By attitude, I always like to look at the future, but I think it is right, at least on this occasion, to look back to the recent past to share some thoughts that have characterised our work and the context in which we find ourselves operating. In 2023 the Trevi Group was confronted with a market conditioned by growing tensions in Eastern Europe and the Middle East. It should be emphasised that these areas do not see us present with activities related to services or engineering production but radiate the rest of the planet with their tensions. Despite an objectively complex picture, the Trevi Group has continued to consolidate its position as a leading multinational company in the all-around soil engineering industry (special foundations, soil consolidations, reclamation of polluted sites, and the design and marketing of specialised technologies in the sector such as pile driving machines, diaphragms and consolidations).

Trevi Finanziaria Industriale S.p.A. operates through two main subsidiaries: the Trevi Division, active in services, and the Soilmec Division, active in mechanical engineering. The growing synergy effect and the close technical/engineering collaboration of these two divisions act as a multiplier of innovation benefits for all the Group's activities. This is a business model that guarantees the Trevi Group the possibility of maintaining, despite the growing low-tech competition, a significant competitive advantage and of being recognised as an innovative and highly specialised operator capable of providing solutions, products and services in soil engineering with high added value for every specific situation and need, even the most complex.

Also, on the broad and articulated front of sustainability, the Group implements ESG (Environment, Social, and Governance) policies that set new horizons and strives to comply with new and increasingly stringent regulatory requirements (see the CSRD directive) on sustainability and related disclosure.

More specifically, internally, we are proceeding swiftly in the renewal process undertaken a few months ago. I am referring in particular to the implementation of activities aimed at reviewing the organisational structure, fostering the digital transition and promoting a corporate culture that operates by objectives and in a sustainable manner, increasing awareness of operating safely and respecting the environment and human rights.

I want to close with my thanks, and, I am sure, those of the entire Board of Directors, to all the stakeholders of the Trevi Group and all the women and men of our organisation.
We are ready and ever more determined to face the new challenges, and above all to seize all the opportunities that the GLOBAL construction and infrastructure market would is offering by leveraging our recognised design, technological and construction capacity, both in foundation works and in the construction of machinery for large infrastructure projects.

While waiting for the infrastructure development plans to be fully and adequately implemented, I would like to express my renewed hope that worldwide tensions can be resolved soon.

Giuseppe Caselli

In the photo on the previous page: Arena Santa Giulia jobsite, Italy

Group financial highlights

Methodological note

The Directors' Report includes information concerning the revenue, profitability, financial position and financial performance of the Trevi Group as at and for the year ended 31 December 2023.
Unless otherwise indicated, all amounts are expressed in thousands of Euro. The Financial Statements items were compared with the amounts of the previous year.

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

Significant accounting policies:

The 2023 Annual Report 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 2023 Annual 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 Company 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 Total 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 key financial highlights at [illegible]mber 2023 are shown below:

Key financial highlights

(in thousands of Euro)

	2023	2022	Change	% change
Total revenue (*)	594,899	569,209	25,690	4.5%
Recurring gross operating profit (*)	74,519	64,471	10,049	15.6%
Gross operating profit	72,301	63,851	8,450	13.2%
Operating profit (EBIT)	41,569	20,127	21,442	106.5%
Profit/(Loss) for the year	25,933	(15,177)	41,110	
Profit/(Loss) for the year attributable to the owners of the Company	19,107	(19,127)	38,234	

(*) Amounts are net of non-recurring revenue and costs as detailed in the section below "Key financial highlights".

Order backlog and order intake

(in thousands of Euro)

Order backlog	31/12/2023	31/12/2022	Change	% change
Order backlog	719,806	587,364	132,442	22.5%

Order intake	2023	2022	Change	% change
Order intake	741,227	699,193	42,034	6.0%

Group net financial debt

(in thousands of Euro)

Group net financial debt	31/12/2023	31/12/2022	Change	% change
Net financial debt	(201,991)	(251,180)	49,189	20%

Group's workforce

(in units)

Group's workforce	31/12/2023	31/12/2022	Change	% change
Number of employees	3,189	3,274	(85)	-3%

Total revenue for the year ended 31 December 2023 amounted to approximately Euro 594.9 million, compared to Euro 569.2 million for the year ended 31 December 2022, up by approximately Euro 25.7 million (4.5%).

Recurring gross operating profit for 2023 was Euro 74.5 million, an increase of 15.6% compared to the previous year and Gross operating profit was Euro 72.3 million (up by 13.2% compared to 2022).

Recurring gross operating profit is net of non-recurring costs of Euro 2.2 million, of which Euro 0.7 million attributable to personnel expense and Euro 1.5 million to services.

The Operating profit for 2023 amounted to Euro 41.6 million, marking an improvement of Euro 21.4 million compared to the previous year (Euro 20.1 million).

The Profit for the year was Euro 25.9 million, compared to the loss of Euro 15.2 million for 2022, while the Profit attributable to the owners of the Company for 2023 totalled Euro 19.1 million compared to a loss of Euro 19.1 million for 2022.
The Net financial debt amounted to Euro 201.9 million at 31 December 2023, marking a significant improvement compared to Euro 251.2 million at 31 December 2022.

The Order intake in 2023 amounted to approximately Euro 741.2 million, up by approximately Euro 42 million compared to the previous year (up by 6%). The Order backlog at 31 December 2023 amounted to Euro 719.8 million (Euro 587.4 million at 31 December 2022). The significant increase in the order intake made it possible to increase the order backlog compared to the end of the previous year, restoring it to such a level to allow the Group to continue its economic and financial recovery phase throughout 2023.

The Group's performance during the year in terms of order intake and backlog was slightly better than expected in 2023, as part of the Business Plan.

In January 2023, the overall share capital increase carried out as part of the broader capital strengthening and financial debt restructuring transaction aimed at rebalancing the financial position and financial performance of the Trevi Group was completed. No. 161,317,259 newly issued ordinary shares of the Company 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 share premium reserve). The new share capital of Trevifin, therefore, amounted to Euro 123,044,339.55, divided into No. 312,172,952 ordinary shares.

In particular:

- 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 in terms of their ability to reduce their corporate CO2 emissions.

The performance of the Trevi Finanziaria Industriale share on the stock exchange in 2023 is shown below:

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

Statement of Profit or Loss

(in thousands of Euro)

	2023	2022	Change
TOTAL REVENUE	**594,899**	**569,209**	**25,690**
Change in finished goods and work in progress	(6,740)	10,297	(17,037)
Internal work capitalised	19,229	9,464	9,765
PRODUCTION REVENUE [1]	**607,388**	**588,970**	**18,418**
Consumption of raw materials and external services [2]	(403,287)	(403,049)	(237)
VALUE ADDED [3]	**204,101**	**185,921**	**18,181**
Personnel expense	(129,582)	(121,450)	(8,132)
RECURRING GROSS OPERATING PROFIT [4]	**74,519**	**64,471**	**10,049**
Non-recurring expenses	(2,218)	(620)	(1,598)
GROSS OPERATING PROFIT [5]	**72,301**	**63,851**	**8,450**
Depreciation and amortisation	(31,590)	(31,098)	(492)
Provisions and impairment losses	858	(12,626)	13,484
OPERATING PROFIT [6]	**41,569**	**20,127**	**21,442**
Net financial expense [7]	(454)	(17,130)	16,676
Net exchange losses	(4,163)	(7,460)	3,297
Adjustments to financial assets	(564)	(280)	(284)
PROFIT/(LOSS) BEFORE TAXES	**36,388**	**(4,743)**	**41,131**
Profit/(Loss) from assets held for sale	0	0	0
Income taxes	(10,455)	(10,434)	(21)
PROFIT/(LOSS) FOR THE YEAR	**25,933**	**(15,177)**	**41,110**
Attributable to:			
Owners of the Company	19,107	(19,127)	38,234
Non-controlling interests	6,826	3,950	2,876
PROFIT/(LOSS) FOR THE YEAR	**25,933**	**(15,177)**	**41,110**

The Statement of Profit or Loss shown above is a reclassified summarised version of the Statement of Profit or Loss.

[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 expenses.*

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

[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), EBITDA is defined by Trevi 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" (EBIT) is a financial indicator not defined in the IFRS, adopted by the Trevi Group starting from the consolidated financial statements at 31 December 2005. 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. EBIT is defined by the Trevi Group as Profit/Loss for the year, gross of financial income and expense and income taxes.*

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

Revenue by geographical segment

(In thousands of Euro)

Geographical segment	2023	%	2022	%	Change	%
Italy	67,561	12%	49,535	9%	18,026	36%
Europe	25,046	4%	44,574	8%	(19,528)	-44%
U.S.A. and Canada	130,298	22%	83,425	15%	46,873	56%
Latin America	34,866	6%	26,226	5%	8,640	33%
Africa	52,710	9%	79,587	14%	(26,877)	-34%
Middle East and Asia	173,010	29%	166,457	29%	6,553	4%
Far East and Rest of the World	111,408	19%	119,406	21%	(7,998)	-7%
Total revenue	**594,899**	**100%**	**569,209**	**100%**	**25,690**	**5%**

Revenue by business segment

(In thousands of Euro)

Activity	2023	%	2022	%	Change	% change
Special foundation works	468,245	75.5%	438,013	76.7%	30,232	7%
Manufacturing of special machinery for foundations	152,061	24.5%	133,319	23.3%	18,742	14%
Intradivisional eliminations and adjustments	(25,754)		(4,197)		(21,557)	
Sub-Total of Foundations Segment	**594,552**	**100%**	**567,135**	**100%**	**27,417**	
Company	**16,537**		**18,478**		**(1,941)**	**-11%**
Intradivisional and Company eliminations	(16,190)		(16,404)		214	
TREVI GROUP	**594,899**	**100%**	**569,209**	**100%**	**25,690**	**5%**

For any further details on the business segment, reference should be made to the relevant segment reporting.

(In migliaia di Euro)

Statement of Financial Position

The following table shows the analysis of the reclassified statement of financial position at 31 December 2023; inventories include contract work in progress.

(in thousands of Euro)

		31/12/2023	31/12/2022	Change
A)	**Non-current assets**			
	- Property, plant and equipment	169,664	164,602	5,062
	- Intangible assets and goodwill	17,256	17,483	(227)
	- Financial assets – investments	425	903	(478)
		187,345	**182,988**	**4,357**
B)	**Net working capital**			
	- Inventories	201,123	195,248	5,876
	- Trade receivables	160,408	199,518	(39,110)
	- Trade payables (-)	(118,165)	(140,641)	22,476
	- Payments on account	(52,757)	(42,255)	(10,503)
	- Other liabilities	(18,324)	(42,454)	24,130
		172,285	**169,417**	**2,869**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital, less current liabilities (A+B+C)**	**359,631**	**352,405**	**7,226**
E)	Post-employment benefits (-)	(10,735)	(11,347)	612
F)	**NET INVESTED CAPITAL (D+E)**	**348,896**	**341,058**	**7,838**
	Financed by:			
G)	**Equity attributable to the owners of the Company**	**148,562**	**89,618**	**58,943**
H)	Equity/(Deficit) attributable to non-controlling interests	(1,657)	260	(1,918)
I)	**Net financial debt**	**201,992**	**251,179**	**(49,187)**
L)	**TOTAL SOURCES OF FINANCING (G+H+I)**	**348,896**	**341,058**	**7,838**

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 - investments" 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) *"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 relating 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.

(in thousands of Euro)

Net working capital	31/12/2023	Reclassification	31/12/2023 Statement of Financial Position	31/12/2022	Reclassification	31/12/20221 Statement of Financial Position
- Inventories	201,123	(86,464)	114,660	195,248	(74,468)	120,779
- Trade receivables	160,408	87,751	248,158	199,518	80,926	280,443
- Trade payables (-)	(118,165)	0	(118,165)	(140,641)	0	(140,641)
- Payments on account (-)	(52,757)	35,664	(17,093)	(42,255)	7,586	(34,669)
- Other liabilities	(18,324)	(36,951)	(55,275)	(42,454)	(14,043)	(56,496)
Total	**172,285**	**0**	**172,285**	**169,417**	**0**	**169,417**

Net invested capital amounted to Euro 348.9 million at 31 December 2023, marking an increase of Euro 7.8 million compared to Euro 341.1 million at 31 December 2022.

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

Net Financial Debt

(in thousands of Euro)

	31/12/2023	31/12/2022	Change
Current loans and borrowings	(52,278)	(149,807)	97,529
Current loans and borrowings from other financial backers	(25,815)	(136,984)	111,169
Current derivatives	0	0	0
Current financial assets	17,201	17,545	(344)
Current cash and cash equivalents	80,838	94,965	(14,127)
Total current	**19,946**	**(174,281)**	**194,227**
Non-current loans and borrowings	(80,468)	(8,007)	(72,461)
Non-current loans and borrowings from other financial backers	(141,470)	(67,602)	(73,868)
Non-current derivatives	0	0	0
Trade payables and other non-current liabilities	0	(1,290)	1,290
Total non-current	**(221,938)**	**(76,899)**	**(145,039)**
Net financial debt (Consob warning notice No. 5/21 of 29 April 2021)	**(201,992)**	**(251,180)**	**49,188**
Non-current financial assets	0	0	0
Total net financial debt	**(201,992)**	**(251,180)**	**49,189**

At 31 December 2023, the Net financial debt amounted to Euro 201.9 million, compared with the Net financial debt at 31 December 2022 equal to Euro 251.2 million, improving by Euro 49.2 million.

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 31 December 2023 of Euro 13.3 million. The reduction effect of current loans and borrowings and loans and borrowings from other financial backers of the Group was mainly due to the non-current reclassification due to the rescheduling of bank debt at 31 December 2026.

Performance of the year

The market context

According to the projections, at the end of 2023, the global construction market's real growth only marginally expanded by 0.5%, excluding China and India. The indicators also show that the sector is unstable due to high-interest rates and the consequent reduction in investments, as well as the various geopolitical crises currently taking place in various regions of the world.
The above impacts forecasts for the new year, according to which more advanced economies will be penalised compared to less advanced ones. Assuming a contraction of 1.2%, the residential and commercial sector will continue to drag down the entire sector.

Nevertheless, analysts expect investment in infrastructure, energy (especially renewables-related initiatives), utilities and industrial construction to continue growing. Between 2024 and 2027, the expected average expansion will be 5.5%, down from the 10.7% recorded at the end of 2023.

This is due to the concentration of investments stemming from the restructuring plans implemented by many governments and dedicated to major infrastructure works, including transport and industry. What is new is that not only the world's great economic powers have undertaken such policies, but strong investments have also been made and are expected to bear fruit in generally less advanced regions, such as Sub-Saharan Africa and the Asia Pacific.

Again, the Middle East deserves a separate discussion. The high oil product prices, still higher than pre-pandemic prices, will continue to guarantee important income flows for Middle Eastern countries, which in turn will help finance large infrastructure and residential development projects. A clear example is the so-called Giga-Projects already being executed under the SaudiVision 2030 programme in Saudi Arabia (source: GlobalData Plc, 2023).

Order intake and order backlog

The order intake at the Group level in 2023 amounted to approximately Euro 741 million, marking an increase of 6% compared to the previous year (approximately Euro 699.2 in 2022) broken down as follows: 86% attributable to new projects of the Trevi Division and 14% to the Soilmec Division.
At 31 December 2023, the Group achieved a substantial order backlog of approximately Euro 720 million, reaching a record level in the last five years; there was a 23% growth compared to 31 December 2022 (when the order backlog was Euro 587.4 million), with a progressive trend throughout the year until it peaked Euro 800 million in October 2023. The numbers of the Trevi Division were the driving force, which recorded an increase of 96%, while the Soilmec Division recorded an increase of 4%.

The strong order backlog, together with the high level of acquisitions, are two key factors in encouraging and supporting the economic growth process undertaken by the Group in recent years and in strengthening its financial position.

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.

Investments

Gross investments by the Trevi Group in 2023 amounted to Euro 51.9 million attributable to property, plant and equipment, of which Euro 17.4 million related to effects arising from the application of IFRS16 and Euro 4.2 million attributable to intangible assets.
In terms of property, plant and equipment, the main investments were made by the Trevi Division in order to carry out projects in the following geographical segments:

- Saudi Arabia: 3 Soilmec hydraulic drilling rigs, drilling mud pumps, excavation tools and ancillary equipment for bored piles;
- Italy: 2 Soilmec drilling rigs and 1 drilling rigs for micropiles in tunnels, 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: Soilmec hydraulic drilling rigs for Deep Soil Mixing;
- Philippines: new Soilmec hydromill and related accessories.

Minor equipment purchases and some extraordinary maintenance works mainly characterise the remaining part of investments to serve production.

In terms of intangible assets, during 2023, the Soilmec Division's Innovation function completed the development phase of some important projects and verified the development of new business opportunities. The main themes on which resources were invested, in continuity with past years, are Zero Emission, Digitalisation, Sustainability and Efficiency.

Research and development activities were in the pursuit of the following objectives:

- Management, promotion and protection of the Group's intellectual property and expertise;
- Study of the application of electrification on machines;
- Preliminary study of drilling rigs automation systems.

This is a path of sustainable growth in the long term, with innovation and technological development at the centre, enabling factors and decisive elements that make it possible to face the challenges of the present and future in an ever-changing context and to seize opportunities. In particular, the focus was placed on Electrical Machinery and Equipment projects, the development of autonomous and remotely driven machines, digital transformation, the creation of skilled jobs and the solutions for the safety of people and sustainability infrastructures and territories.

The studies and concepts were carried out using the most common analysis techniques: megatrends, benchmarking, comparisons of new products and technologies, customer needs, value chain, with an approach oriented to generate new ideas to ensure sustainable business growth and profitability in the medium and long term.

Approximately 2% of the Soilmec Division's revenue was spent on R&D projects, mainly in the following areas and activities:

DMS Manager 4.0

The range of KPIs available to customers on the platform was expanded. The indicators included have been implemented based on specific requests received from the market and indications provided by the site, aimed at optimising machine utilisation parameters and work processes. KPIs were also added to monitor the performance of electrical machines. Furthermore, the study of predictive maintenance functionalities through special algorithms based on Artificial Intelligence continued.

DME, Drilling Mate Experience

The DME is a pile-driving machine simulator from Soilmec's Bluetech line. It is designed to train personnel authorised to operate pile-driving machines on construction sites.

Until now, the training of new personnel was delegated to the experience gained by personnel working on construction sites or instructed to carry out commissioning. The innovative part of the Soilmec DME is precisely linked to these aspects: it makes the training structural, complete and independent from the instructor, thanks to a digital twin capable of simulating control software and the real behaviour of the machine in the working environment.

SM-13e "eTech"
The project that will allow Soilmec to respond to the market need for equipment that does not produce CO2 locally during operation (Zero-Emission Local) and at the same time does not have to operate with an electric cable for power is nearing completion. Soilmec has distinguished itself from the competition by seeking a flexible and practical solution that can be used profitably even on today's construction sites.

Zero Accident Project and Soilmec J-Eye: Artificial Intelligence vision system
A people detection system designed to improve safety on construction sites and aid the operator during work phases. The Artificial Intelligence cameras applied on Bluetech pile driving machines are equipped with an active proximity detection system that guarantees improved visibility control and allows instant localisation and recognition of several people. Alerts are integrated on the DMS and make it possible to display not only the type of alarm (yellow to red zone) but also to highlight the camera that detected the presence of people and its display on the monitor.

Development activities on large-diameter drilling machines
In 2023 a new excavation technology called 3-axis Turbojet was designed, which includes the installation of three drilling rotaries and as many rods and tools on a large-diameter drilling machine to carry out consolidation work that the market is increasingly demanding. The 3-axis Turbojet kit was installed on the new SR-125 Blue Tech, which was unveiled at Bauma and equipped with electro-proportional systems.

Development activities in micro-pile machines
The micro-pile sector saw the market introduction of the new SM-45, a micro-pile and consolidation machine derived from the SR-45. The first unit started site operations in the second half of 2023.

Development activities in cranes and hydromills
The new SH-35 milling module, equipped with the new HH-2 trenching motors and other new equipment, was brought onto the market and used on the first construction site. In addition, a latest version of the SC-130 was designed, equipped with a multifunctional base machine, capable of working both in hydro milling technology and as a hydraulic rope excavator. The project is expected to be completed by 2024.

Divestments
In terms of divestments, the process of selling obsolete equipment continued, with a substantial increase in sales of minor equipment and spare parts present in the various warehouses regarding.

The 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.

The sale of the Profuro company's property in Mozambique was completed, as well as further divestment activities 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.

Segment-based analysis

Performance of the Company

The services provided by the Company in relation to the subsidiaries include management and administration, management of the human resources service, management of the IT service, including the rights to use the integrated business management software, management of the group's communications service, management of equity investments and granting of loans to subsidiaries, in addition to rental of equipment.

The Company's 2023 Separate Financial Statements, drawn up in accordance with IFRS-EU, closed with revenue from sales and services of approximately Euro 15.2 million (Euro 13.7 million in the previous year, with an increase of approximately 2.5 million), while other operating revenue was equal to approximately Euro 1.3 million (Euro 4.7 million in the previous year, showing a decrease of Euro 3.4 million).

The Gross operating loss (EBITDA) amounted to approximately Euro 2.2 million (compared to a profit of Euro 1.7 million in 2022), while the Operating loss (EBIT) for 2023 amounted to approximately Euro 7.13 million (compared to a loss of Euro 4.4 million in 2022), inclusive of amortisation and depreciation for approximately Euro 3.7 million and provisions and impairment losses for approximately Euro 1.14 million.

Regarding financial management, in 2023, income from equity investments amounted to Euro 1 million. Financial income amounted to approximately Euro 34.9 million (Euro 7.5 million in the previous year), the increase of which mainly derives from the effect of the financial restructuring and in particular from the positive effects of IFRS9 accounting on the debt and includes interest income related to receivables recognised under non-current assets, mostly loans granted by the Company to its subsidiaries. Financial income was also characterised by interest expense of approximately Euro 27.6 million (Euro 15 million in 2022) and net exchange gains of Euro 0.4 million (net exchange losses of Euro 0.3 million in the previous year). Adjustments to financial assets were positive for approximately Euro 0.9 million (negative for Euro 1.2 million in the previous year).

The Company, therefore reported a profit before taxes of Euro 1.55 million in 2023, whereas the profit for the year amounted to approximately Euro 1.45 million (loss of Euro 13.34 million in 2022).

With regards to non-current assets, investments for approximately Euro 0.17 million were made (against disinvestment for Euro 0.5 million in the previous year). For detailed comments on the individual items of the separate financial statements, reference should be made to the Notes to the Separate Financial Statements of TREVI Finanziaria Industriale S.p.A.

The table at the end of this section provides a reconciliation of the profit for the year and the equity of the Group with the figures of the Company (DEM/6064293 of 28 July 2006). Further information regarding the composition of the Board of Directors and the Board of Statutory Auditors is given in other sections of the Report and in the Report on Corporate Governance.

Trevi Division

Site operations at the Trevi Division level are particularly diversified:

- The **Middle East** was characterised by a reduction in volumes in 2023 compared to 2022 due to the postponement of the acquisition of the fourth work lot of the Neom mega-project in Saudi Arabia. However, outside of Saudi Arabia, the rest of the region was characterised by a strong expansion and volume growth and a remarkable liveliness of commercial initiatives, especially in the residential sector. The Middle East therefore represents a key strategic market for the Trevi Group.

- In the **Far East**, revenue at a segment level increased compared to December 2022: in Australia, revenue was up sharply due to the progress of the North-East Link project, while it was down slightly in the Philippines, where several public infrastructure, rail and highway projects are being carried out, and some work on the Manila Metro was also recently acquired. On the other hand, revenue is down in Hong Kong, where projects to expand the Hong Kong International Airport have been completed. The Group is awaiting the start of new infrastructure projects in the country.

- In **Africa**, 2023 was a down year compared to 2022. In 2023, the major projects in Nigeria were completed, particularly the Berth 3 extension Jetty MOF project on Bonny Island, with contractor Saipem—Daewoo and the PTML Berth11 project. Several small project acquisitions were also made in the segment. In Algeria, on the

Key Financial Indicators

To date, to sum up, the Company's key financial indicators are as follows:

(in unit of Euro

Description	31/12/2023	31/12/2022	Change
Revenue from sales and services	15,198,340	13,734,597	1,463,743
Other operating revenue	1,338,722	4,743,158	(3,404,436)
Total revenue	**16,537,062**	**18,477,755**	**(1,940,693)**
Value added	4,585,734	8,299,775	(3,714,041)
% of total revenue	27.73%	44.92%	(17.19)%
Gross operating profit/(loss)	**(2,257,554)**	**1,764,444**	**(4,021,998)**
% of total revenue	(13.65)%	9.55%	N/A
Operating loss	**(7,133,565)**	**(4,378,222)**	**(2,755,343)**
% of total revenue	(43.14)%	(23.69)%	(19.44)%
Profit/(Loss) from continuing operations	**1,454,833**	**(13,340,242)**	**14,795,075**
% of total revenue	**8.80%**	**(72.20)%**	**N/A**
Net investments/(divestments)	174,816	(509,807)	684,623
Net invested capital	227,147,349	210,494,950	16,652,399
Net financial debt	**82,420,609**	**118,647,980**	**(36,227,371)**
Equity	144,726,742	91,867,416	52,859,326
Operating loss / Net invested capital (R.O.I.)	(3.14)%	(2.08)%	(1.06)%
Profit/(Loss) from continuing operations / Equity (R.O.E.)	1.01%	(14.52)%	N/A
Operating loss / Total revenue (R.O.S.)	(43.14)%	(23.69)%	(19.44)%
Net financial debt / Equity	56.95%	129.13%	(72.18)%

The following table shows a reconciliation between the Company's equity and profit for the year and the Group's consolidated equity and profit for the year.

Reconciliation of the equity and profit for the year from the Company's Separate Financial Statements with the Consolidated Financial Statements

(in thousands of Euro)

Description	Equity / (Deficit) at 31/12/2023	Profit for the year
TREVI-Finanziaria Industriale S.p.A.	**144,727**	**1,455**
Difference in equity of consolidated equity investments and their carrying amount in the Separate Financial Statements of the Company	115,843	129,210
Effect of elimination of impairment gains/(impairment losses) on consolidated investments, loans and dividends	(50,832)	(102,626)
Application of IFRS and other adjustments	(66,417)	674
Translation difference	(7,923)	0
Elimination of intragroup profits and capital gains	11,505	(2,781)
Equity and profit for the year	**146,904**	**25,933**
Deficit and profit for the year attributable to non-controlling interests	**(1,657)**	**6,826**
Equity and profit for the year attributable to the owners of the Company	**148,561**	**19,107**

other hand, revenue was down, as the main projects commissioned by Cosider for the Algiers metro were completed.

• In **Europe**, volumes were up compared to 2022, mainly due to the development of activities in Italy, more than 20% higher than the previous year. These results were achieved despite the postponement to 2024 of some projects (e.g., work on the port of Genoa). The market is extremely buoyant and is set to become a strategic segment with great potential for the Trevi Group in the coming years, thanks also to the PNRR [Recover and Resilience Plan] infrastructure projects. However, the critical issue of finding skilled labour on the sites remains.

All operations were closed in Germany and France, where the Paris Metro projects were operationally completed and a partial claim settlement was recently obtained.

In **Tajikistan**, revenue increased compared to 2022 thanks to the advancement of the Rogun Dam project, for which we also won an addendum for the implementation of phase II of the contract.

A job for the port of **Malta** was also awarded in October.

• In **North America**, there was a significant increase in production volumes compared to 2022, thanks to the positive performance of several major projects, the acquisition of new large works and the recovery of the market, which had been at a standstill due to the sharp increase in the cost of materials following the outbreak of the Russia-Ukraine war. These factors reconfirm North America as a strategic segment for the Group. The good performance of the Roxboro, Landmark Phase III, and Massachusetts General Hospital projects was noteworthy, while the Lake Okeechobee levee rehabilitation projects in Florida were completed.

• In **South America**, revenue increased slightly compared to 2022, mainly due to the new Oiltanking project - an oil port project in the south of the country - despite the poor performance of the Panama City metro project. The Argentine peso experienced a strong devaluation in late 2023 as a result of the new policies adopted in the country. Therefore, South America remains a critical segment both operationally and financially.

The main orders acquired or order variations obtained in 2022 by the **Trevi Division** broken down by geographical segment are as follows:

ITALY

• **MECT Messina with Consorzio Messina Catania Lotto Nord** - worth over Euro 10 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 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 over Euro 10.5 million, 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. Trevi carried out the laying of augered foundation piles. The work was completed in the first part of the year on schedule.

• **New High Speed Railway Link and High-Speed Station in Florence** - worth over Euro 30 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 Line C - Piazza Venezia – Rome** - on behalf of the Owner Metro C S.c.p.a., a prestigious project which will provide a rapid connection between monumental areas and archaeological sites in the centre of Rome. 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 over Euro 20 million, of which Trevi S.p.A.'s share is about Euro 10 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. Diaphragm walls are 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.

• **Desium Aeroporto Venezia** - contract worth over Euro 10 million, with client Desium SCARL (Rizzani de Eccher, Manelli and Sacaim), a project for constructing a railway connection between Venice Central Station and Venice Airport. A jet grouting bottom plug and foundation piles will be built.

• **AUP 3 quays**, **work commissioned by the Venice Port Authority** - with a contract worth approximately Euro 10 million, aimed at the environmental upgrading and redevelopment of the Lombardia, Bolzano and Trento quays in the commercial port of Venice. The execution of the work was entrusted to a temporary group of companies (between Xodo Costruzioni Generali Srl, Trevi S.p.A. and Rossi Renzo Costruzioni).

• Finally, a job at the **Venice Refinery** in Porto Marghera for Kianetics Technology S.p.A. with a contract worth approximately Euro 3.2 million.

Further acquisitions: a project for the Owner ST Microelectronics in Catania, with a contract value of about Euro 5 million, to construct foundations for new buildings and a safety tank for ST; in Forlì, works for the extension of the Tangenziale (bypass) with the Owner Forlì 3 SCARL (Amplia Infrastructures): this project involves retaining and consolidation works, diaphragms and jet grouting. The work mainly consists of micropiles with a diameter of 250 mm.

Moreover, the **Malta Ras Hanzir Harbour** project, with the client ESC Group, has a contract worth approximately Euro 8 million. The project aims to improve the seabed's soil so that the area can be safely reclaimed in Malta's harbour. Three technologies will be used: jet grouting, deep soil mixing and vertical prefabricated drains.

PHILIPPINES

• **Metro Manila Subway CP10**2 - Owner ND JV, worth over Euro 10 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 contractors.

• **NLEX Candaba Central Infill (3rd Viaduct)** - Owner Leighton, contract worth over Euro 5 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 project, considering that Trevi will have to operate in a confined area between two operational viaducts, the work 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 Manila.

MIDDLE EAST

Saudi Arabia

• **NEOM Main Piling** - Arabian Soil Contractor (ASC) was awarded a further order (Work Order No. 4) of the large-scale project The Line within the framework agreement with the Owner. The work has a contract worth approximately Euro 150 million and consists of special foundations of 1.5-metre and 2.5-metre diameter piles. Mobilisation began in December and work is scheduled to start in the first half of 2024.

• **Amiral I002** - a major project with Tecnimont S.p.A. and the Owner Aramco, with a contract worth over Euro 10 million.

The subsidiary Arabian Soil Contractors (ASC) will carry out CFA pile work as part of the SATORP refinery's petrochemical expansion project in Jubail (near Dammam), which aims to convert the refinery to higher-value-added chemicals.

United Arab Emirates

• **Keturah Resort** - Owner MAG of Life Wellness Real Estate, worth over Euro 10 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 and Michelin-starred restaurants.

• **SRG Tower** - Owner SRG - contract worth approximately Euro 10 million. The project involves the design and execution of enabling works to build a 400-metre-high residential tower including 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 on the south-east and south-west façades.

• **Baccarat Hotel -** work with a contract worth over Euro 5 million for the owner Hamal Holding and consisting of shoring diaphragms, anchoring rods, struts and piles for the construction of a hotel in Dubai.

• **City Walk Phases 5, Central Park 5.06 and 5.07** – Owner Dubai Holding. 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.

Kuwait

• **Capital Market Authority Headquarter** - with Owner Sayed Hamid Behbehani & Sons Co., contract worth over Euro 10 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.

Oman

• **Construction of Dual Carriage National Road No. 32 –** Galfar Engineering & Contracting SAOG – worth over Euro 5 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

AFRICA

Nigeria

The Nigerian market in 2023 offered opportunities in infrastructure projects (harbour docks, coastal protection and works in the industrial sector) and was characterised by dynamic initiatives in the private sector despite the slowdown experienced following the general elections in March 2023. For Trevi Nigeria, the main segment of activity in Lagos remains residential construction, in particular the 25-30-storey luxury tower sector, for which it carried out foundation works under the D&B (Design and Build) formula.

Significant recent projects in the field of port works include:

• **Bua Terminal** - in Port Harcourt, worth over Euro 35 million. The work consists of reconstructing the old berths 5-6-7-8 of a quay in Port Harcourt segmented into three alignments and allocated to BUA. The Owner, with the approval of the Nigerian Ports Authority (NPA), opted to rebuild the alignments and move with a new metal wall (CombiWall) on two alignments (200 m and 420 m). Trevi was awarded the contract by proposing a 65 m anchored CombiWall pile/sheet pile. The work consists of foundation work, dredging, backfill, consolidation and civil works.

In the residential construction sector, the following are worth mentioning:

• **Metropolitan Tower** - with Owner El Alan Nigeria Ltd, piling work for the conversion of the project from a 5-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., for which Trevi Nigeria was awarded two contracts: the first is a land reclamation 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 work consists of foundation works for another major residential tower in Ikoyi, the most exclusive residential area of Lagos.

Nord America

The most significant new acquisitions include:

• **Mid Barataria Sediment Diversion (MBSD)** - a unique project with contract worth over USD 70 million, with Main Contractor Archer Wester/Alberici JV (AWA) and Owner Louisiana Coastal Protection and Restoration Authority (CPRA). It is a project that will utilise the construction plan in the Mississippi River Territory to build and sustain up to 26,000 acres of critical coastal wetlands in the Barataria Basin over 50 years. The primary goal of the work is to reintroduce freshwater and sediment from the Mississippi River to the basin to restore delta processes and prevent saltwater intrusion from building, sustaining and maintaining the territory. Secondary long-term objectives include restoration and conservation of critical coastal ecosystems. Project features include a controlled gate structure across the riverbank, an artificial channel and a drainage structure in the basin. Construction is expected to last over five years and generate an economic impact of over USD 1.5 billion and approximately 12,400 jobs in the region.

• **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.

• **Innovation Square Phase III Drilled Shafts (DS)** - a municipal property in Boston's Seaport District, facing Northern Avenue. The project is intended to create a 319,000-square-foot, seven-storey, state-of-the-art research and development facility complete with on-site amenities, including a cafeteria, fitness centre, rooftop terrace, conference centre and convention centre, with outdoor public seating and event space. The development will also provide a new model of sustainability for the Boston Labs buildings, through LEED Platinum designation and zero net carbon design.

South America

A major project was acquired in **Argentina** at the beginning of the year:

• **Oiltanking** - worth approximately Euro 30 million attributable to Trevi, 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.

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

Italy

Carron Tunnel – Merano (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.

At the port of Ravenna, works were completed for the r**enovation of the Marcegaglia quay**, commissioned by the Port System Authority of the Northern Central Adriatic Sea, while similar works are in progress for **Magazzini Generali.**

The **New Santa Giulia Arena in Milan** - on behalf of the Owner EVD, was completed at the end of August.

The project, commissioned by Pavimental S.p.A., for the widening of the third lane on the **Florence South - Incisa section of the A1** Milan - Naples motorway, for which an order addendum was also obtained, is nearing completion.

In **Tajikistan**, the multi-year **Rogun Dam HPP project,** with Webuild Spa TJ Branch is under way, with good operating performance. 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 generate the power of the Rogun Hydroelectric Plant. The first phase of the work consists in drilling and grouting the rock around the concrete dam to consolidate and fill any cracks and fractures. The second phase works (tunnels) have been postponed with respect to the planned schedule.

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 was completed in June.

Australia

North-East Link Project in Melbourne - on behalf of the Spark consortium and in joint venture with Wagstaff Piling, total worth as JV Euro 100 million (share of the subsidiary Trevi Australia 70%. Our work consists in the execution of 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 - 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 the course of 2022 and completed during 2023 for a total worth over Euro 150 million, and a fourth order with a contract worth higher than Euro 150 million was awarded at the end of 2023. 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.

Doubletree by Hilton - Taiba Investment - the project consists of special foundation activities for the Hilton Hotel in Jeddah, in addition to shoring, excavation, diaphragms walls, piles and dewatering works. The project is nearing completion.

Arab Emirates - UAE

The projects Keturah Resort - Owner MAG of Life Wellness Real Estate and **SGR Tower,** are in progress, while the contracts **City Walk phase 5 and Central Park 5.06 and 5.07** were completed.

Living and Innovation Hub East - it 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. The subsidiary Swissboring Dubai is carrying out special foundation works for the Hub East for the **Owner DIFC:** shoring, excavation, diaphragms, piling and dewatering works. The project was completed at the end of the year.

Kuwait

Capital Market Authority - worth over Euro 10 million, is being executed, while the **Hyundai Show Room** project with **Combined Group** in the Shuwaikh Industrial Area of Kuwait City, consisting of enabling works for Hyundai, was completed.

In Oman, the Construction of Dual Carriage National Road No. 32 – Galfar Engineering & Contracting SAOG is nearing completion.

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 and **PTML Terminal Extension - Ports & Terminal Multiservices Ltd.** - The extension works for the Grimaldi's existing quay eleven in Apapa, Lagos, to allow the berthing of the new generation of vessels, were completed.

American Consulate Lagos – Owner Kopler - involving 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 7-storey building, adjacent to the larger building, to house administrative spaces, mechanical spaces and services including a six-floor underground parking. The project was completed with good performance.

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.

The **Oiltanking project,** as described above, is an ambitious project for the refurbishment of several quays in Puerto Rosales. The work started in the fourth quarter of 2023.

SOILMEC DIVISION

The year 2023 for the Soilmec Division was one of consolidation with respect to the growth process defined in the plan to restructure, transform and relaunch the business, together with a major organisational review, with improvements in indirect costs and efficiencies underway, which started at the end of 2021.

Regarding sales volumes, the turnover reached Euro 152 million (up by 8% compared to 2022), with a recurring EBITDA of Euro 12.8 million, much higher than the previous year's results (Euro 3.5 million).

The margin increase was achieved thanks to the sales price update required by the raw material cost increases that already took place in 2022 and the improved production performance related to the implementation of Lean Production.

In terms of the market, the Soilmec Division achieved orders for about Euro 128 million (down by 18% compared to 2022), closing the year with an order backlog of Euro 34 million.

In particular, orders from the EMEA and Asia-Pacific regions dropped in 2023 (down by 40% and 16%, respectively). On the contrary, a significant increase by 41% was recorded in orders from North America.

Approximately 2% of revenue was committed to R&D projects, for which reference should be made to the dedicated section.

Other Companies

PARCHEGGI S.p.A.

On 21 December 2023 the subsidiary Trevi S.p.A. acquired from Sofitre S.r.l. 40% of the share capital of Parcheggi S.p.A., a company active in the management and maintenance of car parks. This transaction completes the acquisition of the entire capital of the company, already started at the end of 2021 with the acquisition of 60% of shares.

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, which allowed having over 95% of the Group's revenue on the new systems for the preparation of the 2023 Interim Financial Report.

The adoption of the new ERP SAP S4/HANA involved the main business processes of both the Trevi and Soilmec Divisions, 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 the 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.

Group transactions with unconsolidated subsidiaries, associates, parents, subsidiaries of parents and with other related parties

The existing 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, as detailed under point 34 of the Notes.

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 2023 financial statements (separate and consolidated) of the Company and the Group 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 Interim Financial Report at 30 June 2023, 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 the Interim Financial Report; and **(b)** the risk arising from any failure to achieve the recovery goals, as set out in the 2022-2026 Consolidated Plan (as therein defined).

At the time of approval of the Interim Financial Report at

30 June 2023, 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 (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 Interim Financial Report, to be taken into account up to the date of preparation of these financial statements, considering the events that have occurred in the meantime and, in particular, the update of the 2022-2026 Consolidated Plan, with an extension of its duration by one year to 2027, as well as new information available about the performance and its outlook.

Assessments relating to the going concern assumption

In assessing whether the going concern assumption was appropriate or not also with regard to these financial statements, 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 consolidated financial statements at 31 December 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 Interim Financial Report at 30 June 2023, 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

With the aim of assessing the risks linked to the achievement of the 2022-2026 Consolidated Plan's projected goals, on 23 April 2021, the Board of Directors approved a business plan for the period 2021-2024. This 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 Financial Restructuring (as therein defined), agreed with the Group's Lending Banks (the **"Lending Banks"**), was therefore approved by the Board of Directors of the Company on 29 September 2022 (the **"2022-2026 Consolidated Plan"**).

On 22 December 2023, the Board of Directors of the Company approved an update of the 2022-2026 Consolidated Plan, extending its duration by one year to 2027 and confirming the original strategic guidelines and the goals envisaged in the recovery plan approved by the Board on 17 November 2022, within the time frame and in the manner required (the **"2023-2027 Consolidated Plan"**).

Consistently with assessments made at the time of the approval of the 2023 interim 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 time frame and manner requested (as confirmed within the 2023-2027 Consolidated Plan), the achievement of a financial rebalancing.

Specifically:

- the 2022- 2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 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, within the time frame and manner required, a balanced financial position and performance, such as to allow the refinancing of the remaining debt at market conditions;

- the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by 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;

- the Financial Restructuring reflected within the Restructuring Agreement (as therein defined), whose content has been subject to comments of both institutional shareholders (i.e., CDPE and Polaris as therein defined) 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, currently confirmed in the 2023-2027 Consolidated Plan;

• the updated 2022-2026 Consolidated Plan shows that the financial covenants set forth in the Restructuring Agreement (i.e., the ratio of consolidated net financial debt to consolidated gross operating profit and the ratio of consolidated net financial debt to consolidated equity) were always met over the relevant plan period.

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan were 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.

Furthermore, Gian Luca Lanzotti - a professional appointed by Lending Banks who, in accordance with what provided for by the Restructuring Agreement, was entrusted 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 two reports on the activities carried out by him, a report dated 3 August 2023 related to the six-month period from his appointment to 25 July 2023 and a report dated 2 February 2024 related to the six-month period from 26 July 2023 to 25 January 2024, in which he confirmed the compliance with the obligations provided for by the Restructuring Agreement.

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by the Trevi Group results of the year ended 31 December 2023 which show revenue and recurring EBITDA higher than those expected in the 2022-2026 Consolidated Plan. Furthermore, the order intake in 2023 amounted to approximately Euro 741 million, up by 12% compared to the previous year, while the order backlog amounted to Euro 720 million, marking a significant increase compared to 31 December 2022 (Euro 587 million). The net financial debt amounted to Euro 202 million at 31 December 2023, which is lower than what expected in the 2022-2026 Consolidated Plan. The Group's performance in the first few months of 2024, 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 2024. 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 Company'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 Company'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. (d) 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 Plan;

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

Also on 17 November 2022, the Company'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 Company and the Trevi Group; **(ii)** pursuant to the proxy granted by the shareholders' meeting of 11 August 2022 - the Company'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 Company 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 Company 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 Company 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 Trevifin 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 Company 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. At 31 December 2023, the Group equity amounted to Euro 146.9 million (marking an increase of Euro 57.3 million compared to 31 December 2022).

- the Group's net financial debt, which at 31 December 2022 amounted to Euro 251.2 million, was affected by the decrease of approximately Euro 52 million recorded in January 2023 as a result of the Financial Restructuring. At 30 June 2023, the net financial debt amounted to Euro 187.1 million, compared to Euro 202 million at 31 December 2023 (decreasing by Euro 49.2 million compared to 31 December 2022).

- in this regard, the residual debt of the Group was almost entirely rescheduled as part of the Financial Restructuring. Specifically, a substantial portion of the medium/long-term debt towards 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.

Furthermore, the actual results of the Trevi Group Consolidated Financial Statements at 31 December 2023 meet the financial covenants envisaged in the Restructuring Agreement. In particular, the ratio of consolidated net financial debt to the consolidated recurring gross operating profit at 31 December 2023 was 2.71x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 3.75x), while the ratio of the consolidated net financial debt to the consolidated equity was 1.37x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 2.60x).

Expected liquidity trend over the next 12 months
Consistently with assessments made at the approval of the Interim Financial Report at 30 June 2023, an element that has been assessed with particular attention 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 interim financial report on the basis of actual data and extended these forecasts until 31 March 2025. 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 for by 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 situations of cash flow tension may arise during the 12 months subsequent to the reporting date, the following should be noted.

First of all, the Company'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 March 2024 (with figures updated at that date), analysing the expected liquidity trend up to 31 March 2025. 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 Company 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 February 2024, 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 07 March 2024, again in accordance with the requirements of the Restructuring Agreement, the Company provided the Lending Banks with a forecast budget for the current year and up to 31 December 2024, 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 these draft financial statements, examined the update of this liquidity analysis up to 31 March 2025, 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 March 2025. 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 are shared on a periodical basis with the Lending Banks, and (iii) at 31 December 2023, the Trevi Division acquired orders equal to approximately 86% of the revenue expected to be generated in 2024 and the Soilmec Division acquired orders equal to approximately 21% of the revenue expected to be generated in 2024, 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 Company and the Group are exposed, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan (as updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan), the Directors deem it appropriate to adopt the going concern basis for preparing the Financial Statements of Trevi Finanziaria Industriale S.p.A. and the Trevi Group at 31 December 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 Company 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, among which the liquidity risk that affects the strategic choices regarding investments and job order acquisitions.

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 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

Liquidity risk can manifest itself due to the inability to find, at affordable conditions, the financial resources necessary for the Group's operations. The two main factors that influence the Group's liquidity are on the one hand the resources generated or absorbed by the operating and investing activities and, on the other, the expiry and renewability characteristics of the debt or the liquidity of the financial investments. The liquidity requirements are monitored by the central functions of the Group with a view to guaranteeing an effective retrieval of financial resources and/or an adequate investment of liquidity. The Group continuously monitors the liquidity situation and draws up the periodic and forecast revolving cash flows prepared by all the Group companies, which are then consolidated and analysed by the Company.
Cash and cash equivalents are partially subject to currency restrictions in some countries in which the Group operates, as detailed in the following table:

Division	Company	Country	Restriction	Eur mln 31/12/2023
Trevi	Trevi Foundations Nigeria Ltd	Nigeria	Currency Restrictions	6.5
Trevi	Foundation Construction Ltd	Nigeria	Currency Restrictions	0.1
Trevi	Swissboring Overseas Piling Corp. Ltd (Dubai)	Dubai	Cash collateral on a revolving line	2.5
Total				**9.1**

To date, most of the lines of credit with the Lending Banks are governed by the Restructuring Agreement, which was finalised on 30 November 2022 following the capital increase and the debt-to-equity swap of bank debt occurred on 11 January 2023 with its execution.
The geographical distribution of the Group's cash and cash equivalents at 31 December 2023 is shown below:

Description	31/12/2023	31/12/2022	Change
Italy	15,984	*16,139*	(155)
Europe (excluding Italy)	2,928	3,605	(677)
United States and Canada	23,027	21,581	1,446
South America	1,724	2,884	(1,160)
Africa	16,676	16,846	(170)
Middle East and Asia	14,287	26,845	(12,558)
Far East and Rest of the World	6,213	7,065	(852)
Total	**80,839**	**94,965**	**(14,126)**

Loans and borrowings of the Group at the reporting date are broken down as follows:

CURRENT LOANS AND BORROWINGS	31/12/2023	31/12/2022	Change
Italy	38,892	135,713	(96,821)
Europe (excluding Italy)	0	0	0
United States and Canada	6,370	6,563	(193)
South America	0	467	(467)
Africa	54	110	(56)
Middle East and Asia	0	0	0
Far East	6,962	6,943	19
Rest of the world	0	10	(10)
Total	**52,278**	**149,806**	**(97,528)**

NON-CURRENT LOANS AND BORROWINGS	31/12/2023	31/12/2022	Change
Italy	77,781	4,935	72,846
Europe (excluding Italy)	1,861	1,833	28
United States and Canada	0	0	0
South America	0	0	0
Africa	0	0	0
Middle East and Asia	0	0	0
Far East	826	1,238	(412)
Rest of the world	0	0	0
Total	**80,468**	**8,006**	**72,462**

The geographical breakdown of all the financial liabilities, including loans and borrowings, finance leases and loans and borrowings from other financial backers, is given in the following tables:

CURRENT FINANCIAL LIABILITIES	31/12/2023	31/12/2022	Change
Italy	54,803	268,604	(213,801)
Europe (excluding Italy)	144	278	(134)
United States and Canada	6,412	7,378	(966)
South America	1,754	666	1,088
Africa	322	938	(616)
Middle East and Asia	2,825	524	2,301
Far East	7,936	7,899	37
Rest of the world	3,897	504	3,393
Total	**78,093**	**286,791**	**(208,698)**

NON-CURRENT FINANCIAL LIABILITIES	31/12/2023	31/12/2022	Changei
Italy	217,296	68,259	149,037
Europe (excluding Italy)	2,162	2,367	(205)
United States and Canada	0	41	(41)
South America	127	126	1
Africa	697	967	(270)
Middle East and Asia	0	1,428	(1,428)
Far East	921	1,344	(423)
Rest of the world	735	1,077	(342)
Total	**221,938**	**75,609**	**146,329**

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will change due to changes in the market price. The market price includes four types of risk: interest rate risk, currency risk, raw material price risk and other price risks, as well as price risk on equity securities (equity risk). Financial instruments affected by market risk include loans and financing, deposits, available-for-sale equity investments and derivatives.

Interest rate risk

The exposure to risk of changes in market interest rates is connected to current and non-current financing transactions, with a variable interest rate.
At 31 December 2023, following the signing of the Restructuring Agreement on 30 November 2022, a large part of the Group loans were with variable interest rate, except for the Bond Issue and some loans of Italian and foreign subsidiaries, including lease contracts as shown below:

(In thousands of Euro)

	31/12/2023		31/12/2023
Description	**Fixed rate**	**Variable rate**	**Total**
Loans and Leases	71,126	172,047	243,173
Bond issue	50,000		50,000
Total financial liabilities	**121,126**	**172,047**	**293,173**

Following the effectiveness of the Restructuring Agreement and in accordance with its application, interests were recalculated retroactively starting from 30 September 2022 at a variable rate of EURIBOR 6 months plus 2% of margin (previously a fixed rate of 2%).

For further details on financial liabilities, reference should be made to the Notes and specifically to point (13), (20) and (21).
In assessing the risk of adverse interest rate fluctuations impacting the net financial expense and fair value adjustments of interest rate-sensitive financial assets and liabilities, with a view to covenant compliance, a sensitivity analysis was performed based on the following criteria:

- Current market expectations of interest rate trends until 2026 are stable or downward.

- Prudentially, the application of an additional 1% margin on the variable rate calculated half-yearly (6-month EURIBOR + 3% margin) was considered.

The result of the sensitivity analysis shows that the interest rate curve does not have a significant impact in terms of profit/loss for the year; therefore, it is not considered that there could be an impact on compliance with the covenants due to exchange rate fluctuations.

Currency risk

The Group is exposed to the risk of fluctuations in exchange rates as these affect its financial position and financial performance. Currency risk exposure can be:

- **Transaction-related:** changes in the exchange rate between the date on which a financial commitment between counterparties becomes highly probable and/or certain or the date of settlement of the commitment, resulting in a variation between expected and actual cash flows;
- **Translation-related:** fluctuations in the exchange rate cause changes in figures of financial statements expressed in a given currency when these are translated into the Company's currency (Euro). These changes do not lead to an immediate deviation between expected and actual cash flows, but to an accounting effect on the Group's consolidated equity. The effect on cash flows only manifests itself if operations are performed on the assets of the Group company that prepares the financial statements in foreign currency.

The Group assesses its exposure to the currency risk; instruments used are the correlation of cash flows of the same currency but of the opposite sign, the decrease in commercial and financial advance loans in the same currency with the sales contract. The Group does not use instruments of an explicitly speculative nature for its hedging against the currency risk. However, if such instruments are used and if derivatives do not meet the conditions required for the accounting treatment of the hedging instruments required by IFRS 9 or the Group decides not to avail of the possibility of hedge accounting, their changes in fair value are recognised in the statement of profit or loss as financial expense/income.

Specifically, the Group can manage transaction-related risks by entering into non-speculative derivatives following the signing of the Restructuring Agreement of 30 November 2022; however, at 31 December 2023, there were not lines of credit for managing derivative contracts yet. Exposure to fluctuations in exchange rates is due to its activities in many countries and in currencies other than the Euro, in particular the US dollar and currencies linked to the US dollar. Since there are significant transactions in countries in the Dollar area, the Group's consolidated financial statements may be affected considerably by changes in the Euro/USD exchange rates.

The fair value of a forward contract is determined as the difference between a forward exchange rate of the contract and that of a transaction of the opposite sign of the same amount and with the same maturity, assumed at exchange rates and interest rate differentials at 31 December.

Credit risk

The Group is subject to the risk that the creditworthiness of a financial or commercial counterparty becomes insolvent. Due to the nature of its activity, divided into several segments, with a marked geographical diversification of the production units and for the plurality of countries in which systems and equipment are sold, the Group has no concentrated customer or country risk. In fact, credit risk is spread over a large number of counterparties and customers.

Credit risk associated with the normal course of commercial transactions is monitored both by the individual companies and by the Group's Finance Department.

The objective is to minimise counterparty risk by maintaining exposure within limits consistent with the creditworthiness assigned to each of them by the various Credit Managers of the Group based on historical information on the insolvency rates of the counterparties themselves.

The Group sells mainly abroad and uses financial instruments available on the market, in particular Letters of Credit, to hedge credit risks and uses prepayment and letter of credit instruments for significant projects.

Risks connected to overseas transactions

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 transactions maintained a strong trend in terms of consolidation abroad, amounting to approximately 90% of the total revenue. The Group's growth mostly occurred in Middle East, USA, Far East and Africa.

Further details on revenue located in segments with medium to high political and commercial risk - where the risk of insolvency of public and private operators is linked to the geographical segment of origin and is beyond their control - and with risk associated to the origin of a specific financial instrument - dependent on political, economic and social variables - are provided below, with specific reference to the countries where Trevi operates, which are more exposed to this type of risk. In particular, there are two segments with high political risk and low commercial risk in which the Trevi Group operates.

Tajikistan
Tajikistan became independent in 1991 following the break-up of the Soviet Union and experienced a civil war between political, regional and religious factions from 1992 to 1997. Ethnic Uzbeks form a substantial minority in Tajikistan, and ethnic Tajiks an even larger minority in Uzbekistan.

With a population of just over 9.2 million, the country remains the poorest of the former Soviet Republic, with a real GDP per capita of USD 3,900. Tajikistan became a member of the WTO in March 2013. However, its economy continues to face major challenges, including dependence on remittances from Tajikistani migrant labourers working in Russia and Kazakhstan, pervasive corruption, and the opiate trade and other destabilizing violence emanating from neighbouring Afghanistan. Since 2010, Tajikistan has endured several domestic security incidents since 2010, including armed conflict between government forces and local strongmen in the Rasht Valley and between government forces and residents and informal leaders in Gorno-Badakhshan Autonomous Oblast. Tajikistan suffered its first ISIS-claimed attack in 2018, when assailants attacked a group of Western bicyclists with vehicles and knives, killing four. Friction between forces on the border between Tajikistan and the Kyrgyz Republic flared up in 2021, culminating in fatal clashes between border forces in April 2021 and September 2022.

(source: https: //www.cia.gov/the-world-factbook/countries/ tajikistan/#introduction).

Argentina
According to the World Bank report, Argentina will follow the trend of Latin America as a whole in 2024, with the economy growing at 2.3 per cent and 2.5 per cent in 2025. Analysts explain that this is the effect of the improvement in the economies of the region's trading partners and the easing of monetary tightening. Moreover, despite the decline, commodity prices will remain at a level that supports growth, while inflation will continue its downward trend, with the only unknown factor being Argentina.

In the specific case of Argentina's economic growth in 2024, the World Bank points out that it is tied to the exit from the drought emergency that has affected the country's main economic sector. The drought emergency caused a sharp drop in the country's main export assets, which alone are behind the loss of almost three points of GDP.

The Washington-based institution's report states that Argentina "is nonetheless facing significant economic and policy uncertainty amid high inflation and steep currency depreciation". A general picture that continues to erode consumer confidence recalling that "annual inflation has recently surpassed 150 percent, with no signs of easing".

As for Argentina's capital abroad, these amount to USD 271.499 billion: this is the estimate of Indec, the local national statistics institute, from the latest update of the balance of payments. The figure is updated to September 2023 and shows an increase of 32 per cent over the last five years, an effect of the Argentineans' mistrust in the face of continuing financial uncertainty and rising inflation that condemn the position of the national currency as a savings instrument.

(source: The World Bank. Argentine Indec)

The ratio of revenue from the aforementioned segments to the Group's total is less than 3%.

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 2023, the cost of raw materials undertook a downward trend that led to more stable prices for finished products and energy indices (gas/light).

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 construction 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 performed during activities.

The activities carried out on construction sites also have an impact on the climate as they require the use of operating machines with endothermic engines. Trevi is committed to reducing the environmental impact associated with the emissions produced by these machines both through more efficient use, which includes the use of IOT devices for the remote control and supervision of equipment, the Soilmec DMS system and raising the awareness of operators towards the correct use of equipment, and through the updating of the fleet of machines, which includes the introduction of a new generation of more efficient or electrically powered machines (see Soilmec's HighTech and e-Tech lines) and the use of 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 (2023 Non-Financial Statement) that the Group has been drafting since 2017, five 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 three indicators concern "water, air and soil pollution" which is deemed significant in 2023 reporting, 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 in 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

Also in 2023, the Group continued its path of adopting new initiatives, tools and procedures aimed at ensuring increasingly high levels of ICT security.

The DIT Corporate Department (Digital Innovation & Technology), which provides services for all the companies of the Group, continued its process for implementing infrastructures with Hybrid Cloud technologies that, together with the adoption of Cloud applications and a Disaster Recovery 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.

The Group also keeps offering specific training courses to encourage a conduct suitable to avoid any involvement in "malicious" cyber-crime processes. Furthermore, the Corporate DIT Department 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 and regularly tests the awareness of users by means of dedicated phishing campaigns.

Trevi - Finanziaria Industriale S.p.A., through the Corporate DIT Department, continues operating in compliance with process established by the ISO 27001:2022 certification, which defines the international standard that describes best practices for an ISMS (Information Security Management System, also known as SGSI, in Italian). The certification is proof that the services provided by the Company comply with best practices on information security.

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 Company'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 31 December 2023

The Group checked the existence of impairment indicators at 31 December 2023 that could indicate 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 Company proceeded to perform the impairment test at 31 December 2023: see the specific paragraph on "Impairment" included in the Notes to the Consolidated Financial Statements at 31 December 2023.

Staff and Organisation

Workforce at 31 December 2023

The Group workforce at 31 December 2023 was 3,189, with a net decrease of 85 units compared to 3,274 at 31 December 2022.
The average workforce in 2022 was 3,232 units.

(in units)

Description	31/12/2023	31/12/2022	Change	Average
Executives	66	68	(2)	67
of which Managers	41	42	(1)	42
White-collar workers & Middle managers	1,112	1,084	28	1,098
Blue-collar workers	2,011	2,122	(111)	2,067
Total workforce	**3,189**	**3,274**	**(85)**	**3,232**

The workforce broken down by geographical segment is as follows:

(in units)

	Workforce		
Geographical segment	31/12/2023	31/12/2022	Change
Italy	762	709	53
Europe (excluding Italy)	28	27	1
United States and Canada	127	112	15
South America	245	295	(50)
Africa	470	535	(65)
Middle East and Asia	792	687	105
Far East and Rest of the World	765	909	(144)
Total	**3,189**	**3,274**	**(85)**

Human resources

The Group has always paid great attention to the management of its human resources, which represent a priceless heritage of skills and the Group's greatest success factor.

The Code of Ethics, the main instrument for formalising the corporate commitments on these issues, defines human resources as a central element of the corporate strategy, identifying as key elements for all the Trevi Group companies the protection of equal opportunities, the promotion of merit and talent, and the creation of a safe working environment that is serene, stimulating and rewarding.

Performance management

The Trevi Group devotes a great deal of energy to personnel development and to building resources that meet excellence requirements, measuring and evaluating their performance and rewarding the achievement of results.

The Performance Management tool adopted by the Group (Performance Management System - PMS) has become the "backbone" of the personnel development processes for the Trevi Group since performance evaluations and goals represent not only an indicator of company performance but also a lever for the professional growth of resources and, consequently, of the entire organisation.

In 2023, the process was extended to Trevi's subsidiary Trevi Foundation Nigeria, at the same time as the company's roll-out of Oracle HCM, to implement near-total coverage globally. The PMS assessment forms provide a complete view of a person's performance and their adherence to the values and behaviours promoted by the Group. The sections dedicated to reporting training, development and compensation needs provide the indispensable elements for the launch of human resources management policies, capable of guaranteeing full support in the development of the individual, business continuity and ensuring mutual satisfaction between the company and the employee. We are also working on defining a new simplified evaluation model for blue-collar workers to map their main competencies by performing evaluations on the System.

Organisation & Development
About organisation and development, the Group is working in parallel on different projects aimed at improving the skills, knowledge and competencies of personnel, thus contributing to the overall growth of the Group. The projects are all oriented towards the development of resources, such as mapping the Talent and Key Technical Experts to define ad hoc training and development plans for technical and managerial skills, offering growth paths to resources with high potential, in line with personal aspirations and planning role growth within the organisation according to needs; encouraging resources to take the initiative to improve their skills and knowledge, also through tools that the Group makes available such as job rotation, which allows them to gain experience in different areas, thus expanding the transversal skills of resources.

The above actions allow focusing on human capital as a valuable asset of the Group, thus investing in the organisation's success.

As far as development and succession plans are concerned, an important value has been attached to identifying the of resources suitable to take on future roles of responsibility. The methodological driver is based on assessing potential, enabling the valorisation of talented resources and guaranteeing continuity and corporate development.

Job Catalogue
At the end of 2022, the Trevi Group revised the Group's Job Catalogue, allowing a rationalisation and simplification of validated job titles, aligning their logic and standardising their nomenclatures.

Compensation
During 2023, as a complement to the position mapping project carried out in 2020, and thanks to the completion of the digitisation of activities relating to meritocratic policies finalised in 2022, it was possible to proceed with the introduction, first and then the implementation, of the Compensation module on the Human Capital Management Software adopted by the Group. In addition, throughout the year, thanks to a systematic approach aimed at pursuing golden goals in terms of process optimisation and continuous improvement, the issue of remuneration policies was central both from the point of view of attraction and retention and in terms of internal and external equity; digital IT tools such as the Human Capital Management Software adopted by the Group and the platform provided by an external consultant dedicated to the analysis of remuneration and any pay gaps, through the use of a single management software, allowed carrying out coordinated activities with the same timing, as well as the use of a single database. This allowed the implementation of the same standardised logic for all employees and ensured unambiguous operating methods, enabling the development of a remuneration policy that maximised impartiality and fairness for the entire Group. During the year, several evaluations focused on corporate welfare, an increasingly important subject that needs to be investigated and implemented in various forms. The analysis and continuous updating of possibilities in the welfare field will continue actively throughout 2024 from an employee-centric perspective. It is oriented towards generating profitable results and aiming at the ambitious goal of maximising the value and satisfaction of human resources.

Furthermore, IT processes were revisited in a digital & smart key, through an accurate and consistent analysis of the corporate needs and the refinement of a standardised worldwide process. Reporting tools were revised and developed to provide up-to-date data according to common logic and standards. Their implementation enables the Group companies to act, according to standard guidelines, through a single tool, in compliance with standard and univocal logics and formats.

Information on remuneration policies is provided in the report on remuneration prepared by the Company pursuant to Art. 123-ter of Italian Legislative Decree of 24 February 1998 No. 58, which is available under current regulations both at the Company's registered office, Borsa Italiana S.p.A., and on the website **www.trevifin.com.**

Learning
The launch of the e-learning platform in 2022 allowed for the development of soft skills in personnel, consistent with the Model of Behaviours adopted by the Group. Through the e-learning platform, with a view to proactivity, each employee can independently take advantage of an extensive catalogue of courses, accessing those they consider helpful for developing their soft skills and management competencies.

The Trevi Group's internal Academies - Foundations Technology Academy (FTA), dedicated to technical training, and Trevi Group Academy (TGA), dedicated to managerial training - have been in operation for several years now with the aim of enhancing and preserving the skills of the people who work in the Group, not only by collecting and enhancing

best practices and know-how, but also by supporting innovation and the management of continuous change.
The Trevi Group also relies on external suppliers for training services such as language, IT and professional training courses. The cost of organising and delivering the training courses offered to its employees is financed in part or in full through interprofessional funds such as Fondimpresa (for white-collar workers, middle managers and blue-collar workers) and Fondirigenti (for executives).

Technical Training
Since 2004, the Trevi Group has organised a Technical Academy dedicated to training in-house personnel to continuously inform them about technologies and equipment. This allowed ensuring that the corporate know-how is not dispersed and that the technical skills of its employees are enhanced, thus fostering business development.

Its activities mainly focused on the technical-practical parts, the e-learning development of training courses and the construction site experience, in order to share the lessons and experiences learnt from the most complex construction sites and thus develop the staff's skills and turn them into company assets. The aim is to ensure continuous and structured training for technical staff within a "LifeLong Learning" framework. The catalogue features courses dedicated to: Oleodynamics and hydraulic systems of Soilmec equipment; DMS Manager and DMS PC, dedicated to Soilmec's DMS equipment; Consolidation of Trevi's JSE, whose teaching was also extended to the foreign areas of the Trevi Division.

Managerial Training
During 2023, a process began to revise and update the courses of the Trevi Group Academy, created in 2016, to make e-learning more dynamic and revise classroom programmes, promoting managerial and management training for Group personnel and to develop all those skills considered strategic. There are four main pillars on which the provision of its training activities is based: People Management, Client Management, Project Management and Finance for Non-Financial People.

Social Responsibility
This short course dedicated to Trevi S.p.A. personnel was set up in 2023. It consists of an e-learning training part and a comprehension test in which the importance of the various aspects of Social Responsibility for Trevi Group companies is explored, focusing on the impact that our activities have on society, the working environment and the community. Through a careful analysis of the national and international standards and guidelines available today, participants will be able to understand the scope and importance of Social Responsibility for our Group and their responsibilities to acquire knowledge and skills useful for implementing virtuous and respectful behaviour for an increasingly sustainable business.

Anti-corruption
The year 2023 also saw the realisation of a course on "Anti-corruption - the implementation of ISO 37001" for Trevi S.p.A., which consists of an e-learning training part and a comprehension test, in which the ISO 37001 (Management System for the Prevention of Corruption) standard is presented.

IT Security
Following the results of last year's computer security tests and the company's increasing focus on these issues, the "Computer Security" course was assigned to the entire white-collar workforce in 2023. This course consists of some e-learning activities and a test, which will be deemed passed if at least 70% of the answers are correct.

Recruitment & Employer Branding
In 2023, the Group launched a recruitment campaign for the first technical training course for machine operators, called Hub Operatori Italia. Candidates from all over Italy were recruited through social media campaigns and ads and on career sites. The project saw technical personnel from the Trevi Group participate in the project activities of the course, divided between classroom hours and practical hours in the test field. The trainees, who will be positively evaluated in 2024, will go on to acquire the operating machinery licence required to work on Trevi sites. The objective for the Group is to introduce new resources with a view to generational support.
In 2023, the Group continued its commitment to the national territory and employment through recruitment and training actions within the technical schools to bring a workforce to the construction sites.
For 2023, Recruiting involved the search for various professional figures both at the Divisional and Corporate level. Thanks to investments in Career Day activities, the LinkedIn Recruiter platform and Social Networks, the Group has recruited and selected several blue- and white-collar workers throughout Italy and abroad.

Non-financial statement (NFS)

Trevi Finanziaria Industriale S.p.A. is exempt from the obligation to draw up the individual non-financial statement referred to in Article 3 of Italian Legislative Decree 254/2016 (hereinafter also "the Decree"), as it draws up a consolidated non-financial statement (NFS), pursuant to Article 4 of the aforementioned decree. In compliance with the provisions of Art. 5, paragraph 3, b) of the Decree, Trevi Finanziaria Industriale S.p.A. prepared the Consolidated Non-Financial Statement, which is a separate report. The aforementioned report is drafted "in compliance" with Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) defined in 2016 and updated in 2021, with the "referenced to" option, and is subject to limited assurance engagement conducted by PricewaterhouseCoopers S.p.A. and is available on Trevi Finanziaria Industriale SpA's website, in the "Investor relations" section, under "Non-Financial Statement" and in the "Sustainability" section, under "Non-Financial Statement".

The Trevi Group considers Sustainability as an integral and essential part of its governance strategy and, as a direct result, of its business, as it is a way to ensuring the creation of long-term growth and value for all its stakeholders.

The Trevi Group, given the nature of its business, the complexity of its activities and its global presence, pays particular attention to occupational safety, environmental and social aspects.
In compliance with the European Directive 2014/95/EU and Italian Legislative Decree 254/2016, the Trevi Group has also prepared the 2023 "Consolidated Non-Financial Statement", in which it reports and informs its stakeholders about its policies and performances in relation to a set of material topics (prioritised through the concept of relevance and "impact assessment") that fall within the following five areas of reference: environmental aspects, social aspects, personnel management, protection of human rights, anti-corruption.

On the occasion of the 2023 Non-Financial Statement, with a view to continuous improvement, the Communication & Sustainability Department carried out a more structured update of the impact materiality, starting from the work carried out in 2022, by the method required by the GRI Standard 3: Material Topic 2021 and inspired by the EFRAG ESRS 1 standard.

The update aims at identifying and prioritising the sustainability-related aspects, the so-called "material topics", that are most relevant to the Company and its stakeholders; these topics will be the subject of a detailed disclosure in the 2023 Non-Financial Statement. In light of the results, the most significant deviations concern introducing three themes relating to "water, air and soil pollution", "customer satisfaction" and "security and data protection", in line with the best practices and requirements of the ESRS. In addition, the material topics of "Commitment to maintaining employment levels" and "Employee training and development" were merged into a single topic of "Personnel management and development", while the material topic of "Adequate and timely management of health emergencies" was excluded as the pandemic emergency waned in 2023 and in parallel so did its relevance in the reporting for the year just ended.

In view of the above, with reference to 2023, the Non-Financial Statement is intended to ensure a clear and comprehensive understanding for all stakeholders of the corporate activities, performance, results and impacts produced.

The Sustainability Plan

In line with its mission, with the sustainable development goals set out in the United Nations Agenda and in synergy with the business plan, the Group defined, at the end of 2022, its 2022-2024 Sustainability Plan. In this document, the Trevi Group aims at communicating its sustainability strategy to its stakeholders and others, summarising it in goals defined in the short and medium term, in the three pillars of reference: environment, social and governance (ESG). The Plan specifies the implementation methods and timeframes. A choice of transparency so that stakeholders can understand and verify our process towards sustainable development.

Relations with local communities

The Trevi Group is present in about 40 countries (90 including the Soilmec Division distributors) and manages its activities in close contact with local populations, in geographically and culturally heterogeneous situations and often in delicate socio-political scenarios. Particularly in the countries where the presence of Trevi job sites is consolidated, the Group plays an active role in local communities, contributing to the social and economic development of the area, which is not limited to job creation but involves long-term relationships with communities based on mutual support.

Since its establishment at the end of 2007, the Group has aimed to provide national and international promotion and support for solidarity initiatives, particularly for children and the most vulnerable classes of the population, with the aim of promoting their social and cultural growth.

During 2023 the Group - also through its Companies - continued to support projects of a social nature despite the fact that the national and international contingency was not very favourable to the sector and the restructuring phase of the Trevi Group imposed a significant reduction in the resources for social and solidarity activities. Among the projects carried out within the scope of Social Value it is worth mentioning:

• In Italy, the Company supported the solidarity initiative launched by the General Management of the Trevi Division in favour of a dozen colleagues of the Turkish branch who, following the terrible earthquake at the beginning of 2023, lost relatives and saw their homes destroyed. The proposal involving several Trevi and Soilmec colleagues had a positive impact not only on the beneficiaries but also on the organisation itself.

• In the US, Treviicos supported the Boston Children's Hospital with donations in 2023. The hospital is dedicated to improving and advancing the health and well-being of children around the world through life-changing work in clinical care, biomedical research, medical education and community engagement.

• In the Philippines, Trevi Foundations Philippines joined the donation drive at the invitation of ADJV, the contractor of the Malolos-Clark Railway Project (MCRP) CP N-02. This new 53.1km railway line will connect Malolos to the Clark Economic Zone and Clark International Airport (CIA) in Central Luzon, Philippines. The company purchased and donated food (e.g., rice, canned and dry food, etc.) to the local community in Luzon heavily affected by the flood.

• In Argentina, Pilotes Trevi Sacims continues to support and assist with regular donations of money and various initiatives the "Jardín de Infantiles Nuestra Señora del Valle", the nursery school located in the Bancalari neighbourhood of Don Torcuato and the only full-time day care centre in the area, which allows the parents of the 150 children, aged between 3 and 5, who attend it to carry out their respective jobs with the certainty that their children are cared for in a space where they do both educational and recreational activities.

Another of the Group's strengths in relation to local communities is represented by the ever-increasing degree of diversity in the composition of its staff, which include a multitude of ethnic groups of young talented people who became part of the corporate population.

The call to behave responsibly and with integrity, which derives from the Code of Ethics, and the reference to the creation of a sustainable value is fully expressed by the Group's mission: "We design and build solid and safe structures and foundations for major infrastructures to improve people's quality of life".

The adopted Social Responsibility model reflects these principles and is expressed specifically through:

• the Non-Financial Statement (NFS), which provides an accurate and transparent account of the economic, environmental and social impact of the corporate business;

• contributions to the development of the community of reference, through investments in initiatives of social, educational, cultural and sporting importance. In this context, the projects that the Trevi Group developed together with the Pascal Comandini Technical Institute in Cesena, the I. Follador - U. DE Rossi Institute (Geotechnics) in Agordo and the most recent one with the Mottura Technical Institute in Caltanissetta stand out. As part of this innovative project some business professionals took on the role of teacher. The idea was to bring to the classroom, in addition to knowledge, the work experience gained in the field and transfer to young students experiences and notions that usually elude educational programmes;

• the good results of the previous initiatives inspired the HR department of the Trevi Group to develop a similar training course for the specific figure of the operator of complex machines, such as those built by the Soilmec Division. They are used on construction sites by the Trevi Division. The project called "Hub Operators" was devised and organised with the support of a local construction school that uses the Protocol Aif (Formedil) Patent for Small and Large Diameter Drillers (type of foundation machinery), an indispensable requirement for operating on Trevi's foundation sites;

• the increasing attention to the environment through a programme that monitors and helps reduce the environmental impact of its businesses. This commitment was also recognised by the annual survey "The most climate-conscious companies" conducted by the Italian newspaper Corriere della Sera with Statista, which featured the Group in the three-year period 2021-2022-2023;

• the contribution of the Organisation dedicated to the well-being of employees not only in the workplace but also, in the case of expatriates, to the living conditions and logistics regarding families and children education;

- full compliance with the principles of the Code of Ethics while carrying out its business.

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 PROJECT in order to transpose and implement the provisions within the envisaged deadline (18 months from publication in the same Directive). The preparatory activities for the correct application of the new requirements indicated in the CSRD were therefore begun, in particular:

- the alignment of the current disclosure provided by the Trevi Group with the new requirements introduced by the EFRAG ESRS standards was assessed to identify any main gaps and to be able to implement the necessary improvement actions.

- a specific project was launched for the implementation of ESG modules in the Tagetik CPM Platform to manage the process of preparing the Group's Sustainability Disclosures in an integrated form with the Report on Operations to obtain, starting with the disclosure for the year 2024, a single platform for collecting quantitative and qualitative sustainability KPIs for all Group companies, and to meet the new obligations introduced (solid and verifiable data, structured databases, tracked approvals and responsibilities, electronic format and tagging of ESG information).

Other information

In accordance with Consob notice of 28 July 2006 No. DEM/6064293, it is stated that, in 2023, the Trevi Group did not carry out any atypical and/or unusual transactions, as defined in the notice itself.

Governance and resolutions adopted during the year

- With resolution of the Ordinary Shareholders' Meeting held on 10 May 2023, by a majority vote of those present, what follows was approved: (i) the Financial Statements at 31 December 2022 were approved, accompanied by the Directors' Report, the Report of the Board of Statutory Auditors and the Report of the Independent Auditors; while the Consolidated Financial Statements at 31 December 2022 together with the Consolidated Non-Financial Statement drawn up pursuant to Italian legislative decree 254/2016 were presented; (ii) the first and second section of the 2022 Report on the Remuneration Policy and the Remunerations Paid; (iii) the appointment of a Director to integrate the Board of Directors; (iv) the proposal of a medium/long-term incentive plan pursuant to art. 114-bis of Italian legislative decree No. 58 of 24 February 1998; the integration of the fees of the auditing firm KPMG S.p.A. for the statutory audit assignment.

- On 22 December 2023, the Board of Directors resolved on the approval of the 2023 - 2027 Consolidated Business Plan.

Report on Remuneration

To comply with regulatory requirements and to give shareholders further information for an understanding of the Company, a Report on Remuneration was prepared in compliance with Article 123-ter of the Italian Consolidated Law on Finance, which has been made publicly available at the same time as this Annual Report at the registered office of the Company and Borsa Italiana and on the Company's website www.trevifin.com under the Investor Relations - Corporate Governance section; this notice was filed with Borsa Italiana S.p.A. and with the authorised storage mechanism, E Market Storage, (www.emarketstorage.it), as required by the rules. The Report on Remuneration was approved by the Board of Directors at its meeting on 28 March 2024 and complies with the guidelines of Consob Resolution No. 18049 of 23 December 2011, published in the Italian Official Gazette (G.U.) No. 303 on 30 December 2011, and Italian Legislative Decree No. 49/2019 implementing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (hereinafter, the **"Decree"**) which, with regard to reports on remuneration, amended: (i) Legislative Decree No. 58 of 24 February 1998 (the **"Italian Consolidated Law on Finance"**) and (ii) the Italian Regulation No. 11971 of 14 May 1999 on issuers (the **"Issuer Regulation"**).

Additional information

Breakdown of the share capital

The share capital of TREVI - Finanziaria Industriale S.p.A. at 31 December 2023 amounted to Euro 123,044,339.55, fully subscribed and paid up, and made up of 312,172,952 ordinary shares without nominal value.

At the reporting date, the share capital structure was as follows:

• CDPE Investimenti S.p.A., company controlled by Cassa Depositi e Prestiti S.p.A., that directly holds approximately 21.276% of the share capital;

• Polaris Capital Management, LLC that holds shares equal to approximately 19.950% of the share capital, also in its quality as Registered Investment Advisor pursuant to the US Investment Advisers Act of 1940, on behalf of its investors;

• Lending Banks that hold more than 5% of the share capital;
  -KERDOS SPV S.r.l., company controlled by Stichting Angeles, that directly holds approximately 8.231% of the share capital;

• Several shareholders that hold less than 5% of ordinary shares equal to approximately 50% of the share capital.

Treasury shares and shares of parents
At 31 December 2022 and the date of preparation of this report, the Company held 20 treasury shares, representing 0.00001% of the share capital of the same Company.

Internal Dealing
During 2023, the Company did not receive notices relating to transactions on the investment from the relevant entities.

Related party transactions

On 30 May 2021, the Board of Directors updated, with the favourable opinion of the Related Party Committee, the related party procedure, previously approved by the Board of Directors on 30 May 2018, implementing what envisaged by Art. 2391-bis of the Italian Civil Code, the Related Party Transaction Regulation adopted by CONSOB Resolution No. 17221 of 12 March 2010, as subsequently amended and clarified by CONSOB notices.
The Procedure for Related Party Transactions of the Company is available on the Company's website http://www.trevifin.com.

In accordance with Consob Regulation 11971 of 14 May 1999, at 31 December 2021 there were no investments held personally by Directors and standing Auditors and alternate Auditors, in the Company and in the subsidiaries.

Management and coordination activities

With regard to reporting, pursuant to Art. 2497 of the Italian Civil Code, relating to management and coordination activities possibly performed by parent companies, it is reported that at 31 December 2023 and on the date of this Report, the Company had not made any statements regarding any management and coordination activities on behalf of parent companies at the date of this Report, none of the shareholders exercised any management or coordination activity or held any controlling interest.

At the reporting date, TREVI - Finanziaria Industriale S.p.A. is the Parent of the TREVI Group (and therefore it is the reporting entity of the Group's Consolidated Financial Statements) and, pursuant to Art. 2497 of the Italian Civil Code, it manages and coordinates the directly controlled companies:

• Trevi S.p.A., 99.78% directly held.
• Soilmec S.p.A., 99.92% directly held.
• Parcheggi S.p.A., indirectly held (100% owned by Trevi S.p.A.).

Significant events after the reporting period at 31 December 2023

During the first two months of 2024, the Group acquired orders for approximately Euro 125 million, compared to approximately Euro 80 million acquired in the same period of 2023. The Trevi Division, in particular, acquired orders for approximately Euro 106 million (Euro 76 million in 2023), while the Soilmec Division acquired orders for Euro 25 million (Euro 16 million in the first two months of 2023). The order backlog at 29 February 2024 amounted to Euro 791 million, compared to Euro 557 million at 28 February 2023 (it was Euro 587 million at 31 December 2022 and Euro 720 million at 31 December 2023).

The Group's performance in the first months of the year in terms of order intake, production revenue and backlog was in line with the forecasts for the year 2024.

The Group's Net Financial Debt at 31 January 2024 was Euro 198.9 million compared to Euro 202 million at 31 December 2023.

On 13 February 2024, the 2023-2027 Business Plan, an update to the 2023-2026 Business Plan, was presented to the financial community, examined and approved by the Board of Directors of Trevi - Finanziaria Industriale S.p.A. on 22 December 2024.
For the third year running, the Trevi Group is among "The most climate-conscious companies 2024", according to the survey conducted among over 600 companies by Corriere della Sera and Statista. The survey will appear in the monthly magazine "Pianeta2030" of the Corriere della Sera and on the website

www.corriere.it.
As was the case last year, Trevi - Finanziaria Industriale S.p.A. is one of the "Sustainability Leaders 2024" companies. The survey, which is based on the assessment of the environmental, social and governance performance of leading Italian companies and will be officially presented on 16 May 2024, was conducted by the newspaper "Il Sole 24 Ore" in collaboration with Statista, a German company specialising in statistical analysis.
The subsidiary Trevi Foundation Philippines received an award (Safety Award) for 1 million accident-free hours worked for the Candaba Viaduct Project. Furthermore, in the first months of the year, the ISO 45001, ISO 9001 and ISO14001 certifications were renewed for Trevi S.p.A.

Allocation of the loss for the year attributable to the Company

The profit for the year resulting from the Separate Financial Statements of Trevi Finanziaria Industriale S.p.A. was Euro 1,454,833 and what follows is proposed to the Shareholders' Meeting:

1) allocate 5% of the profit, equal to Euro 72,742, to the Legal Reserve pursuant to Article 2430 of Italian Civil Code;

2) carry forward Euro 1,382,091, corresponding to the portion of the year's profit remaining after allocation to the Legal Reserve as per the previous point.

Outlook

During the financial year, the Group revenue is expected to increase compared to 2023 at a rate of between 5 and 11%, confirming the forecasts for 2024.


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CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 december 2023

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

(in thousands of Euro)

ASSETS	Notes	31/12/2023	31/12/2022
Non-current assets			
Property, plant and equipment			
Land and buildings		35,156	40,226
Plant and machinery		104,301	98,704
Industrial and commercial equipment		20,735	18,131
Other assets		5,002	5,286
Assets under construction and payments on account		4,470	2,255
Total property, plant and equipment	(1)	**169,664**	**164,602**
Intangible assets and goodwill			
Development costs		9,710	8,737
Industrial patents and intellectual property rights		44	425
Concessions, licences and trademarks		7,186	8,226
Goodwill		0	5
Assets under development and payments on account		297	0
Other intangible assets		20	90
Total intangible assets and goodwill	(2)	**17,257**	**17,483**
Equity investments	(3)	425	903
- Equity-accounted investments in associates and joint ventures		*0*	359
- Other equity investments		425	544
Deferred tax assets	(4)	27,884	25,420
Non-current derivatives	(5)	0	0
Other non-current financial assets	(6)	2,224	1,987
- of which from related parties	*(34)*		
Trade receivables and other non-current assets	(7)	0	2,477
Total non-current assets		**217,454**	**212,872**
Assets held for sale		**0**	**0**
Current assets			
Inventories	(8)	114,660	120,779
Trade receivables and other current assets	(9)	271,921	307,786
- of which from related parties	*(34)*	3,326	3,262
Current tax assets	(10)	11,241	6,562
Current derivatives			
Current financial assets	(10a)	17,201	17,545
- of which from related parties	(34)	2,312	4,403
Cash and cash equivalents	(11)	80,838	94,965
Total current assets		**495,861**	**547,637**
TOTAL ASSETS		**713,315**	**760,509**

The Notes are an integral part of these consolidated financial statements.

In the photo on the previous page: Hydromill SC-130 Tiger Soilmec equipment at work at Dubai.

(in thousands of Euro)

EQUITY	Notes	31/12/2023	31/12/2022
Share capital and reserves			
Share capital		122,942	97,374
Other reserves		32,227	29,031
Losses carried forward		(25,714)	(17,660)
Profit/(Loss) for the year		19,107	(19,127)
Equity attributable to the owners of the Company	(12)	**148,562**	**89,618**
Share capital and reserves attributable non-controlling interests		(8,483)	(3,690)
Profit attributable to non-controlling interests		6,825	3,950
Equity/(Deficit) attributable to non-controlling interests		**(1,658)**	**260**
Total equity		**146,904**	**89,878**
LIABILITIES	**Notes**	**31/12/2023**	**31/12/2022**
Non-current liabilities			
Non-current loans and borrowings	(13)	80,468	8,007
Non-current loans and borrowings from other financial backers	(13)	141,470	67,602
Non-current derivatives	(13)	0	0
Deferred tax liabilities	(14)	18,004	18,751
Post-employment benefits	(15)	10,735	11,347
Non-current provisions	(16)	17,470	25,631
Other non-current liabilities	(17)	1,383	2,852
Total non-current liabilities		**269,530**	**134,190**
Current liabilities			
Trade payables and other current liabilities	(18)	203,011	231,747
- of which to related parties	*(34)*	*3,690*	*881*
Current tax liabilities	(19)	11,654	15,940
Current loans and borrowings	(20)	52,278	149,807
Current loans and borrowings from other financial backers	(21)	25,815	136,984
Current derivatives	(22)	0	0
Current provisions	(23)	4,123	1,963
Total current liabilities		**296,881**	**536,441**
TOTAL LIABILITIES		**566,411**	**670,631**
TOTAL EQUITY AND LIABILITIES		**713,315**	**760,509**

The Notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS
Statement of Profit or Loss

(in thousands of Euro)

	Notes	2023	2022
Revenue from sales and services	(24)	581,733	556,611
- of which from related parties	*(34)*	660	*1,082*
Other operating revenue	(24)	13,166	14,078
- of which from related parties	*(34)*	14	*37*
Sub-total of revenue		**594,899**	**570,689**
Changes in inventories of finished and semi-finished products		(6,740)	10,297
Internal work capitalised	(25)	19,229	9,464
Raw materials and consumables		(237,145)	(219,779)
Change in raw materials, consumables, supplies and goods		4,652	(2,900)
Personnel expense	(26)	(130,264)	(122,951)
Other operating expenses	(27)	(172,330)	(180,969)
- of which to related parties	(34)	(2,370)	(174)
Depreciation and amortisation	(1 - 2)	(31,590)	(31,098)
Provisions and impairment losses	(16-23-28)	858	(12,626)
Operating profit		**41,569**	**20,127**
Financial income	(29)	45,640	7,210
(Financial expense)	(30)	(46,094)	(24,340)
Net exchange losses	(31)	(4,163)	(7,460)
Net financial expense		**(4,617)**	**(24,590)**
Adjustments to financial assets		(564)	(280)
Profit/(Loss) before taxes		**36,388**	**(4,743)**
Income taxes	(32)	(10,455)	(10,434)
Profit/(Loss) from continuing operations		**25,933**	**(15,177)**
Profit/(Loss) from assets held for sale			**0**
Profit/(Loss) for the year		**25,933**	**(15,177)**
Attributable to:			
Owners of the Company	(33)	19,107	(19,127)
Non-controlling interests		6,826	3,950
Basic profit /(losses) per share		0.06	(0.13)
Diluted profit/(losses) per share		0.06	(0.11)

The Notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS
Statement of Comprehensive Income

(in thousands of Euro)

Description	2023	2022
Profit/(Loss) for the year	25,933	(15,177)
Items that are or may be reclassified to profit or loss for the year		
Hedging reserve		
Income taxes		
Change in the hedging reserve		
Translation reserve	(16,872)	16,217
Items that are or may be reclassified to profit or loss for the year net of taxes	**(16,872)**	**16,217**
Items that will not be reclassified to profit or loss for the year		
Actuarial gains/(losses)	(97)	487
Income taxes	27	(136)
Items that will not be reclassified to profit or loss for the year net of taxes	**(70)**	**351**
Comprehensive income net of taxes	**8,991**	**1,391**
Owners of the Company	5,998	(1,872)
Non-controlling interests	2,993	3,263

The Notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Profit or Loss

(in thousands of Euro)

Description	Share capital	Other reserves	Losses carried forward	Owners of the Company	Non-controlling interests	Total Equity
01/01/2022	**97,374**	**34,960**	**(40,778)**	**91,556**	**(1,632)**	**89,924**
Loss for the year			(19,127)	(19,127)	3,950	**(15,177)**
Actuarial gains		351		351		**351**
Other comprehensive income		16,880		16,880	(663)	**16,217**
Total comprehensive income		**17,231**	**(19,127)**	**(1,896)**	**3,287**	**1,391**
Allocation of 2021 loss and distribution of dividends		(23,333)	23,340	7	(1,443)	(1,437)
Capital increase						
Acquisitions/disposals and other changes		173	(222)	(48)	48	
31/12/2022	**97,374**	**29,031**	**(36,787)**	**89,618**	**260**	**89,878**

(in thousands of Euro)

Description	Share capital	Other reserves	Losses carried forward	Owners of the Company	Non-controlling interests	Total Equity
01/01/2023	**97,374**	**29,031**	**(36,787)**	**89,618**	**260**	**89,878**
Profit for the year			19,107	19,107	6,826	**25,933**
Actuarial losses		(70)		(70)		**(70)**
Other comprehensive expense		(13,044)		(13,044)	(3,828)	**(16,872)**
Comprehensive income		**(13,114)**	**19,107**	**5,993**	**2,998**	**8,991**
Allocation of 2022 loss and distribution of dividends		(1,506)	1,506	0	(3,349)	(3,349)
Capital increase	25,568	25,815		51,383	0	51,383
Acquisitions/disposals		(8,000)	9,566	1,566	(1,567)	0
31/12/2023	**122,942**	**32,227**	**(6,607)**	**148,561**	**(1,657)**	**146,904**

The Notes are an integral part of these consolidated financial statements.

As specified under paragraph "Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption", as a result of the failure to meet financial covenants at 31 December 2020 relating to loans and borrowings under the Restructuring Agreement existing at that date, in accordance with IFRS 9, these have been presented in the financial statements with a current maturity, although the original maturity date of 2024 remains unchanged. Upon completion of the Capital Increase in January 2023 and the occurrence of the conditions precedent of the New Agreement signed with the Lending Banks at the end of November 2022, current loans and borrowings will be reclassified with a non-current maturity following their rescheduling at 31 December 2026.

CONSOLIDATED FINANCIAL STATEMENTS

Statement of cash flows

(in thousands of Euro)

Description	2023	2022
Profit/(Loss) for the year attributable to the owners of the Company and non-controlling interests	25,933	(15,177)
Income taxes	10,455	10,434
Profit/(Loss) before taxes	**36,388**	**(4,743)**
Amortisation, depreciation and impairment losses	32,657	31,797
Net financial income	454	17,129
Change in provisions for risk and charges and for post-employment benefits	0	(1)
Provisions for risks and charges	(227)	12,733
Use of provisions for risks and charges	(5,474)	(11,024)
Adjustments to financial assets and discontinued operations	564	280
Losses from the sale of or impairment losses on non-current assets	(149)	(2,463)
Other adjustments for non-monetary items	920	0
(A) Cash flows from continuing operations before changes in the Working Capital	**65,133**	**43,708**
(Increase)/Decrease in inventories	914	(7,608)
(Increase)/Decrease in trade receivables	18,178	(32,964)
Increase/(Decrease) in trade payables	(27,501)	32,330
(Increase)/Decrease in other assets/liabilities	15,888	(43)
(B) Changes in working capital	**7,479**	**(8,285)**
(C) Financial income collected/Interest expense paid	(12,922)	(2,799)
(D) Taxes paid	(14,694)	(10,155)
(E) Cash flows from continuing operations (A+B+C+D)	**44,996**	**22,469**
Investing activities		
Investments	(46,604)	(18,995)
Net change in financial assets	(831)	3,723
(F) Cash flows used in investing activities	**(47,435)**	**(15,272)**
Financing activities		
Increase/(Decrease) in Share Capital and reserves for the repurchase of treasury shares	0	0
Collections for share capital increase	18,554	6,446
Changes in loans, financing, derivatives, finance leases and other financing	(20,310)	2,488
Dividends paid	(3,170)	(970)
(G) Cash flows used in financing activities	**(4,926)**	**7,964**
(H) Change in assets/(liabilities) associated with discontinued operations	**0**	**0**
Net Change in Cash Flows (E+F+G+H)	**(7,365)**	**15,161**
Opening cash and cash equivalents	**94,965**	**77,647**
Change in cash flows for assets held for sale	0	0
Effects of exchange fluctuations on cash and cash equivalents	(6,762)	2,204
Scope change effect	0	(47)
Net change in cash flows	(7,365)	15,161
Closing cash and cash equivalents	**80,838**	**94,965**

The Notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the Consolidated Financial Statements as at and for the year ended 31 December 2023

TREVI – Finanziaria Industriale S.p.A. (hereinafter the "**Company**") and the companies that it controls (hereinafter "**TREVI Group**" or the "**Group**") carry out their activities in the segment 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. Euronext Milan segment.

Basis of preparation

These Consolidated Financial Statements were approved by the Board of Directors on 28 March 2024.

The 2023 Consolidated Financial Statements were prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and with the provisions of Article 9 of Italian Legislative Decree No. 38/2005. IFRS means also all International Accounting Standards (IAS) that have been reviewed and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC). The Consolidated Financial Statements were prepared in accordance with the historical cost principle except for derivatives, which were measured at fair value. The Consolidated Financial Statements are presented in thousands of Euro, unless otherwise indicated. The Consolidated Financial Statements provide comparative information in relation to the previous year.

The Consolidated Financial Statements of the Trevi Group were prepared on a going concern basis.

Specifically, at the time of the approval of the draft of the 2023 financial statements, the Board of Directors carried out all the necessary assessments relating to the going concern assumption also taking into account, to this end, all the available information referring to foreseeable future events.

In assessing whether the going concern assumption was appropriate or not also with regard to these financial statements, 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 consolidated financial statements at 31 December 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 the light of what mentioned under paragraph "Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption", the Directors prepared the Consolidated Financial Statements at 31 December 2022 on a going concern basis.

In the photo on the previous page: Fiumedinisi Viaduct, MECT nord Lotto 2, Messina, Italy

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 2023 financial statements (separate and consolidated) of the Company and the Group 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 Interim Financial Report at 30 June 2023, 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 the Interim Financial Report; and **(b)** the risk arising from any failure to achieve the recovery goals, as set out in the 2022-2026 Consolidated Plan (as therein defined).

At the time of approval of the Interim Financial Report at 30 June 2023, 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 (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 Interim Financial Report, to be taken into account up to the date of preparation of these financial statements, considering the events that have occurred in the meantime and, in particular, the update of the 2022-2026 Consolidated Plan, with an extension of its duration by one year to 2027, as well as new information available about the performance and its outlook.

Assessments relating to the going concern assumption

In assessing whether the going concern assumption was appropriate or not also with regard to these financial statements, 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 consolidated financial statements at 31 December 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 Interim Financial Report at 30 June 2023, 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

With the aim of assessing the risks linked to the achievement of the 2022-2026 Consolidated Plan's projected goals, on 23 April 2021, the Board of Directors approved a business plan for the period 2021-2024. This 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 Financial Restructuring (as therein defined), agreed with the Group's Lending Banks (the "**Lending Banks"**), was therefore approved by the Board of Directors of the Company on 29 September 2022 (the "**2022-2026 Consolidated Plan**").

On 22 December 2023, the Board of Directors of the Company approved an update of the 2022-2026 Consolidated Plan, extending its duration by one year to 2027 and confirming the original strategic guidelines and the goals envisaged in the recovery plan approved by the Board on 17 November 2022, within the time frame and in the manner required (the "**2023-2027 Consolidated Plan**").

Consistently with assessments made at the time of the approval of the 2023 interim 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 time frame and manner requested (as confirmed within the 2023-2027 Consolidated Plan), the achievement of a financial rebalancing.

Specifically:

- the 2022- 2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 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, within the time frame and manner required, a balanced financial position and performance, such as to allow the refinancing of the remaining debt at market conditions;
- the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by 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;
- the Financial Restructuring reflected within the Restructuring Agreement (as therein defined), whose content has been subject to comments of both institutional shareholders (*i.e.*, CDPE and Polaris as therein defined) 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, currently confirmed in the 2023-2027 Consolidated Plan;
- the updated 2022-2026 Consolidated Plan shows that the financial covenants set forth in the Restructuring Agreement (*i.e.*, the ratio of consolidated net financial debt to consolidated gross operating profit and the ratio of consolidated net financial debt to consolidated equity) were always met over the relevant plan period.

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan were 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.

Furthermore, Gian Luca Lanzotti - a professional appointed by Lending Banks who, in accordance with what

provided for by the Restructuring Agreement, was entrusted 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 two reports on the activities carried out by him, a report dated 3 August 2023 related to the six-month period from his appointment to 25 July 2023 and a report dated 2 February 2024 related to the six-month period from 26 July 2023 to 25 January 2024, in which he confirmed the compliance with the obligations provided for by the Restructuring Agreement.
Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by the Trevi Group results of the year ended 31 December 2023 which show revenue and recurring EBITDA higher than those expected in the 2022-2026 Consolidated Plan. Furthermore, the order intake in 2023 amounted to approximately Euro 741 million, up by 12% compared to the previous year, while the order backlog amounted to Euro 720 million, marking a significant increase compared to 31 December 2022 (Euro 587 million). The net financial debt amounted to Euro 202 million at 31 December 2023, which is lower than what expected in the 2022-2026 Consolidated Plan. The Group's performance in the first few months of 2024, 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 2024. 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 Company'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 Company'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. (d) 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 Plan;
g) the extension of the maturity date of the Bond Issue to 2026.

Also on 17 November 2022, the Company’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 Company and the Trevi Group; (**ii**) pursuant to the proxy granted by the shareholders’ meeting of 11 August 2022 - the Company’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 Company 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 Company 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 Company 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 Trevifin 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 Company 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. At 31 December 2023, the Group equity amounted to Euro 146.9 million (marking an increase of Euro 57.3 million compared to 31 December 2022).
- the Group's net financial debt, which at 31 December 2022 amounted to Euro 251.2 million, was affected by the decrease of approximately Euro 52 million recorded in January 2023 as a result of the Financial Restructuring. At 30 June 2023, the net financial debt amounted to Euro 187.1 million, compared to Euro 202 million at 31 December 2023 (decreasing by Euro 49.2 million compared to 31 December 2022).
- in this regard, the residual debt of the Group was almost entirely rescheduled as part of the Financial Restructuring. Specifically, a substantial portion of the medium/long-term debt towards 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.

Furthermore, the actual results of the Trevi Group Consolidated Financial Statements at 31 December 2023 meet the financial covenants envisaged in the Restructuring Agreement. In particular, the ratio of consolidated net financial debt to the consolidated recurring gross operating profit at 31 December 2023 was 2.71x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 3.75x), while the ratio of the consolidated net financial debt to the consolidated equity was 1.37x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 2.60x).

Expected liquidity trend over the next 12 months

Consistently with assessments made at the approval of the Interim Financial Report at 30 June 2023, an element that has been assessed with particular attention 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 interim financial report on the basis of actual data and extended these forecasts until 31 March 2025. 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 for by 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 situations of cash flow tension may arise during the 12 months subsequent to the reporting date, the following should be noted.

First of all, the Company'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 March 2024 (with figures updated at that date), analysing the expected liquidity trend up to 31 March 2025. 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 Company 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 February 2024, 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 07 March 2024, again in accordance with the requirements of the Restructuring Agreement, the Company provided the Lending Banks with a forecast budget for the current year and up to 31 December 2024, 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 these draft financial statements, examined the update of this liquidity analysis up to 31 March 2025, 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 March 2025. 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 are shared on a periodical basis with the Lending Banks, and (**iii**) at 31 December 2023, the Trevi Division acquired orders equal to approximately 86% of the revenue expected to be generated in 2024 and the Soilmec Division acquired orders equal to approximately 21% of the revenue expected to be generated in 2024, 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 Company and the Group are exposed, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan (as updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan), the Directors deem it appropriate to adopt the going concern basis for preparing the Financial Statements of Trevi Finanziaria Industriale S.p.A. and the Trevi Group at 31 December 2023.

Financial statements

The Statement of Profit or Loss aggregates costs and revenue by nature, as this classification is deemed more useful for the purpose of understanding the Group's financial performance.

The Statement of Comprehensive Income includes the profit or loss for the year and changes in equity other than owner transactions.

The Statement of Financial Position is classified based on the operating cycle, with the distinction between current and non-current items. On the basis of this distinction, assets and liabilities are considered current, if they are assumed to be realised or settled within the Group's normal operating cycle and within 12 months after the reporting date.

The consolidated Statement of Cash Flows is prepared using the indirect method for determining the cash flows derived from investing or financing activities.

In order to prepare these Consolidated Financial Statements, the Company and its Italian and foreign subsidiaries prepared the individual statements of financial position, statements of profit or loss, statements of comprehensive income and statements of cash flows in compliance with IFRS, adjusting their own financial statements prepared in accordance with local regulations. The reporting packages of subsidiaries, associates and joint ventures are available at the registered office of Trevi Finanziaria Industriale S.p.A.

Consolidation Criteria

The Consolidated Financial Statements include the financial statements of Trevi Finanziaria Industriale S.p.A. and its subsidiaries at 31 December 2023.

Subsidiaries:

Control is obtained when the Group is exposed or has the right to variable returns, derived from its relationship with the investee and, at the same time, has the ability to influence these returns by exercising control over that entity.

Specifically, and in accordance with the provisions of IFRS 10, companies are defined as subsidiaries, if and only if the Company has:

- Power over the investee (or has valid rights that give it the current ability to direct the relevant activities);
- Exposure or rights to variable returns from its involvement with the investee;

- The ability to use its power over the investee to affect the amount of its returns.

When the Group holds less than the majority of voting rights (or similar rights), it must consider all relevant facts and circumstances in order to establish whether it controls the investee.

The Group reconsiders whether or not it has control over an investee if the facts and circumstances indicate that there have been changes to one or more of the three elements that are relevant for the purposes of defining control.

The Financial Statements of all the subsidiaries have the same reporting date as the Company.

The Financial Statements of the subsidiaries are consolidated using the line-by-line method from the moment control is acquired until the date of its possible termination. The line-by-line method requires that assets, liabilities, expense and revenue of the consolidated companies are assessed on a line-by-line basis for the preparation of the consolidated financial statements, attributing the share of equity and the profit or loss for the year to the relevant Statement of Financial Position, Statement of Profit or Loss and Statement of Comprehensive Income items.

Pursuant to IFRS 10, the overall loss (including the profit/loss for the year) is attributed to the owners of the Company and to the non-controlling interests, even when the equity attributable to non-controlling interests shows a deficit balance.

Amounts payable/receivable and expense/revenue between the companies included in the scope of consolidation are derecognised, as are the effects of all significant transactions between them. Unrealised gains with third parties deriving from intragroup transactions are eliminated, including those derived from the measurement of inventories at the reporting date.

The carrying amount of investment in each subsidiary is eliminated against the corresponding portion of equity of each subsidiary, including any adjustments to fair value at the date of acquisition of control. On that date, goodwill is determined as follows and is recorded under intangible assets, while any “gain from a purchase at a favourable price (or negative goodwill)” is recognised in the statement of profit or loss.

Pursuant to IFRS 10, the partial disposal of an investment in a subsidiary while control is retained is accounted for as an equity transaction. Under these circumstances, the carrying amount of controlling and non-controlling interests is adjusted to reflect the changes of the investment in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company. If the Company loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and the liabilities of the subsidiary, based on their carrying amounts when control is lost;
- derecognises the carrying amounts of any previous non-controlling interests in the former subsidiary, when control is lost (including any other component of comprehensive income attributable to it);
- recognises the fair value of the consideration received as a result of the transaction, event or circumstances that led to the loss of control;
- recognises, if the transaction that led to the loss of control implies a distribution of the shares of the subsidiary to the shareholders in their capacity as owners, said distribution;
- recognises any investment previously held in the former subsidiary at the respective fair value, on

the date of the loss of control;

- reclassifies under profit or loss for the year, or to retained earnings if required under IFRS, amounts previously recognised under other statement of profit or loss items with regard to the subsidiary;
- recognises the gain or the loss associated with the loss of control attributable to the former controlling interest.

Associates:

Associates are those companies over which the Group exercises significant influence. Significant influence is the power to participate in determining the financial and management policies of the investee, without having control or joint control over it. Influence is presumed when the Group holds a significant share (between 20% - 10% for investments in listed companies - and 50% of voting rights in the Shareholders' Meeting).

Investments in associates are recognised in the Consolidated Financial Statements by applying the equity method in accordance with IAS 28 ("Investments in associates and joint ventures").

The investment is initially recognised at cost and adjusted following the acquisition according to the change in the investor's share of the equity of the investee.

The Group's share of profits or losses following the acquisition of investments in associates is recognised under the profit or loss for the year.

Unrealised gains or losses from transactions with associates are eliminated based on the Group's share in those companies.

Following the application of the equity method, the Group assess whether it is necessary to recognise an impairment loss with respect to its investment in the associate. At each reporting date, the Group assesses whether there is any objective evidence that the investment in the associate is impaired. In this case, the Group calculates the impairment as the difference between the recoverable amount of an investment in an associate and its carrying amount and recognises any difference in its consolidated financial statements under "share of profit/loss of associates".

After the loss of significant influence on the associates, the Group evaluates and recognises the residual investment at fair value. The difference between the carrying amount of the investment at the date of loss of significant influence and the fair value of the residual investment and the amounts received is recognised in the statement of profit or loss.

Joint Ventures:

IFRS 11 - ("Joint arrangements") defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A Joint Venture is a joint arrangement in which the parties that hold joint control have rights over the net assets of the arrangement. Under IFRS 11, a joint venturer recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 ("Investments in associates and joint ventures").

<u>Translation into Euro of the Financial Statements of foreign companies</u>:

The consolidated Financial Statements are presented in Euro, as the functional and presentation currency adopted by the Company. The translation into Euro of the Financial Statements of the foreign companies subject to consolidation is carried out based on the current exchange rate method, which requires the use of closing rates for the statement of financial position items and the average exchange rates for the year for the statement of profit or loss items. Differences derived from the translation of the opening equity to the closing rates compared to the opening amount and the amounts arising from the translation of the Statement of Profit or Loss at the average exchange rates for the year, are recorded in a translation reserve included in the Statement of Comprehensive Income.

Exchange gains and losses resulting from the application of this method are an entry in the Statement of Comprehensive Income up to the termination of the investment, at which time these gains and losses are recorded in the Statement of Profit or Loss.

Here follows the exchange rates used in 2023 (foreign currency equal to 1 Euro, according to Bank of Italy data):

Currency		Average exchange rate in 2023	Closing rate at 31/12/2023	Average exchange rate in 2022	Closing rate at 31/12/2022
United Arab Emirates Dirham	AED	3.97	4.06	3.87	3.92
Argentine Peso	ARS	314.11	892.92	136.78	188.50
Australian Dollar	AUD	1.629	1.626	1.52	1.57
Brazilian Real	BRL	5.40	5.36	5.44	5.64
Swiss Franc	CHF	0.97	0.93	1.0047	0.9847
Chilean Peso	CLP	908.20	977.07	917.85	913.82
Chinese Renminbi	CNY	7.66	7.85	7.08	7.36
Colombian Peso	COP	4675.00	4267.52	4473.39	5172.47
Danish Krone	DKK	7.45	7.45	7.44	7.44
Algerian dinar	DZD	146.94	148.27	149.65	146.50
Euro	EUR	1.00	1.00	1.00	1.00
Pound Sterling	GBP	0.8698	0.8691	0.85	0.89
Hong Kong Dollar	HKD	8.46	8.63	8.25	8.32
Indian Rupee	INR	89.30	91.90	82.69	88.17
Japanese Yen	JPY	151.99	156.33	138.03	140.66
Kuwait Dinar	KWD	0.33	0.34	0.32	0.33
Libyan Dinar	LYD	5.20	5.27	5.06	5.15
Mexican Peso	MXN	19.18	18.72	21.19	20.86
Mozambican Metical	MZN	69.14	70.59	67.38	68.25
Nigerian Naira	NGN	695.01	974.09	445.37	477.92
Norwegian Crown	NOK	11.42	11.24	10.10	10.51
Omani Rial	OMR	0.42	0.42	0.40	0.41
Philippine Peso	PHP	60.16	61.28	57.31	59.32
Qatari Riyal	QAR	3.94	4.02	3.83	3.88
Romanian Leu	RON	4.95	4.98	4.93	4.95
Russian Ruble	RUB	n.a.	n.a.	88.39	n.a.
Saudi Riyal	SAR	4.05	4.14	3.9491	4.00
Swedish Krona	SEK	11.48	11.10	10.63	11.12
Singapore Dollar	SGD	1.45	1.46	1.45	1.43
Thai Baht	THB	37.63	37.97	36.86	36.84
Turkish Lira	TRY	25.76	32.65	17.41	19.96
US dollar	USD	1.0813	1.1050	1.0531	1.0666
Uruguayan Peso	UYU	41.98	43.16	43.41	42.50

Scope of consolidation

Compared to 31 December 2022, the following changes occurred in the scope of consolidation of the Trevi Group.

In the first half of 2023, Dragados Y Obras Portuarias S.A. - Pilotes Trevi S.A. - Concret Nor S.A. - UT., an Argentinian consortium that is 35.5% jointly controlled by Pilotes Trevi, was included in the scope of consolidation. The company is proportionally consolidated.

On 21 December 2023, Trevi S.p.A. acquired from Sofitre S.r.l. 40% of the share capital of Parcheggi S.p.A., a company active in the management and maintenance of car parks. This transaction completes the acquisition of the entire capital of the company already started at the end of 2021.

On 23 November 2023, the liquidation process of the Italian subsidiary 6V Srl and its exclusion from the scope of consolidation were completed.

On 14 December 2023, the process of merger through incorporation of RCT Srl and of the Dutch Holding, Trevi Contractors BV in Trevi S.p.A. Italia was finalised. Both companies were excluded from the scope of consolidation.

During the last six months of the year, the American JV Trevi Soletanche, which completed its operational activities, was deconsolidated and Trevi Bangladesh Ltd was established, fully held by the Trevi Group through the Italian subsidiary Trevi S.p.A. for 99% and Trevi Construction Co. Ltd for the remaining 1%.

The associates in which the Company directly or indirectly holds a non-controlling interest and the Joint Ventures are measured at equity. Annex 1a shows investments measured at equity. The equity accounting is carried out using the last approved financial statements of these companies as a reference.

Non-controlling interests and investments in minor consortia or non-operating companies for which no fair value exists are measured at cost and adjusted for any impairment losses. In particular, limited liability consortium companies and consortia, specifically founded as operating entities for initiatives or work acquired in a temporary grouping of companies, which present financial statements with no profit as they offset the costs directly incurred through corresponding charges to the combined companies, are measured at cost.

The company Hercules Trevi Foundation A.B. was measured at cost, being its dimension deemed immaterial. This company was established in previous years in order to execute works in the relevant countries. The percentage held is the following:

Company	***% of investment***
Hercules Trevi Foundation A.B.	49.89%

For further details concerning investments measured at cost, reference should be made to the Group Organisational Chart (Annex 2).

Accounting policies and basis of preparation

The most significant accounting policies and basis of preparation adopted for preparing the Consolidated Financial Statements at 31 December 2023, in line with those adopted in the previous year, are the following:

Property, plant and equipment and right-of-use assets

Property, plant and equipment are measured at cost as established by the IAS 16. Under this standard, Property, Plant and Equipment are recognised at their acquisition or production cost, including direct costs incurred and subsequently adjusted for depreciation, impairment losses and reversals of impairment losses.

Depreciation is calculated and recognised in the Statement of Profit or Loss on a straight-line basis, over the estimated useful life of the asset, based on the depreciable amount, equal to the cost of the asset at the recognition date less its residual value.

Borrowing costs directly attributable to the acquisition, construction or production of an asset are recognised in the Statement of Profit or Loss.

The capitalisation of the costs related to the expansion, modernisation or improvement of structural components owned or used by third parties is performed exclusively within the limits in which they meet the requirements to be classified separately as an asset, or as part of an asset.

The depreciable amount of each significant component of an asset, having a different useful life, is allocated on a straight-line basis over its estimated useful life.

Description	Years	%
Land	Indefinite useful life	-
Industrial buildings	33	3%
Light constructions	10	10%
General equipment and accessories	20	5%
Drilling equipment	13	7.5%
Miscellaneous and minor equipment	5	20%
Motor vehicles	5-4	18.75%-25%
Transport vehicles	10	10%
Excavators and shovels	10	10%
Office furniture and fittings	8.3	12%
Electro-mechanical machinery for office use	5	20%
Watercrafts	20	5%

The depreciation criteria used, the useful life and the residual value are reviewed and redefined at least at the end of each year, in order to take into account any significant changes, and are adjusted prospectively where necessary.

The capitalised costs for leasehold improvements are recognised in the relevant asset category and depreciated over the shorter of either the residual lease term or the residual useful life.

The carrying amount of Property, Plant and Equipment is maintained in the Statement of Financial Position as long as that amount can be recovered from their use. The carrying amount of an item of Property, Plant and Equipment is derecognised at the moment of its sale or when no future economic benefits are expected from its use or sale. Any associated gains or losses (calculated as the difference between the consideration received and the carrying amount) are included in the Statement of Profit or Loss at the time of elimination.

Ordinary maintenance costs are fully recognised in the Statement of Profit or Loss. Those costs that are of an incremental nature, as they prolong the useful life of property, plant and equipment, are capitalised.

Right-of-use assets are measured under IFRS 16.

Leases

The Group assesses at the inception of the contract whether it is, or contains, a lease. In other words, it assesses if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration. The definition of an agreement as a lease (or containing a lease) depends on the substance of the transaction and requires a judgement on whether it depends on the use of one or more specific assets or if the agreement transfers the right to use these assets.

The Group as lessee

The Group adopts a single recognition and measurement model for all leases except for short-term leases and leases of low value. The Group recognises the liabilities relating to lease payments and the right-of-use asset representing the right to use the asset underlying the contract.

i) Right-of-use asset

The Group recognises the right-of-use asset on the inception date of the lease (*i.e.*, the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at or before the commencement date, less any incentives received.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

ii) Lease liabilities

At the commencement date, the Group recognises the lease liability measuring the present value of the lease payments that are not paid at that date. Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments include also the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Group uses the incremental borrowing rate at the commencement date, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes in the lease or for changes in the contractual terms for the change in payments; it is also restated in the event of changes in the assessment of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments.

Short-term leases or leases of low-value assets

The Group applies the exemption for the recognition of short-term leases (*i.e.*, leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Group also applied the exemption for leases relating to low-value assets with reference to leases of equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

Leases where the lessor is substantially responsible for all the risks and rewards of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term and is included among other operating revenue in the Statement of Profit or Loss due to its operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Business combinations

Business combinations are recognised using the acquisition method. Under this method, the cost of an acquisition is measured as the sum of the consideration transferred, measured at fair value at the acquisition date (calculated as the sum of the fair values of other assets transferred and liabilities assumed by the Group at the date of acquisition and of any equity instruments issued in exchange for control of the acquired entity and the amount of non-controlling interests in the entity acquired). All other costs directly associated with the transaction are immediately expensed in the Statement of Profit or Loss.

Identifiable assets acquired and liabilities assumed are recognised at their fair values at the acquisition date; the following items are instead measured according to the accounting standard of reference:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liabilities or equity instruments relating to share-based payments of the acquired company or share-based payments relating to the Group issued in exchange for contracts of the acquired entity.
- Assets held for sale and discontinued operations.

Goodwill is measured as the difference between the sum of the consideration paid, the equity attributable to non-controlling interests, the fair value of any previously held equity interest in the entity and the fair value of the net assets acquired less the liabilities assumed at the date of acquisition. If the difference between the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of the consideration paid, the equity attributable to non-controlling interests and the fair value of any previously held equity interest in the entity acquired, the excess sum is immediately recognised in the Statement of Profit or Loss as income from the transaction.

Non-controlling interests are measured at the transaction date using either the fair value of the non-controlling interests or the proportionate interest of the net identifiable assets of the entity acquired. The method used is decided on a transaction-by-transaction basis.

Any contingent considerations in the business combination contract are measured at fair value on the acquisition date and included in the consideration paid for the business combination in order to measure goodwill. Any subsequent adjustments to this fair value, which are considered a measurement period adjustment, are included in goodwill retrospectively. Adjustments to fair value that are measurement period adjustments are those arising from additional information that affects the facts and circumstances as they existed at the acquisition date, obtained during the measurement period (which cannot exceed twelve months from the date of the business combination).

When a business acquisition is achieved in stages, any equity interest previously held by the Group is measured at fair value at the date of obtaining control and any resulting profits or losses are recognised in the Statement of Profit or Loss. Any amounts deriving from the previously held interest and recognised in other comprehensive income or expense are reclassified to the Statement of Profit or Loss as if the interest had been sold.

If the initial accounting for a business combination can be calculated only provisionally by the end of the first reporting period, the Group uses provisional amounts in the Consolidated Financial Statements for those entries where calculation is impossible. These provisional amounts are adjusted in the measurement period to take into account the new information obtained on facts and circumstances as they existed at the acquisition date that, if known, would have had an effect on the amount of the assets and liabilities recognised at that date.

Business combinations from before 1 January 2010 were recognised under the previous version of IFRS 3.

Goodwill

Goodwill arising on a business combination is recognised at cost on the date of acquisition as described in the preceding section. Goodwill is not amortised but is subject to impairment testing at least annually and more frequently if there is any evidence of impairment ("impairment test"). In order to test for impairment, goodwill acquired in a business combination is allocated at the acquisition date to the Group cash generating units that will benefit from the synergies of the combination irrespective of whether other assets or liabilities of the entity acquired are assigned to those cash generating units. After initial recognition, goodwill is measured at cost, net of any accumulated impairment losses.

At the time of sale of a part or of the entire entity previously acquired, from the purchase of which goodwill emerged, the capital gain or loss on the sale takes account of the residual value of the goodwill.

Intangible assets

Intangible assets acquired separately or produced internally, in the case of development costs, are recognised as assets when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. These assets are measured at acquisition or development cost.

Intangible assets having a finite useful life are amortised on a straight-line basis over the estimated useful life of the assets as follows:

- *Development costs:*

Research costs are recognised in the Statement of Profit or Loss at the time they are incurred. Development costs that are required by IAS 38 to be classified as an asset (only after the technical and commercial feasibility of the asset for sale or use has been established, this means that the entity must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits) are usually amortised based on their estimated future useful life from the moment such assets are available for economic use. The useful life is revised and modified if there is any estimated change in its future usefulness.

- *Industrial patents, intellectual property rights, concessions, licences and trademarks:*

These are measured at cost net of accumulated amortisation, calculated on a straight-line basis over the expected period of use unless significant impairment losses are detected. The amortisation criteria used, the useful life and the residual value are re-examined and recalculated at least as often as at the end of each reporting period in order to take into account any significant changes.

Intangible assets with an indefinite useful life are not amortised but are tested annually for impairment, both individually and at cash generation levels. Assessment of indefinite useful life is revised annually to determine if this evaluation is still justifiable, otherwise the change from indefinite useful life to finite useful life is applied prospectively.

Impairment of assets

The Group tests intangible assets (including capitalised development costs) for impairment at least once a year as defined by IAS 36, in order to determine if there are any indications that an asset has been impaired. The recoverable amount of property plant and equipment (land and buildings, plant and machinery, industrial and commercial equipment, other assets and assets under construction) is tested for impairment any time there is an indication that an asset has been impaired.

If there is evidence of impairment, the carrying amount of the asset is reduced to the recoverable amount. The impairment is allocated to non-current assets in a proportion pro-rata to other non-current assets, until the carrying amount is zeroed, or up to the market value of the individual asset documented by a specific appraisal attesting this market value. The recoverable amount is tested at the level of the cash-generating unit.

The recoverable amount of the asset is the higher of its fair value less costs to sell and its value in use. To determine the value in use of the cash-generating unit, the Group calculates the present value of estimated future cash flows, before tax, by applying a pre-tax discount rate that reflects the current market valuations of the time value of money and the specific risks of the activity. An impairment loss is recognised if the recoverable amount is lower than the carrying amount.

When the impairment loss of an asset no longer exists or decreases, the carrying amount of the asset or cash-generating unit is reinstated only up to the new estimate of the recoverable amount. The reinstated amount cannot exceed the value that would have been measured if there had been no impairment.

Reversal of an impairment loss is immediately recognised in the Statement of Profit or Loss.

<u>Financial assets and financial liabilities</u>

Financial assets and liabilities are measured in accordance with IFRS 9.

Depending on the characteristics of the instrument and the business model adopted for its management, financial assets are classified into the following three categories:

(i) amortised cost, for financial assets held with the aim of collecting the contractual cash flows that pass the SPPI (Solely Payment of Principal and Interest) test as the cash flows exclusively represent payments of principal and interest. This category includes trade receivables, other operating receivables included in other current and non-current assets, and financial assets included in other current and non-current financial assets.

(ii) fair value through other comprehensive income (FVOCI), for financial assets held in order to collect contractual cash flows, represented exclusively by the payment of principal and interest, and to realise their value through transfer (so-called held to collect and sell business model). Changes in fair value are recognised with a balancing entry in OCI, to then be released to the Statement of Profit or Loss at the time of the derecognition.

(iii) fair value through profit or loss (FVTPL), for assets that failed to pass the SPPI test and those held for trading. In this case, changes in fair value are recognised with a balancing entry in the Statement of Profit or Loss.

Initial recognition takes place at fair value. For trade receivables without a significant financial component, the initial carrying amount is represented by the transaction price. After initial recognition, financial assets that generate contractual cash flows that represent exclusively principal and interest payments are measured at amortised cost, if held for the purpose of collecting the contractual cash flows (the so-called held to collect business model). In accordance with the amortised cost method, the initial recognition amount is subsequently adjusted to take into account principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial carrying amount. Amortisation is based on the effective interest rate which represents the rate that makes the present value of expected cash flows and the initial carrying amount equal at the time of initial recognition. Trade receivables and other financial assets measured at amortised cost are presented in the statement of financial position, net of the corresponding loss allowance. The financial assets representing debt instruments whose business model includes the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal (the so-called held to collect and sell business model), are measured at fair value through other comprehensive income (hereinafter the "FVTOCI"). In this case, changes in the fair value of the instrument are recognised under equity among other comprehensive income. The cumulative amount of changes in fair value, recognised in the equity reserve which includes the other comprehensive income, is reversed to the statement of profit or loss when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange differences and impairment losses are recognised in the Statement of Profit or Loss. A financial asset representing a debt instrument held for trading or that, although falling within the HTC or HTC&S business models, failed to pass the SPPI test, is measured at fair value with the effects recognised in the statement of profit or loss (from now on FVTPL). Transferred financial assets are derecognised when the contractual rights to receive the cash flows of the financial assets expire, or when they are transferred to third parties. The assessment of the recoverability of the financial assets representing debt instruments not measured at fair value through profit or loss is made on the basis of the so-called "Expected Credit Loss model".

Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at cost, corresponding to the fair value of the consideration received net of the ancillary charges related to obtaining the instrument. After initial recognition, loans and borrowings are measured using the amortised cost method. This method requires amortisation to be determined using the effective interest rate, represented by the rate that makes the amount of the expected cash flows and the initial carrying amount equal at the time of initial recognition. The ancillary charges for financing transactions are classified under liabilities in the statement of financial position as a reduction of the loan granted and the amortised cost is calculated by taking into account these charges and any discount or premium included at the time of adjustment. The statement of profit or loss effects of the measurement according to the amortised cost method are recognised in the item "Financial income/(expense)".

Financial assets

The fair value of financial assets is measured on the basis of listed offer prices or financial models. The fair value of unlisted financial assets is estimated using measurement techniques appropriate to the characteristics of the issuer. Financial assets for which the present value cannot be reliably determined are accounted for at cost less impairment losses.

At the end of each reporting period, the presence of any indications that assets may be impaired is assessed and any losses are recognised in the Statement of Profit or Loss. Previously recognised impairment losses are reversed if the reason for the original recognition of the impairment no longer exists.

Treasury shares

In accordance with IAS 32, when equity instruments are reacquired, these treasury shares are deducted directly from equity under the entry Treasury shares. Gains or losses are not recognised in the Statement of Profit or Loss on the purchase, sale or cancellation of treasury shares.

Any consideration paid or received, including any transaction costs directly attributable to the capital transaction, net of any associated tax benefit, is recognised directly as a change in equity.

The voting rights of treasury shares are cancelled, as is their right to dividends. Treasury shares are used to meet the obligations of any options on shares that are exercised.

Equity investments in other companies

Investments in entities other than subsidiaries, associates or joint ventures, for which reference is made to the scope of consolidation, are recognised at the acquisition date under the item "Equity investments" and measured at cost when the fair value cannot be measured reliably; in this case the cost is adjusted for any impairment in accordance with IFRS 9.

Grants

Grants are recognised, regardless of the existence of a formal granting, when there is a reasonable assurance that the entity will comply with any conditions attached to the grant and that the grant will be received, in accordance with IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance").

The grant is recognised in the Statement of Profit or Loss based on the useful life of the asset for which it is granted, by means of the deferral method in order to deduct the calculated depreciation.

A grant receivable as compensation for costs already incurred or for immediate financial support to the entity with no future related costs shall be recognised in the Statement of Profit or Loss of the period in which it is receivable.

Inventories

Inventories are recorded at the lower of purchase cost and net realisable value; any write-down accounted for following impairment is reversed if in future financial periods the causes of the impairment no longer exist.

The cost is calculated using the average weighted cost method for raw materials, ancillary materials, consumables and semi-finished products and the specific cost for the other categories of inventories.

The net realisable value is the estimated selling price in the ordinary course of business, less the estimated completion costs and the estimated costs necessary to make the sale.

Trade receivables and other current assets

Receivables are recorded at amortised cost or, if lower, at their estimated realisable value. If this is expressed in foreign currency, receivables are measured at the closing exchange rate. Receivables due within normal payment terms or which carry interest at market rates are not discounted but are recognised at nominal value net of the loss allowance, with direct deduction of the receivables themselves, so their carrying amount is in line with the estimated realisable value.

This item of the Statement of Financial Position also includes the portions of costs and revenue spread over two or more years on an accruals basis.

Factoring of receivables

The Group factors some of its trade receivables and tax assets. Transfer of receivables may be recourse or non-recourse.

Some non-recourse transactions include deferred payment clauses (*e.g.*, the payment of a minor part of the purchase price by the factor is subject to total recovery of the receivables), require a guarantee on behalf of the seller or imply continued material exposure to in cash flows from the receivables transferred.

This type of transaction does not comply with the requirements of IFRS 9 for the derecognition of assets from the Financial Statements, as the relevant risks and rewards have not been substantially transferred.

Consequently, all the receivables transferred through factoring transactions that do not meet the requirements for derecognition under IFRS 9 are recorded in the Group's Consolidated Financial Statements, although they have been legally transferred. A financial liability of the same amount is recorded in the Consolidated Financial Statements under the item "Loans and borrowings from other financial backers". All receivables transferred through factoring agreements that meet the requirements for derecognition under IFRS 9, when substantially all the risks and rewards are transferred, are derecognised from the Statement of Financial Position.

Any gains and losses resulting from the factoring of receivables are recognised when the assets are derecognised from the Statement of Financial Position of the Group.

Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits with banks and short-term investments (with an original maturity not exceeding three months), easily convertible into known amounts of money and subject to no relevant change from fair value.

For the purposes of preparing the Statement of Cash Flows, cash and cash equivalents comprise cash, demand deposits with banks and current account overdrafts. In the Statement of Financial Position, current account overdrafts are included in financial liabilities as part of current liabilities.

Equity

- *Share capital:*

This item is the subscribed and fully paid-up share capital and is shown at nominal value. The share buy-back, measured at cost and including ancillary charges, is accounted for as a change in equity and treasury shares which are deducted from the share capital by the nominal value and the reserves are reduced by the difference between the cost and the nominal value.

- *Share premium:*

The item includes the excess of the issue price of shares compared to their nominal value; this reserve also includes differences that emerge following the conversion of bonds into shares.

- *Other reserves:*

The items consist of capital reserves for specific purposes relating to the Company and the adjustments made on the transition to the IFRS.

- *Retained earnings/(losses carried forward):*

This item includes the profit or loss for previous years, for the part not distributed or allocated to a reserve (in case of earnings) or covered (in case of losses) and the transfers from other equity reserves when the constraint to which they were subjected is released. This item also includes the profit or loss for the year.

Derecognition

A financial liability is derecognised when the underlying obligation has been discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender with substantially different terms, or where there has been a substantial modification of the terms of an existing financial liability, this change is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any differences taken to profit or loss.

Derivatives

The Trevi Group adopted a Group Risk Policy approved by the Board of Directors on 1 February 2008. Derivatives are initially measured at fair value on the date the contract is signed and subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of financial instruments traded in an active market is measured at each reporting date using quoted market prices or broker quotes (bid prices for non-current positions and ask prices for current positions), with no deduction of transaction costs.

If there is no active market for a financial instrument, fair value is established by using a valuation technique, which can include:

- the use of recent transactions under market conditions;
- reference to the current fair value of another instrument that is substantially the same;
- an analysis of discounted cash flows or other valuation models.

The fair value analysis of financial instruments and other information on their measurement are given in the paragraph, “Additional disclosures on financial instruments”, in this document.

Under IFRS 9, the recognition of changes in the fair value varies according to the designation of the derivative instrument (speculative or hedging) and the nature of the risk covered (Fair Value Hedge or Cash Flow Hedge).

For contracts designated as held-for-trading, changes in fair value are recognised directly in the Statement of Profit or Loss.

If the Fair Value Hedge is applied, both the fair value changes of the hedging instrument and the hedged instrument are accounted for in the statement of profit or loss, regardless of the measurement method adopted for the latter.

If the Cash Flow Hedge is applied, changes in the fair value of the hedging instrument are recognised in other comprehensive income if the hedging instrument is determined to be an effective hedge, whilst the portion determined as ineffective in recognised in the Statement of Profit or Loss. Changes recognised in other comprehensive income are released to the statement of profit or loss in the same financial period or periods in which the hedged asset or liability affects profit or loss.

Purchases and sales of financial assets are accounted for on the trading date.

Payables

Payables are carried at amortised cost. If expressed in foreign currency, the amounts are measured at the closing exchange rate.

Warrants

A share capital increase through the exercise of warrants falls within the scope of IAS 32 “Financial Instruments”.

Under paragraph 15 of IAS 32 “the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument”.

Specifically, under paragraph 16 “when an issuer applies the definitions in paragraph 11 (“rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own equity instruments”) to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

(a) The instrument includes no contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

(b) If the instrument will or may be settled in the issuer’s own equity instruments, it is:

(i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

(ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A contractual obligation, including one arising from a derivative financial instrument, which will or may result in the future receipt or delivery of the issuer’s own equity instruments, but does not meet conditions (a) and (b) above, is not an equity instrument” (the so-called fixed for fixed test).

Paragraph 21 further clarifies that the warrant is a financial liability even if the entity must or can settle it by delivering its own equity instruments. It is not an equity instrument because the entity uses a variable number of its own equity instruments as a means to settle the contract.

Therefore, in order to consider a warrant as an equity instrument, it must pass the fixed for fixed test, *i.e.*, the warrant must provide that the number of shares that can be subscribed is fixed in a given quantity (fixed) and that the consideration received if the warrant is exercised is also determined in any currency in a given quantity.

Taking into account the difficulties of interpretation of IAS 32 and after a comparison with the technical bodies of the independent auditors, the fixed for fixed test was not passed due to the presence of bonus shares.

Therefore, in accordance with the interpretation given to IAS 32, a non-current liability under IFRS 9 was recognised in the statement of financial position at 31 December 2021. The warrant fair value was measured by using a model based on the market value of Trevi Finanziaria shares and on the volatility of the stock price of shares of a pool of comparables of the Trevi Group. The fair value was updated at 31 December 2023, thus determining a carrying amount of approximately Euro 2 thousand and is remeasured at each reporting date.

This liability was not classified as financial debt in the net financial position since:

- the Company has no contractual obligation to deliver cash to the holder of Warrants;
- no interest of any kind accrues on this type of liability;
- this liability derives from an instrument that will provide the Company with a capital increase at the time of its possible future exercise.

Management constantly monitors the existence of the conditions that led to the recognition of this liability.

In the financial statements at 31 December 2023, this liability has a balancing entry in profit or loss under financial income as shown in note (29).

Employee benefits

– *Short-term benefits:*

Short-term employee benefits are charged to the Statement of Profit or Loss in the period of service rendered by the employee.

– *Defined benefit plans:*

The Company grants its employees benefits after the termination of the employment (post-employment benefits). These benefits fall into the category of defined benefits, verifiable as to their existence and quantifiable as regards the amount payable but uncertain as to when payment will be required. Under IAS 19, the liability is measured using the projected unit credit method and calculated by independent actuaries. This calculation consists in discounting the amount of the benefit that an employee will receive on the estimated date for employment termination by using demographic assumptions (such as mortality rate and staff turnover rate) and financial assumptions (such as discount rate). The amount of the defined benefit obligation is calculated each year by an independent external actuary. Actuarial gains and losses relating to defined benefit plans arising from changes in actuarial assumptions used or changes in plan conditions are recognised in the statement of comprehensive income in the period in which they occur. For defined contribution plans, the Company pays contributions to public and private pension funds on a mandatory, contractual or voluntary basis. Contributions are recognised as personnel expense.

As of 1 January 2007, the finance act and related implementing decrees introduced significant changes in the rules governing post-employment benefits, including the employee's choice as to the destination of his or her accruing benefits. In particular, the new post-employment benefits flows can be directed by employees to supplementary pension schemes chosen by them or maintained in the company.

– *Defined contribution plans:*

The Group participates in pension plans with a defined contribution and subject to public management. The contributions paid fulfils the Group's obligation to its employees. The contributions are costs recognised in the period in which the benefit is earned.

- *Share-based payments:*

Top executives and some managers of the Company may receive part of their remuneration in the form of share-based payments. Under IFRS 2 these are considered equity settled plans. The vesting of the right to payment is related to a vesting period during which the managers must perform their work as employees. Therefore, during the vesting period, the present value of share-based payments at the grant date is recognised in the statement of profit or loss as cost with a balancing entry under a specific equity reserve. Changes in the present value after the grant date have no effect on the initial measurement. In particular, the cost corresponds to the present value of the options at the grant date and is recognised under personnel expense, based on a straight-line method over the period between the grant date and the vesting date, with a balancing entry recognised as equity.

Provisions for risks and charges, contingent assets and liabilities

Provisions for risks and charges represent probable liabilities of uncertain amount and/or maturity derived from past events whose fulfilment will involve the use of financial resources. Provisions are made exclusively for an existing obligation, either legal or implicit, deriving from past events, provided that a reliable estimate of the obligation can be made at the reporting date. The amount taken as a provision is the best estimate of the necessary cost to meet the obligation at the reporting date. The provisions made are re-assessed on each reporting date and adjusted in order to represent the best current estimate.

Where it is envisaged that the financial disbursement related to the obligation will take place beyond the normal payment terms, the amount of the provision is represented by the present value of future payments expected for the settlement of the obligation.

Contingent assets and liabilities are not recognised in the consolidated financial statements. However, information is provided for those of a significant amount.

Income taxes for the year

Current income taxes are determined based on the estimated taxable income for the year according to the enacted legislation and at the tax rates in force at the end of the reporting period.

The tax rates and the tax rules to calculate the tax charge are those enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and where it generates taxable income.

Current taxes for transactions or events outside the statement of profit or loss are also recognised outside the statement of profit or loss and, therefore, in other comprehensive income, consistent with the transaction or event to which they refer.

Deferred taxes are calculated for all temporary differences between the carrying amounts of assets and liabilities and their tax base (the liability method). Deferred taxes are calculated using the tax rates expected to apply when the temporary differences will be realised or settled.

Current and deferred taxes are shown in the Statement of Profit or Loss except where they refer to items directly taken to the statement of comprehensive income.

Deferred tax assets are recognised for all deductible temporary differences and for carried forward tax assets and liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The carrying amount of deferred tax assets is revised at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be used. Deferred tax assets not recognised are revised at each reporting period and are recognised to the extent that it is considered probable that there will be sufficient taxable income to allow the recovery of these deferred tax assets.

Guarantees and contingent liabilities

They highlight the commitments undertaken, the guarantees given as well as the assets received on deposit for various reasons in respect of third parties not included within the scope of consolidation. Contingent liabilities are recognised at nominal value. Financial guarantees are recognised at their fair value under liabilities; other guarantees are recognised under provision for risks when they are included in the criteria for recognition.

Revenue and costs

The recognition of revenue from contracts with customers is performed by applying a model based on five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations provided in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligation; (v) recognition of revenue when (or as) the individual performance obligation is satisfied.

Revenue from contracts is recognised according to the stage of completion of the contract.

Costs are accounted for on an accruals basis.

Alongside the development of the five-step model, IFRS 15 deals with topics such as contract costs and modifications as well as disclosure.

The application procedures followed by the Group in applying IFRS 15 are summarised below.

Identifying the contract with the customer:

A contract with a customer is identified and measured in accordance with IFRS 15 following the binding signing of the contract, which determines the mutual obligations between the TREVI Group and the customer.

The following conditions provided for in paragraph 9 of IFRS 15 are taken into consideration when identifying the contract:

(a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

(b) the entity can identify each party's rights regarding the goods or services to be transferred;

(c) the entity can identify the payment terms for the goods or services to be transferred;

(d) the contract has commercial substance (*i.e.*, the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

(e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Identifying the performance obligation and allocating the transaction price:

IFRS 15 defines “performance obligation” as a promise with a customer to transfer:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In contracts with customers of the TREVI Group, the performance obligation is usually represented by the work as a whole. Although the individual performance obligations provided for in the contract may be distinct in nature, in the context of the contract they are characterised by strong interdependence and integration aimed at transferring the infrastructure as a whole to the customer. In cases where several performance obligations are identified within the same contract, it is necessary to allocate the appropriate portion of the transaction price to the individual performance obligations in accordance with IFRS 15. In the commercial practices of the TREVI Group, contracts with customers usually specify in detail the price components for each contractual item (price observable from the contract).

Determining the timing of satisfaction of performance obligations and recognition of revenue:

Under IFRS 15, revenue is recognised when (or as) an entity satisfies a performance obligation by transferring a promised good or service to a customer (the asset). An asset is transferred when (or as) the customer obtains control of that asset. The Trevi Group’s contracts with customers are usually long-term contracts that include obligations to be satisfied over time based on the progress towards completion and transfer of control of the asset to the customer over time.

The reasons why recognition of revenue over time is considered the correct approach are:

- the customer controls the asset as it is constructed (the asset is built directly in the area made available by the customer);
- the asset under construction does not have an alternative use and the TREVI Group has an enforceable right to payment for its performance completed to date over the contract term.

IFRS 15 requires that progress towards satisfaction of a performance obligation be measured using the method that best represents the transfer of control of the asset under construction to the customer. The objective when measuring progress is to depict an entity’s performance in transferring control of goods or services promised to a customer. The Group considers its market sector and the complex mix of goods and services it provides when it selects the appropriate revenue recognition method.

IFRS 15 provides for two alternative methods to recognise revenue over time:

a) Output method;

b) Input method.

Output methods recognise revenue on the basis of direct measurements of the value of the goods or services transferred to date (*e.g.*, surveys of performance completed to date, milestones reached, units delivered, etc.).

Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs. The most appropriate method for measuring revenue is the cost-to-cost method calculated by applying the percentage of completion (the ratio of costs incurred to total estimated costs) to contract revenue. The calculation of the ratio of costs incurred to estimated costs only considers costs that contribute to the actual transfer of control of the goods and/or services. This method allows the objective measurement of the transfer of control to the customer as it considers quantitative variables related to the contract as a whole. When choosing the appropriate method for measuring the transfer of control to the customer, the "physical measurement" criterion is applied to determine the percentage of completion of "Foundations Segment" contracts.

Determining the transaction price:

Given the engineering and operating complexities, the size and length of time involved in completing the contracts, in addition to the fixed consideration agreed in the contract, the transaction price also includes additional consideration, whose conditions need to be assessed. Specifically, considerations deriving from claims are additional considerations requested as reimbursement for costs incurred (and/or to be incurred) due to reasons or events that could not be foreseen and are not attributable to the contractor, for more work performed (and/or to be performed) or variations that were not formalised in riders. The measurement of the additional consideration is subject to a high level of uncertainty, given its nature, both in terms of the amounts that the customer will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial bodies. This type of consideration is regulated by IFRS 15 as "contract modifications". The standard provides that a contract modification exists if it is approved by the parties to the contract. IFRS 15 provides that a contract modification could be approved in writing, by oral agreement or implied by customary business practices. A contract modification may exist even though the parties to the contract have a dispute about the scope or price (or both) of the modification. In this case, it shall be assessed if the rights to the consideration are provided for contractually, generating an enforceable right. Once the enforceable right has been identified, in order to recognise the claims and amount of the additional consideration requested, the Group applies the guidance about the "Variable Consideration" given in IFRS 15. Therefore, in order to adjust the transaction price to include the additional consideration arising from the claims, it is necessary to decide whether it is highly probable that the revenue will not be reversed in the future. All the relevant aspects and circumstances, such as the contract terms, business and negotiating practices of the sector or other supporting evidence are taken into account when taking the above decision.

Penalties:

Contracts with customers may include penalties due to non-compliance with certain contract terms (such as, for example, non-compliance with delivery times). When the contract penalties are "reasonably expected", the transaction price is reduced accordingly. All the indicators available at the reporting date are analysed to assess the probability of a contract default that would lead to the application of penalties.

Losses to complete:

IFRS 15 does not specifically cover the accounting treatment of loss-making contracts but refers to IAS 37, which regulates the measurement and classification (previously covered by IAS 11) of onerous contracts. IAS 37 provides that an onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The present obligation under the contract shall be recognised and measured as a provision when the loss is probable based on the most recent forecasts prepared by Management. The unavoidable costs are all those costs that: ▪ are directly proportionate to the contract and increase the performance obligation transferred to the customer; ▪ do not include those costs that will be incurred regardless of satisfaction of the performance obligation; ▪ cannot be avoided by the company through future actions. Measurement of any loss-making contracts (the onerous test) is performed at individual performance obligation level. This approach best represents the different contract profits or losses depending on the nature of the goods and services transferred to the customer.

Incremental costs of obtaining a contract:

IFRS 15 allows an entity to recognise the incremental costs of obtaining a contract as an asset if it expects to recover those costs through the future economic benefits of the contract. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred (costs not explicitly chargeable to the customer). The incremental costs are recognised as an asset (contract costs) and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods or services to the customer.

Costs to fulfil a contract:

Under IFRS 15, an entity shall recognise an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: ▪ the costs relate directly to a contract; ▪ the costs generate and enhance resources of the entity that will be used in satisfying performance obligations; and ▪ the costs are expected to be recovered. It is the practice of the TREVI Group's sector that these costs usually consist of pre-operating costs that are recognised by customers and included in precise contract items or are not explicitly recognised and are covered by the contract profit. Formal recognition of these costs implies that, when they are incurred, control of the asset provided for in the contract is transferred. Therefore, they cannot be recognised as assets and contribute to the stage of completion. When the contract does not provide for their explicit recognition and the above three criteria are met, the pre-operating costs are recognised as assets and amortised on a systematic basis that is consistent with the pattern of transfer of control of the goods and/or services to the customer. In addition, IFRS 15 defines all those costs that, by their nature, do not contribute to the stage of completion as, although they are referred to in the contract and can be recovered, they do not contribute to generating or enhancing the resources that will be used to satisfy the performance obligations or to transfer of control of the good and/or service to the customer.

Presentation in the financial statements:

Contract assets and liabilities are presented in the statement of financial position items "Trade receivables and other current assets" and "Trade payables and other current liabilities", respectively under assets and liabilities. The classification in line with IFRS 15 depends on the relationship between the TREVI Group's performance obligation and payment by the customer. These items show the sum of the following components analysed individually for each customer: (+) Amount of work performed calculated using the cost-to-cost method pursuant to IFRS 15 (-) Progress payments and advances received (SAL) (-) Contractual advances. When the total is positive, the net balance is recognised as "Trade receivables and other current assets". If it is negative, it is recognised as "Trade payables and other current liabilities". When the amounts represent an unconditional right to payment of the consideration, they are recognised as financial assets. The

TREVI Group's statement of profit or loss includes a revenue item "Revenue from sales and services" that is presented and measured in accordance with the new standard. The item "Other operating revenue" includes income from transactions other than contracts with customers and is measured in line with other standards or the Group's specific accounting policy elections. It includes income related to gains on the sale of non-current assets, income on cost recharges, prior year income and income from the recharging of costs of Italian consortia and consortium companies. With respect to the last item, the TREVI Group's activities involve its participation in numerous Special Purpose Entities that, especially in Italy, use the consortium structure, which works using a cost recharging system. Under IFRS 10 and IFRS 11, these entities have been classified as subsidiaries, associates and joint ventures. As this income does not arise on the performance of the activities foreseen in the construction contract and does not derive from contractual transactions with the customer, it is recognised among "Other operating income".

Financial income and expense

Financial income and expense are recognised in the statement of profit or loss on an accruals basis and using the effective interest method.

Interest income on all financial instruments measured at amortised cost and interest-bearing financial assets classified as available for sale is calculated using the effective interest method, which discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the carrying amount of the financial asset or liability. Interest income is recognised under financial income in the statement of profit or loss.

Dividends

These are recognised when the right of the Shareholders to receive the payment is established, usually the year in which the Shareholders decide on the distribution of dividends.

Dividends distributed to Shareholders are recognised as a liability in the Financial Statements of the year in which the distribution is approved by the Shareholders.

Earnings per share

Basic earnings per share are calculated by dividing the share of the Group's profit or loss attributable to the ordinary shares by the average weighted number of outstanding ordinary shares, excluding any treasury shares.

Diluted earnings per share are calculated by dividing the profit or loss attributable to the owners of the Company by the average weighted number of outstanding shares, taking into account the effects of all dilutive potential ordinary shares.

Non-current assets held for sale and discontinued operations

A discontinued operation is a component of the Group whose operations and financial flows are clearly distinguishable from the rest of the Group that:

- represents a separate major line of business or geographical segment of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical segment of operations; or
- is a subsidiary acquired exclusively with a view to resale.

An operation is classified as discontinued at the time of sale, or when it meets the conditions for classification in the “held for sale category”, if earlier.

When an operation is classified as discontinued, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

Criteria for translating foreign currency items

Receivables and payables in currencies other than Euro are originally translated into Euro at the historical rates prevailing on the date of the relevant transactions.

Exchange differences realised on the payment of receivables or the settlement of payables in foreign currencies are recognised immediately in the Statement of Profit or Loss.

Assets and liabilities in currencies other than Euro, excluding plant, property and equipment as well as intangible assets and equity investments, are calculated using the exchange rate prevailing at the end of the reporting period and any relevant exchange gains or losses are recognised in the Statement of Profit or Loss. Forward currency contracts are used to cover the fluctuation risk of foreign currencies. The foreign subsidiaries of Trevi S.p.A. draw up accounts in the currency of the main economic area in which they operate (the functional currency). At the end of the reporting period, the amounts of the financial statements expressed in local currencies are translated using the exchange rates at the end of the reporting period published on the website of the Ufficio Italiano Cambi and any differences arising are recognised in the Statement of Profit or Loss

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. Actual results may differ from these estimates and assumptions given the uncertainty surrounding the assumptions and conditions on which the estimates are based.

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:

- Impairment losses on non-current assets;
- Contract work in progress;
- Development costs;
- Deferred tax assets;
- Loss allowances;
- Employee benefits;
- Loans and borrowings and bonds;
- Provisions for risks and charges.

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.

Impairment losses on financial assets and financial guarantees

Impairment applies to all financial assets measured at Amortised Cost and Fair Value through Other Comprehensive Income (FVOCI), while those at Fair Value through Profit or Loss are excluded. In addition, the following types of instruments also fall within the scope of application:

- Loan Commitments;
- Lease receivables;
- Contract assets;
- Financial guarantees included in IFRS 9.

Financial guarantees not measured at Fair Value through Profit or Loss within the scope of the provisions of IFRS 9 regarding impairment.

The definition of financial guarantee remains unchanged with respect to what was already provided for in IAS 39:

"*A financial guarantee represents a contract in which the Company is required to honour the contractual obligations of a third party when the latter fails to reimburse its creditor*".

The Company recognises financial guarantees in the Financial Statements at fair value on the date of initial recognition or on the date on which they become part of the contractual clauses. Financial guarantees are then subject to impairment; therefore, at subsequent measurement dates, their carrying amount will be equal to the higher of the initial carrying amount, net of any amortisation of costs, and the expected credit loss determined in accordance with the new provisions of IFRS 9.

The general rule of impairment provided for by IFRS 9 aims at representing the deterioration or improvement in credit quality in the financial assets held by the Company. The way in which the amount of expected loss recognised is calculated depends, therefore, on the change in credit risk from the initial recognition of the asset to the measurement date.

Therefore, at each reporting date, the Company will recognise the loss allowance by distinguishing between different placement stages that reflect the creditworthiness of the counterparty, in particular:

- **Stage 1** - for assets that have not significantly increased credit risk since initial recognition, an allowance must be recognised to reflect the 12-month ECL, *i.e.*, the probability that default events will occur in the following 12 months (IFRS 9 § 5.5.5).

- **Stage 2** - for assets that, on the other hand, have undergone a significant increase in credit risk since initial recognition, an allowance must be recognised that reflects lifetime ECL, *i.e.*, the probability that default events will occur over the life of the instrument (IFRS 9 §. 5.5.3).
- **Stage 3** - for assets with actual evidence of impairment, the allowance must reflect an impairment representative of lifetime ECL, with a probability of default of 100% (IFRS 9 § 5.5.3).

In addition, IFRS 9 § 5.5.15 also provides for the possibility of adopting a simplified approach to the calculation of expected losses exclusively for the following categories:

- Trade receivables and Contract Assets that:
    - do not contain a significant financing component; or
    - contain a significant financing component but the Company chooses as its accounting policy to measure lifetime expected credit losses.
- Lease receivables.

The simplified approach starts with the general approach but does not require the Company to monitor changes in counterparty credit risk as the expected loss is always calculated on a lifetime basis.

The impairment model described in this operating instruction was applied to all financial assets as defined by IFRS 9. Below are the main features of the approaches adopted by the Group and envisaged by IFRS 9: Simplified Approach and General Approach.

Simplified approach

The simplified approach was adopted by the Group with regard to:

- trade receivables (including invoices to be issued);
- contract assets (“work in progress” assets net of advances received);
- receivables for advances to suppliers.

For these cases, the rules of the simplified approach set out in IFRS 9 were applied, calculating the loss allowance using the product of the following factors:

- **EAD - Exposure at Default***:* accounting exposure at the measurement date;
- **PD** - **Probability of Default***:* the probability that the exposure may go into default and therefore not be repaid. The counterparty-specific probability of default was taken into account as the driver for determining the probability of default of the exposure. In particular, the PD was determined using external sources (info-providers) and where the specific data of the counterparty being assessed was not present, an expressive PD of the market segment to which the counterparty belongs or, in the case of an unrepresentative sample, the average PD representative of the loan portfolio was applied as the last alternative. For exposures to government counterparties, the PD used is that relating to the reference country of the counterparty;
- **LGD - Loss Given Default:** expected percentage of loss in case of creditor default. The IFRS 9 impairment model provides for the possibility to calculate internally the identified parameter of the expected loss in case of default. As an alternative to the latter, given the impossibility of reconstructing a historical database adequate for the calculation of LGD, the Group decided to adopt the standard parameter defined for banking regulations and equal to 45%.

For financial assets falling under the simplified approach, the default period was identified on the basis of the collection statistics for the assets falling under the scope. Therefore:

- for "performing" positions, *i.e.*, those not past due, with exclusive reference to trade receivables and invoices to be issued, the PD is defined over a reference time horizon of 60 days, consistent with the average payment term horizon agreed by the Group on the basis of:
  - the different geographical areas in which the individual legal entities of each division operate whose average payment terms differ but deviate from an average Group horizon of 2 months;
  - the characteristics of the business in which the Company operates and the characteristics of the trade receivables which, for the majority of the receivables issued, require a delay of payment in the short term.
- for positions past due within the default period (set at a threshold of 360 days from the due date of the receivable), the PD is expressed with a time horizon of 1 year. The Group agreed to apply a default threshold different from that defined by IFRS 9 (*i.e.*, 90 days past due), rejecting this presumption (see IFRS 9, paragraph B5.5.37) on the basis of:
  - the obvious delays in payments by its customers, which very often occur more than 90 days after the expiry of the document;
  - any delays in payments due to the characteristics of the business in which the Company operates and, more specifically, from potential delays in the supply of goods and services that the Group offers its customers, generating a balance from customers only at the conclusion of a service, rather than the physical delivery of a good. Specifically:
    - temporary payment difficulties of public administrations;
    - a slowdown in sales of goods under construction;
    - objective difficulties in collecting payments from customers in certain countries dictated by contingent situations of a legislative or currency nature;
    - temporary impediments due to the relationship between customer and supplier that develops during a job order;
    - a due date that is not easy to determine in the case of payments of retentions or sums previously subject to litigation.

With regard to the individual divisions of the group: for the Soilmec division, sales are mainly made through dealers/agents with whom there is a "line of credit" that is regularly monitored. Expired items are in any case subject to warranty by means of the machines in stock at the dealer's yard. On sales, moreover, except for a few cases, payment is made at the same time as the delivery of the equipment or with an agreed extension for particular customers with whom there is a "historical" relationship.

For these reasons, the Group extended the recognition of a default by opting for the application of a threshold of 1 year, considering the exceeding of this threshold as an identification of the counterparty's real difficulty in meeting its debtor commitments, generating a failure to collect the receivable for Group companies.

- for positions past due beyond the default period, on the other hand, the PD has been set at 100%.

The model for measuring the impairment of contract assets and advances to suppliers, similar to that defined for trade receivables past due but not in default, provides for the application of an expressive PD with a time horizon of 1 year.

However, the application of quantitative rules for the calculation of the loss allowance may be followed by the application of a specific allowance percentage for certain positions (*i.e.*, customers) based on management experience and/or specific qualitative information available.

General approach

On the other hand, with regard to the items subject to IFRS 9 impairment that present the conditions for the application of the General Approach, the Company defined an Expected Credit Loss method for each credit quality cluster defined for these exposures.

Financial guarantees

As mentioned above, the general approach provides that the definition of the parameters used to calculate the amount of expected loss recognised depends on the change in the credit risk that the asset has undergone since initial recognition at the measurement date.

In assessing the increase in credit risk, the Group took into account all reasonable and acceptable information that was available or that can be obtained without incurring excessive costs.

The Standard also provides an illustrative list of variables that can be considered as drivers for the increase in credit risk and that can be divided into macroeconomic data (changes in regulations, political instability), counterparty data (deterioration in financial results, credit rating downgrade), market data (CDS, credit spread, rating) and contract data (collateral impairment, unfavourable contract changes).

Consequently, the calculation of impairment on these items was carried out in accordance with the following rules:

- **Stage Allocation**: the stage allocation of the Company's financial guarantees was driven by qualitative and quantitative drivers, by means of information provided by external sources (info providers), the change in the probability of default and covenants set in several agreements with the Lending Banks of the Group.
  On the basis of the parameters used for stage allocation purposes, the financial guarantees provided by Trevi Finanziaria S.p.A. to the companies belonging to the divisions of the Group, were classified within the cluster identifying an increase in credit risk from the initial recognition date such as to recognise an allowance reflecting the lifetime ECL., *i.e.*, the probability that default events will occur over the life of the instrument.
- **Calculation of the expected loss**: as described for the Group's trade receivables, the calculation of the Expected Credit Loss for the positions relating to the financial guarantees issued was carried out using the product of the three risk parameters:
  - **PD – Probability of Default**: the division belonging to the company for which the guarantee was issued by the Company was taken into account as the driver for determining the probability of default of the exposure. In particular, the PD was determined using external sources (info-providers) and where the specific data of the company being assessed was not present, an expressive PD of the market segment to which the division belongs was applied.
  - **LGD – Loss Given Default**: the Group decided to adopt the standard parameter defined for

banking regulations and equal to 45%., as the identified parameter of the expected loss in case of default.

- **EAD – *Exposure at Default***: equal to the amount of the guarantee issued.

IAS 29 *Financial Reporting in Hyperinflationary Economies*

IAS 29 - Financial reporting in hyperinflationary economies - applies where an entity's functional currency is that of a hyperinflationary economy. According to IAS 29, the financial statements (including comparative information) shall be expressed in units of the functional currency current as at the end of the reporting period. This is because the currency of a hyperinflationary economy loses a significant amount of purchasing power from period to period such that presenting financial information based on historical amounts, even if only a few months old, does not provide relevant information to users of financial statement.

Over 2023, the list of hyperinflationary economies has continued to evolve rapidly due to deteriorating economic conditions and high inflation in several countries. Some of these jurisdictions may need to apply IAS 29, which results in financial statements (both current and prior comparative periods) being restated to reflect current inflation rates.

In Argentina and Venezuela, following a long period of observation of inflation rates that over the last three years exceeded 100%, a global consensus was reached during 2018 regarding the occurrence of the conditions that led to the presence of hyperinflation in accordance with International Financial Reporting Standards. As a result, all companies operating in Argentina and Venezuela applied IAS 29 - "Financial reporting in hyperinflationary economies" when preparing their financial reports.

New standards, amendments and interpretations

New accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2023.

By Regulation (EU) No. 2022/1392 of 11 August 2022, the document "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes)" was endorsed. The Regulation was published by the IASB Board on 7 May 2021.

Having noticed a diversity in the accounting treatments adopted by entities, the IASB Board introduced an amendment to IAS 12 in order to reduce the diversity of application of the standard described above.

The IASB Board has clarified the following:

- the exceptions to the initial recognition of deferred tax assets and liabilities do not apply if a single transaction recognises an asset and a liability that give rise to temporary differences of equal value;
- deductible and taxable temporary differences shall be calculated by considering separately the asset and liability and not on their net value. Deferred tax assets are recognised in the financial statements only if deemed recoverable.

With regard to the presentation in the financial statements, the amendments to IAS 12 do not remove the obligation to offset DTAs/DTLs already provided for in the standard.

By Regulation (EU) No. 2022/357 of 2 March 2022 the following documents published by the IASB Board on

12 February 2021 were adopted:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements)
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).

Amendments to IAS 1 defines the additional guidelines to allow an entity to decide which accounting policies should be described in the Notes to the financial statements.

The IASB amended IAS 1 to clarify that an entity shall disclose in the Notes to the financial statements material information about the accounting policies it has adopted and not describe all significant accounting policies. An entity shall also exercise appropriate judgement in identifying material information about the accounting policies it has adopted, considering the size (“quantitative factors”) and nature (“qualitative factors”) of the transactions, other events or conditions related to them.

As a result of the Amendments to IAS 1, the following accounting standards were also adjusted to align the disclosure requirements with the provisions of IAS 1:

- IFRS 7 Financial Instruments: Disclosures
- IAS 26 Recognition and Reporting by Retirement Benefit Plans
- IAS 34 Interim Financial Reporting

The Amendments to IAS 8 clarifies how to distinguish changes in accounting estimates from changes in accounting policies, for which different accounting treatments are provided:

- the effects of a change in accounting estimates are generally recognised prospectively in the financial statements;
- the effects of a change in accounting policies are generally recognised retrospectively.

Amendments to IAS 8 also introduced a new definition of accounting estimates, thus replacing the definition of “changes in accounting estimates”.

By Regulation (EU) No. 2023/2468 of 08 November 2023, the European Commission endorsed the document “International tax reform - Model rules (pillar two) (Amendments to IAS 12 Income Taxes)”. For the IASB the publication date of the Regulation was 23 May 2023, while for the European Union the publication date was 9 November 2023, the date of publication of the endorsement regulation.

In October 2021, more than 135 countries —representing more than 90% of global GDP—agreed to a major international tax reform. This reform is based on two pillars:

- Pillar One — which aims to ensure a fairer distribution of profits and taxing rights among countries;
- Pillar Two — which aims to ensure that large MNEs pay a minimum corporate tax rate set at 15% in every jurisdiction where they operate by introducing a top-up tax.

On 14 December 2022, the European Commission adopted EU Directive 2022/2523 introducing the top-up tax for multinational groups and, in order to ensure compliance with the EU Treaties, extended it to domestic groups of companies.

The deadline for implementing the directive by the member states was set for 31 December 2023, while in Italy it was implemented by Italian Legislative Decree 209/2023 with effect from 1 January 2024.

Under IAS 12, an entity is required to reflect the deferred tax effects of its assets and liabilities based on the tax regulations enacted or substantively enacted at the reporting date.

Based on the operating mechanisms of the Pillar two model, a number of application issues of IAS 12 emerged, with particular reference to the accounting treatment of deferred taxes:

- possible emergence of further temporary differences;
- need to restate deferred tax assets and liabilities to reflect the potential effects of the top-up-tax;
- tax rate to be used to measure deferred tax assets and liabilities.

Due to the complexity of the accounting issues, the IASB Board decided, in an urgent process, to amend IAS 12 in order to ensure greater comparability of financial statements and to avoid the risk of entities defining accounting treatments that conflict with the requirements of IAS 12.

Temporary mandatory exception to deferred tax accounting related to Pillar Two tax legislation

Due to the temporary and mandatory exception introduced in IAS 12, entities are not required to recognise or disclose deferred tax assets and liabilities related to Pillar 2 income taxes. The entity shall disclose that it has applied the temporary exception in the Notes.

Disclosure requirements

- In periods in which Pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity shall provide qualitative and quantitative disclosures that help users of financial statements understand the entity's exposure to Pillar two income taxes determined in accordance with such new legislation.
  If exposure information is not known or reasonably estimable, the entity shall disclose a specific statement to that effect and information on the entity's progress in evaluating its exposure in the Notes.
- In periods when the new tax legislation is in effect, the entity shall disclose the amount of the top-up tax recognised in the period separately in the Notes.

New accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2024

- In June 2020, the IFRS Interpretation Committee ("IFRS IC") published an Agenda Decision concerning the accounting treatment, in accordance with IFRS 16, of a sale-and-leaseback transaction involving payment of variable rent by the seller/lessee.

  IFRS IC clarified that in a sale-and-leaseback transaction the seller/tenant shall recognise in its financial statements an asset for the right of use, equal to the portion of the right retained, and a lease liability determined by taking into account any variable leaseback payments due. Following the publication of the Agenda Decision, IFRS IC recommended that the IASB Board amend IFRS 16 to define how the lease liability recognised as a result of a sale and leaseback transaction should be accounted for subsequently.

With Regulation (EU) No 2023/2579 of 20 November 2023, the European Commission endorsed the document “Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16 Leases)”, published by the IASB Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the accounting treatment for subsequent measurement of the lease liability arising from a sale-and-leaseback transaction.

The Amendments to IFRS 16 become effective for annual reporting periods beginning on or after1 January 2024. Earlier application is permitted by providing adequate disclosure in the Notes to the financial statements.

The transitional provisions provide for the Amendments to IFRS 16 to be applied retroactively, in accordance with the provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, from the date of first-time application of IFRS 16.

- By Regulation (EU) No. 2023/2822 of 19 December 2023 the European Commission endorsed the following documents published by the IASB Board:
  - Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020;
  - Non-current Liabilities with Clauses (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

The Amendments to IAS 1 are the result of a lengthy IASB Board project aimed at clarifying how liabilities should be classified as current or non-current in the statement of financial position.

The IASB Board’s first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1. The IASB Board clarified that:
- the right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), shall not be unconditional but shall only be “substantive and [...] must exist at the end of the reporting period”;
- the classification of a liability as current or non-current shall not be affected by an entity’s intentions to exercise or not to exercise the right to defer payment beyond 12 months and by decisions made between the reporting date and the date of its publication.

The Amendments to IAS 1 also clarified that, for the purposes of classifying a liability as current or non-current, the term “settlement” (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the extinguishment of the liability.

Financial Statements Disclosure

An entity shall disclose in its financial statements information about events that occur between the end of the reporting period and the date on which the financial statements are authorised for publication. Such disclosure requirements are specifically defined in IAS 1 as “non-adjusting events after the reporting period” in accordance with the provisions of IAS 10 “Events After the Reporting Period”:

a) long-term refinancing of a liability classified as current;
b) remedy of the breach of a long-term financing agreement classified as current;
c) granting by the lender of a grace period to remedy a breach of a long-term loan agreement classified as current;
d) settlement of a liability classified as non-current.

If Management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan agreements with covenants
The IASB Board clarified that, where the right to defer the settlement of a liability arising from a loan agreement for at least 12 months after the reporting date is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the agreement have been met up to the reporting date, even if they are calculated in the first few months of the following reporting period.
Compliance with contractual covenants to be calculated after the reporting date is not relevant to the classification of the liability in the statement of financial position.

Financial Statements Disclosure
The *Amendments to IAS 1* introduced the following disclosure requirements for liabilities arising from loan agreements that are classified as non-current liabilities in the statement of financial position, and for which the right to defer settlement for at least 12 months after the reporting date is subject to compliance with covenants:

a) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities;
b) information about facts and circumstances, if any, that indicate that the entity may have difficulty complying with covenants (*e.g.*, the entity having acted during or after the reporting period to avoid or mitigate a potential breach). Such facts and circumstances could also refer to the situation in which the covenants to be observed in the 12 months after the reporting date would not be observed using the figures at the reporting period.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Changes in Accounting Estimates and Errors. Earlier application is permitted by providing adequate disclosure in the Notes to the financial statements.

- On 25 May 2023 the IASB published a document entitled “Supplier Finance Arrangements”, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures in response to investor requests for greater transparency of the impact of supplier finance arrangements (also known as “supply chain financing”, “payable finance” or “reverse factoring”) on financial statements.

The amendments introduce new disclosure requirements for entities to provide information on such arrangements that enable users to assess the effects of the arrangements on the company’s liabilities and

cash flows and its exposure to liquidity risk.
Under the amendments, companies must also disclose the type and effect of non-cash changes in the carrying amounts of financial liabilities that are part of supplier finance arrangements.
For the purposes of the disclosures required by IFRS 7.34(c) on the concentration of liquidity risk, an entity must take into account the presence of supplier finance arrangements, which result in the concentration of a portion of the financial liabilities, originally due to multiple suppliers, with lenders.

Amendments to IAS 7 and IFRS 7 become effective for annual reporting periods beginning on or after 1 January 2024; earlier application is permitted.
In the first year of application the following are not required:

- comparative information for the previous year;
- with reference to the opening date of the current financial year, an indication of the financial liabilities for which the supplier has already received payment and the intervals of the payment dates;
- disclosure in interim financial statements.

Below is a list of the documents applicable as of the financial statements for annual reporting periods beginning on or after 1 January 2024 described above:

Document title	Issuance date	Effective date	EU endorsement Regulation date (date of publication on the OJEU)
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	22 September 2022	1 January 2024	(EU) 2023/2579 of 20 November 2023 (21 November 2023)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) + Non-current Liabilities with Covenants (Amendments to IAS 1)	23 January 2020 (*) 31 October 2022	1 January 2024	(EU) 2023/2822 of 19 December 2023 (20 December 2023)
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	1 January 2024	TBD

(*) On 15 July 2020, the IASB Board published an additional document to defer the effective date of the first amendment (published on 23 January 2020) from 1 January 2023 to 1 January 2024. This amendment was then confirmed with the second amendment published on 31 October 2022 and is therefore not shown separately in the table.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

Document title	Issuance date	Effective date	EU endorsement Regulation date (date of publication on the OJEU)
Standard			
IFRS 14 Regulatory deferral accounts	30 January 2014	1 January 2016 (*)	Not planned
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) + Amendments to effective date	11 September 2014 17 December 2015	Not defined	Not planned

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	1 January 2024	TBD
Lack of exchangeability (Amendments to IAS 21)	15 August 2023	1 January 2025	TBD

(*) IFRS 14 became effective on 1 January 2016, but the European Commission decided to suspend the endorsement process pending the new accounting standard on "rate-regulated activities".

(**) In December 2015, the IASB Board published the document "Effective date of amendments to IFRS 10 and IAS 28" by which it removed the mandatory effective date (which was scheduled for 1 January 2016) pending completion of the equity method project.

RISK MANAGEMENT

The risk management process is aimed at ensuring a proper management of the main threats and opportunities with respect to the objectives of the Group Business Plan shown below.

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, among which the liquidity risk that affects the strategic choices regarding investments and job order acquisitions.

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 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

Liquidity risk can manifest itself due to the inability to find, at affordable conditions, the financial resources necessary for the Group's operations. The two main factors that influence the Group's liquidity are on the one hand the resources generated or absorbed by the operating and investing activities and, on the other, the expiry and renewability characteristics of the debt or the liquidity of the financial investments. The liquidity requirements are monitored by the central functions of the Group with a view to guaranteeing an effective retrieval of financial resources and/or an adequate investment of liquidity.
The Group continuously monitors the liquidity situation and draws up the periodic and forecast revolving cash flows prepared by all the Group companies, which are then consolidated and analysed by the Company.
Cash and cash equivalents are partially subject to currency restrictions in some countries in which the Group operates, as detailed in the following table:

(In million of Euro)

Division	Company	Country	Restriction	31/12/2023
Trevi	Trevi Foundations Nigeria Ltd	Nigeria	Currency Restrictions	6.5
Trevi	Foundation Construction Ltd	Nigeria	Currency Restrictions	0.1
Trevi	Swissboring Overseas Piling Corp. Ltd (Dubai)	Dubai	Cash collateral on a revolving line	2.5
Total				**9.1**

To date, most of the lines of credit with the Lending Banks are governed by the Restructuring Agreement, which was finalised on 30 November 2022 following the capital increase and the debt-to-equity swap of bank debt occurred on 11 January 2023 with its execution.

The geographical distribution of the Group's cash and cash equivalents at 31 December 2023 is shown below:

Description	31/12/2023	31/12/2022	Change
Italy	15,984	16,139	(155)
Europe (excluding Italy)	2,928	3,605	(677)
United States and Canada	23,027	21,581	1,446
South America	1,724	2,884	(1,160)
Africa	16,676	16,846	(170)
Middle East and Asia	14,287	26,845	(12,558)
Far East and Rest of the World	6,213	7,065	(852)
Total	**80,839**	**94,965**	**(14,126)**

Loans and borrowings of the Group at the reporting date are broken down as follows:

Current loans and borrowings	31/12/2023	31/12/2022	Change
Italy	38,892	135,713	(96,821)
Europe (excluding Italy)	0	0	0
United States and Canada	6,370	6,563	(193)
South America	0	467	(467)
Africa	54	110	(56)
Middle East and Asia	0	0	0
Far East	6,962	6,943	19
Rest of the world	0	10	(10)
Total	**52,278**	**149,806**	**(97,528)**

Non-current loans and borrowings	31/12/2023	31/12/2022	Change
Italy	77,781	4,935	72,846
Europe (excluding Italy)	1,861	1,833	28
United States and Canada	0	0	0
South America	0	0	0
Africa	0	0	0
Middle East and Asia	0	0	0
Far East	826	1,238	(412)
Rest of the world	0	0	0
Total	**80,468**	**8,006**	**72,462**

The geographical breakdown of all the financial liabilities, including loans and borrowings, finance leases and loans and borrowings from other financial backers, is given in the following tables:

Current financial liabilities	31/12/2023	31/12/2022	Change
Italy	54,803	268,604	(213,801)
Europe (excluding Italy)	144	278	(134)
United States and Canada	6,412	7,378	(966)
South America	1,754	666	1,088
Africa	322	938	(616)
Middle East and Asia	2,825	524	2,301
Far East	7,936	7,899	37
Rest of the world	3,897	504	3,393
Total	**78,093**	**286,791**	**(208,698)**

Non-current financial liabilities	31/12/2023	31/12/2022	Change
Italy	217,296	68,259	149,037
Europe (excluding Italy)	2,162	2,367	(205)
United States and Canada	0	41	(41)
South America	127	126	1
Africa	697	967	(270)
Middle East and Asia	0	1,428	(1,428)
Far East	921	1,344	(423)
Rest of the world	735	1,077	(342)
Total	**221,938**	**75,609**	**146,329**

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will change due to changes in the market price. The market price includes four types of risk: interest rate risk, currency risk, raw material price risk and other price risks, as well as price risk on equity securities (equity risk). Financial instruments affected by market risk include loans and financing, deposits, available-for-sale equity investments and derivatives.

Interest rate risk

The exposure to risk of changes in market interest rates is connected to current and non-current financing transactions, with a variable interest rate.

At 31 December 2023, following the signing of the Restructuring Agreement on 30 November 2022, a large part of the Group loans were with variable interest rate, except for the Bond Issue and some loans of Italian and foreign subsidiaries, including lease contracts as shown below:

(In thousands of Euro)

			31/12/2023
Description	**Fixed rate**	**Variable rate**	**Total**
Loans and Leases	71,126	172,047	243,173
Bond issue	50,000		50,000
Total financial liabilities	**121,126**	**172,047**	**293,173**

Following the effectiveness of the Restructuring Agreement and in accordance with its application, interests were recalculated retroactively starting from 30 September 2022 at a variable rate of EURIBOR 6 months plus 2% of margin (previously a fixed rate of 2%).

For further details on financial liabilities, reference should be made to the Notes and specifically to point (13), (20) and (21).

In assessing the risk of adverse interest rate fluctuations impacting the net financial expense and fair value adjustments of interest rate-sensitive financial assets and liabilities, with a view to covenant compliance, a sensitivity analysis was performed based on the following criteria:

- Current market expectations of interest rate trends until 2026 are stable or downward.
- Prudentially, the application of an additional 1% margin on the variable rate calculated half-yearly (6-month EURIBOR + 3% margin) was considered.

The result of the sensitivity analysis shows that the interest rate curve does not have a significant impact in terms of profit/loss for the year; therefore, it is not considered that there could be an impact on compliance with the covenants due to exchange rate fluctuations.

Currency risk

The Group is exposed to the risk of fluctuations in exchange rates as these affect its financial position and financial performance. Currency risk exposure can be:

- **Transaction-related**: changes in the exchange rate between the date on which a financial commitment between counterparties becomes highly probable and/or certain or the date of settlement of the commitment, resulting in a variation between expected and actual cash flows;
- **Translation-related**: fluctuations in the exchange rate cause changes in figures of financial statements expressed in a given currency when these are translated into the Company's currency (Euro). These changes do not lead to an immediate deviation between expected and actual cash flows, but to an accounting effect on the Group's consolidated equity. The effect on cash flows only manifests itself if operations are performed on the assets of the Group company that prepares the financial statements in foreign currency.

The Group assesses its exposure to the currency risk; instruments used are the correlation of cash flows of the same currency but of the opposite sign, the decrease in commercial and financial advance loans in the same currency with the sales contract. The Group does not use instruments of an explicitly speculative nature for its hedging against the currency risk. However, if such instruments are used and if derivatives do not meet the conditions required for the accounting treatment of the hedging instruments required by IFRS 9 or the Group decides not to avail of the possibility of hedge accounting, their changes in fair value are recognised in the statement of profit or loss as financial expense/income.

Specifically, the Group can manage transaction-related risks by entering into non-speculative derivatives following the signing of the Restructuring Agreement of 30 November 2022; however, at 31 December 2023, there were not lines of credit for managing derivative contracts yet. Exposure to fluctuations in exchange rates is due to its activities in many countries and in currencies other than the Euro, in particular the US dollar and currencies linked to the US dollar. Since there are significant transactions in countries in the Dollar area, the Group's consolidated financial statements may be affected considerably by changes in the Euro/USD exchange rates.

The fair value of a forward contract is determined as the difference between a forward exchange rate of the contract and that of a transaction of the opposite sign of the same amount and with the same maturity, assumed at exchange rates and interest rate differentials at 31 December.

Credit risk

The Group is subject to the risk that the creditworthiness of a financial or commercial counterparty becomes insolvent.

Due to the nature of its activity, divided into several segments, with a marked geographical diversification of the production units and for the plurality of countries in which systems and equipment are sold, the Group has no concentrated customer or country risk. In fact, credit risk is spread over a large number of counterparties and customers.

Credit risk associated with the normal course of commercial transactions is monitored both by the individual companies and by the Group's Finance Department.

The objective is to minimise counterparty risk by maintaining exposure within limits consistent with the creditworthiness assigned to each of them by the various Credit Managers of the Group based on historical information on the insolvency rates of the counterparties themselves.

The Group sells mainly abroad and uses financial instruments available on the market, in particular Letters of Credit, to hedge credit risks and uses prepayment and letter of credit instruments for significant projects.

Risks connected to overseas transactions

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 transactions maintained a strong trend in terms of consolidation abroad, amounting to approximately 90% of the total revenue. The Group's growth mostly occurred in Middle East, USA, Far East and Africa.

Further details on revenue located in segments with medium to high political and commercial risk - where the risk of insolvency of public and private operators is linked to the geographical segment of origin and is beyond their control - and with risk associated to the origin of a specific financial instrument - dependent on political, economic and social variables - are provided below, with specific reference to the countries where Trevi operates, which are more exposed to this type of risk. In particular, there are two segments with high political risk and low commercial risk in which the Trevi Group operates.

Tajikistan

Tajikistan became independent in 1991 following the break-up of the Soviet Union and experienced a civil war between political, regional and religious factions from 1992 to 1997.

Ethnic Uzbeks form a substantial minority in Tajikistan, and ethnic Tajiks an even larger minority in Uzbekistan.

With a population of just over 9.2 million, the country remains the poorest of the former Soviet Republic, with a real GDP per capita of USD 3,900. Tajikistan became a member of the WTO in March 2013. However, its economy continues to face major challenges, including dependence on remittances from Tajikistani migrant labourers working in Russia and Kazakhstan, pervasive corruption, and the opiate trade and other destabilizing violence emanating from neighbouring Afghanistan. Since 2010, Tajikistan has endured several domestic security incidents since 2010, including armed conflict between government forces and local strongmen in the Rasht Valley and between government forces and residents and informal leaders in Gorno-Badakhshan Autonomous Oblast. Tajikistan suffered its first ISIS-claimed attack in 2018, when assailants attacked a group of Western bicyclists with vehicles and knives, killing four. Friction between forces on the border between Tajikistan and the Kyrgyz Republic flared up in 2021, culminating in fatal clashes between border forces in April 2021 and September 2022.

(source: https: //www.cia.gov/the-world-factbook/countries/tajikistan/#introduction).

Argentina

According to the World Bank report, Argentina will follow the trend of Latin America as a whole in 2024, with the economy growing at 2.3 per cent and 2.5 per cent in 2025. Analysts explain that this is the effect of the improvement in the economies of the region's trading partners and the easing of monetary tightening. Moreover, despite the decline, commodity prices will remain at a level that supports growth, while inflation will continue its downward trend, with the only unknown factor being Argentina.

In the specific case of Argentina's economic growth in 2024, the World Bank points out that it is tied to the exit from the drought emergency that has affected the country's main economic sector. The drought emergency caused a sharp drop in the country's main export assets, which alone are behind the loss of almost three points of GDP.

The Washington-based institution's report states that Argentina "is nonetheless facing significant economic and policy uncertainty amid high inflation and steep currency depreciation". A general picture that continues to erode consumer confidence recalling that "annual inflation has recently surpassed 150 percent, with no signs of easing".

As for Argentina's capital abroad, these amount to USD 271.499 billion: this is the estimate of Indec, the local national statistics institute, from the latest update of the balance of payments. The figure is updated to September 2023 and shows an increase of 32 per cent over the last five years, an effect of the Argentineans' mistrust in the face of continuing financial uncertainty and rising inflation that condemn the position of the national currency as a savings instrument.

(source: The World Bank. Argentine Indec)

The ratio of revenue from the aforementioned segments to the Group's total is less than 3%.

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 2023, the cost of raw materials undertook a downward trend that led to more stable prices for finished products and energy indices (gas/light).

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 construction 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 performed during activities.

The activities carried out on construction sites also have an impact on the climate as they require the use of operating machines with endothermic engines. Trevi is committed to reducing the environmental impact associated with the emissions produced by these machines both through more efficient use, which includes the use of IOT devices for the remote control and supervision of equipment, the Soilmec DMS system and raising the awareness of operators towards the correct use of equipment, and through the updating of the fleet of machines, which includes the introduction of a new generation of more efficient or electrically powered machines (see Soilmec's HighTech and e-Tech lines) and the use of 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 (2023 Non-Financial Statement) that the Group has been drafting since 2017, five 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 three indicators concern “water, air and soil pollution” which is deemed significant in 2023 reporting, 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 in 2023:

- Qualification among the top 100 companies that have distinguished themselves most in reducing their CO^2 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

Also in 2023, the Group continued its path of adopting new initiatives, tools and procedures aimed at ensuring increasingly high levels of ICT security.

The DIT Corporate Department (Digital Innovation & Technology), which provides services for all the companies of the Group, continued its process for implementing infrastructures with Hybrid Cloud technologies that, together with the adoption of Cloud applications and a Disaster Recovery 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.

The Group also keeps offering specific training courses to encourage a conduct suitable to avoid any involvement in “malicious” cyber-crime processes. Furthermore, the Corporate DIT Department 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 and regularly tests the awareness of users by means of dedicated phishing campaigns.

Trevi - Finanziaria Industriale S.p.A., through the Corporate DIT Department, continues operating in compliance with process established by the ISO 27001:2022 certification, which defines the international standard that describes best practices for an ISMS (Information Security Management System, also known as SGSI, in Italian). The certification is proof that the services provided by the Company comply with best practices on information security.

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 Company's activities.

ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

With regard to derivatives recognised in the Statement of Financial Position at fair value, IFRS 7 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 31 December 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 IFRS 9.

Description	IFRS9 categories	Notes	31/12/2023	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	6	2,224			
Total non-current financial assets			**2,224**			
Current financial assets						
Other current financial assets	AC		12,779			
Current derivatives	FVTPL		-			
Current financial assets	AC	11	4,422			
Cash and cash equivalents	AC	12	80,838			
Total current financial assets			**98,039**			
Total financial assets			**100,263**			
LIABILITIES						
Non-current financial liabilities						
Non-current loans and borrowings	AC	14	80,468			9,407
Non-current loans and borrowings from other financial backers	AC	14	141,470			741
Non-current derivatives	FV		-			
Total non-current financial liabilities			**221,938**			
Current financial liabilities						
Current loans and borrowings	AC	20	52,278		27,957	6,111
Current loans and borrowings from other financial backers	AC	21	25,815			135
Current derivatives	FVTPL		-			
Total current financial liabilities			**78,093**			
Total financial liabilities			**300,031**			
Warrant	FVTPL		2			28.75

The measurement at fair value of the Warrant, resulted in a financial income for approximately Euro 2 thousand.

IMPAIRMENT TEST

The Group reviewed its impairment indicators at 31 December 2023. In the light of the continuing high volatility of the market environment, a test of impairment was carried out for the 2 Cash Generating Units (CGUs) of the Trevi Group (Trevi CGU and Soilmec CGU) and for the Group as a whole.

The impairment test, under IAS 36, was initially performed by comparing the carrying amount of the asset or group of assets comprising the cash-generating unit (CGU) with its recoverable amount, the greater of fair value (net of selling costs, if any) and the present value of the discounted net cash flows expected to be generated by the asset or group of assets comprising the CGU (value in use).

More specifically, the impairment test of the first level on the CGUs Trevi and Soilmec was carried out, in continuity with the test of impairment carried out at 31 December 2022 by first testing the recoverability of the carrying amount of each CGU by the value in use, determined 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 method is based on the assumption that the amount of a company's economic capital on a certain date (in this case, 31 December 2023) is represented by the algebraic sum of the following items:

- "operational" value, equivalent to the present value of the cash flows generated by the company's operations over a defined period of time.
- value of non-core non-strategic or instrumental activities on the reference date.

The impairment test was carried out by using 2023 actual financial position and financial performance figures (resulting from actual figures at 31 December 2023) as well as 2024-2027 financial position and financial performance figures drawn from the Plans approved by the Company on 22 December 2023.

The planning flows considered exclude the effects of future restructuring and efficiency improvements not yet initiated, which the accounting standard requires to be excluded.

Furthermore, the 2024 - 2027 Plan, considered for the purpose of the impairment test, takes into account the economic impacts attributable to the activities that are and will be undertaken in order to achieve the objectives of "Environmental, social, and corporate governance" (so-called "ESG") set by the Group. In this regard, Management has punctually identified the sustainability objectives and begun to define a prospective implementation plan for their achievement, incorporated in the 2024 - 2027 Business Plan, which will be implemented over the next few years.

That said, the cash flow was constructed based on the operating profit of each period, calculating and subtracting taxes charged directly at the full rate. Subsequently, the negative components of income that do not give rise to monetary outflows, such as amortisation, depreciation and provisions, were added, establishing the cash flow from continuing operations that can be interpreted as a "potential" cash flow. The cash flow from operations was determined by adding changes to the Net Working Capital (the amount of cash flows actually generated by current ordinary operations reflects the changes in items that arise and that are extinguished due to the operating cycles: trade receivables, inventories, trade payables, amounts due to personnel, etc.) and CAPEX (investments net of divestments in non-current assets).

A weighted average cost of capital "WACC" was calculated for the discounting of cash flows, determined, in line with 2022, in accordance with the CAPM economic model (Capital Asset Pricing Model). Given that the

two CGUs Trevi and Soilmec operate in different, albeit closely related, segments, it was deemed appropriate to determine - in line with last year - a specific WACC in consideration of the segment in which they operate: «Special Foundation/Heavy Construction» for the Trevi CGU and «Industrial Machinery» for the Soilmec CGU.
The WACC of Trevi S.p.A. was determined at 11.37%, and the individual variables were derived as follows:

- risk-free rate: 3.96%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the twelve months prior to 31 December 2023;
- beta levered*:* 0.79, calculated as an average of the unlevered beta at 3Y of a sample of comparable companies of the «Special Foundation/Heavy Construction» segment written based on the average D/E ratio of the comparables;
- equity risk premium: a rate of 5.50% was used;
- country risk: 3.04%, 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 operates, weighted by the percentage of production of operating profit in these countries in 2027;
- inflation differential: 1.82%, this component was added to Ke in order to consider the effect of inflation and determine the real rate;
- alpha coefficient equal to one percentage point, included in the calculation to take into account a small cap premium and/or an execution risk premium;
- cost of the gross debt: equal to 4.80% (post tax: 3.60%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 26.47%; E/D+E= 73.53%, determined as the average of the comparables of the «Special Foundation/Heavy Construction» segment already considered for the definition of the beta.

For the purposes of determining the Terminal Value, the WACC mentioned above was increased by 1 percentage points.
The WACC of Soilmec S.p.A. was determined at 10.72%, and the individual variables were derived as follows:

- risk-free rate*:* 3.96%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the twelve months prior to 31 December 2023;
- beta levered*:* 1.03, 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;
- equity risk premium: a rate of 5.50% was used;
- country risk: 1.57%, 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 operates, weighted by the percentage of production of operating profit in these countries in 2027;
- inflation differential: 0.33%, this component was added to Ke in order to consider the effect of inflation and determine the real rate;
- alpha coefficient equal to one percentage point, included in the calculation to take into account a small cap premium and/or an execution risk premium;
- cost of the gross debt: equal to 4.80% (post tax: 3.52%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 20.18%; E/D+E= 79.82%, determined as the average of the comparables of the «Industrial Machinery» already considered for the definition of the beta.

The above WACC was adopted also to determine the Terminal Value.

For the years after 2027, 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 (2027), 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 each CGU operates, weighted by the percentage of operating profit actually produced by these CGUs in those countries in 2027. Specifically, the g growth rate of the Trevi Division was equal to 3.92% while the g growth rate of the Soilmec Division was equal to 2.43%.
As a result, the discount rate adopted for the Terminal Value, resulting from the difference between the aforementioned WACC and the g growth rates was 8.45% for the Trevi CGU and 8.29% for the Soilmec CGU. This is a significant figure, given that the Terminal Value represents on average 70-80.00% of the Enterprise Value of the CGUs.
The impairment test carried out on the scenario, and with the basic parameters shown above, did not lead to evidence of an impairment of the assets of the Trevi and Soilmec CGUs, compared to their carrying amount.
The second-level impairment test was performed in the 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 Trevi Finanziaria Industriale;
- (+) the value of the assets pertaining to ancillary investments;

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

- (+) equity attributable to the owners of the Company at 31 December 2023;
- (+) net financial debt, recognised at the carrying amount at 31 December 2023.
- This comparison shows a positive difference of Euro 173 million.

Management also analysed the variability of the results of the second-level estimates, as the main input assumptions change, assuming alternatively: the increase in the discount rates (WACCs) relevant for determining the Terminal Value and the variation of FCFO flows relevant for determining the Terminal Value.
A sensitivity analysis was first carried out on the discount rates (WACCs) 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 WACCs for TV of 6.02 percentage points for the Trevi and Soilmec CGUs would lead the recoverable amount to match the carrying amount of the Group's assets and to a first-level margin for the Trevi CGU of Euro 31.66 million, compared to Euro 157.93 million in the base case and for the Soilmec CGU negative Euro 7.28 million, compared to Euro 39.45 million in the base case. The point rate increase that would lead to the zeroing of the Soilmec CGU's 1-level headroom (*i.e.*, the coincidence between the recoverable amount and the carrying amount of the CGU's assets) is 4.57 percentage points.
A sensitivity analysis was then carried out on the change in FCFO flows relevant to the determination of Terminal Value, keeping all the other estimation criteria and assumptions unchanged, to identify the percentage decrease in FCFO flows 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 41.75%. In this case, a positive first-level margin of Euro 31.28 million would be generated for the Trevi CGU compared to Euro 157.93 million in the base case, and a negative first-level margin of Euro 6.90 million for the Soilmec CGU compared to Euro 39.45 million in the base case. The percentage of FCFO decrease in Terminal Value that would bring the recoverable amount of the Soilmec CGU's assets to match their carrying amounts is 35.53%.

In line with what carried out at 31 December 2022, a specific impairment test was carried out on the Research and Development Projects carried out by the Soilmec Division in the past years. This specific test was conducted by discounting the flows attributable to each Project at the WACC rate equal to 10.72%. The test did not lead to evidence of any impairment loss. No impairment test was carried out on the Research and Development Projects carried out by the Trevi Division since at 31 December 2023 the carrying amounts were totally amortised.

NOTES ON THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment at 31 December 2023 totalled Euro 169.7 million, marking a decrease of Euro 5.1 million compared to 31 December 2022 (Euro 164.6 million).

Changes relating to 2023 are summarised in the table below:

(in thousands of Euro)

Description	Original cost at 31/12/2022	Accumulated depreciation 31/12/2022	Carrying amount at 31/12/2022	Incr.	Decr.	Depr.	Use of provision	Net reversal of impairment losses	Reclass. of changes in acc. deprec.	Reclass. of changes in original cost	Exchange diff. in historical cost	Exchange diff. in acc. depr.	Original cost at 31/12/2023	Accumulated depreciation 31/12/2023	Carrying amount at 31/12/2023
Land	18,501	(3,994)	14,507	2,146	(696)	(1,215)	3	0	(85)	115	(1,831)	243	18,235	(5,048)	13,187
Buildings	58,633	(32,914)	25,719	2,189	(4,703)	(2,713)	2,817	0	230	(1,077)	(873)	380	54,169	(32,200)	21,969
Plant and machinery	254,520	(155,816)	98,704	27,839	(19,899)	(16,412)	13,977	(463)	27,043	(22,623)	(5,730)	1,865	233,644	(129,343)	104,301
Industrial and commercial equipment	77,828	(59,697)	18,131	9,295	(3,868)	(5,338)	3,265	0	(20,228)	22,345	(12,099)	9,231	93,502	(72,767)	20,735
Other assets	35,005	(29,719)	5,286	2,780	(3,543)	(2,135)	3,299	(4)	194	(551)	(1,484)	1,160	32,203	(27,201)	5,002
Assets under construction and payments on account	2,255	0	2,255	7,694	0	0	0	0	0	(5,363)	(116)	0	4,470	0	4,470
TOTAL	**446,742**	**(282,140)**	**164,602**	**51,944**	**(32,709)**	**(27,813)**	**23,361**	**(467)**	**7,154**	**(7,154)**	**(22,133)**	**12,879**	**436,223**	**(266,559)**	**169,664**

The gross increases at 31 December 2023 amounted to Euro 51.9 million while the decreases at 31 December 2022 amounted to Euro 9.3 million, net of the accumulated depreciation of Euro 11.1 million; the changes shown refer to normal plant and equipment replacement activities.

The exchange effect at 31 December 2023 amounted to Euro 9.3 million. Some assets were encumbered by mortgages against loans received, as described in the item Payables. During the year, a net reversal of impairment losses was recognised for a total of Euro 0.5 million, aligning the carrying amounts to the estimated realisable value.

The carrying amount of Property, plant and equipment held under lease at 31 December 2023 with right-of-use was equal to Euro 25.8 million (Euro 24.6 million at 31 December 2022). The increase of Euro 1.2 million is mainly attributable to the signing of new lease contracts which more than offset the lapse of the existing finance lease contracts and, in part, to the exchange rate effect. The breakdown is shown below:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Land and buildings	8,785	9,714	(929)
Plant and machinery	11,301	8,315	2,986
Industrial and commercial equipment	4,064	4,520	(456)
Other assets	1,638	2,050	(412)
Total	**25,788**	**24,599**	**1,189**

(2) Intangible assets and goodwill

Intangible assets at 31 December 2023 amounted to Euro 17.3 million, a decrease of Euro 0.2 million compared to the amount at 31 December 2022 (Euro 17.5 million).

Changes relating to 2023 are summarised in the table below:

(in thousands of Euro)

Description	Original cost at 31/12/2022	Accumulated amortisation 31/12/2022	Carrying amount at 31/12/2022	Incr.	Decr.	Amort.	Use of Provision	Net (reversal of) impairment losses	Exchange diff. in historical cost	Exchange diff. in acc. amortisation	Reclass. of changes in original cost	Reclass. of changes in acc. amort.	Original cost at 31/12/2023	Accumulated amortisation 31/12/2023	Carrying amount at 31/12/2023
Goodwill	464	(459)	5	0	0	0	0	0	0	0	(5)	0	459	(459)	0
Development costs	47,797	(39,060)	8,737	2,836	0	(1,579)	0	(284)	0	0	172	(172)	50,521	(40,811)	9,710
Industrial patents and intellectual property rights	3,714	(3,289)	425	0	0	(102)	0	(303)	0	0	224	(199)	3,635	(3,590)	44
Concessions, licences, trademarks and similar rights	15,343	(7,117)	8,226	1,017	(190)	(2,028)	185	0	(2)	2	69	(94)	16,237	(9,052)	7,185
Assets under development and payments on account	0	0	0	304	0	0	0	0	(7)	0	0	0	297	0	297
Other intangible assets	3,733	(3,643)	90	7	(2,124)	(67)	2,124	(14)	(397)	396	823	(818)	2,028	(2,008)	20
TOTAL	**71,051**	**(53,568)**	**17,483**	**4,164**	**(2,314)**	**(3,776)**	**2,309**	**(601)**	**(406)**	**398**	**1,283**	**(1,283)**	**73,177**	**(55,920)**	**17,257**

The carrying amount of Development costs at 31 December 2023 amounted to Euro 9.7 million with an increase of Euro 1 million compared to the previous year.

The item Increases, amounting to Euro 4.2 million, refers for approximately Euro 2.8 million to capitalised costs for the development of technologies and equipment used by the Company and its subsidiaries - 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.

Industrial patents and intellectual property rights, amounting to Euro 44 thousand at 31 December 2023, were down by Euro 381 thousand compared to the previous year, following impairment losses net of amortisation effect for the year.

Other intangible assets amounted to Euro 20 thousand at 31 December 2023, down by Euro 70 thousand compared to the previous year.

(3) Equity investments

Equity investments amounted to Euro 0.4 million, marking a decrease compared to Euro 0.5 million recorded at the previous year end.

A summary of changes in investments in 2023 is given below:

(in thousands of Euro)

Description	Balance at 31/12/2022	Increases	Decreases	Impairment gains	Impairment losses	Other changes	Balance at 31/12/2023
Equity-accounted associates	359	0	(406)	0	(4)	51	0
Other companies	544	0	0	0	0	(119)	425
TOTAL	**903**	**0**	**(406)**	**0**	**(4)**	**(68)**	**425**

The change shown was exclusively attributable to the adjustment of the equity investment in Trevi Nicholson JV, measured using the equity method.

(4) Deferred tax assets and deferred tax liabilities

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Deferred tax assets	27,884	25,420	2,464
TOTAL	**27,884**	**25,420**	**2,464**
Deferred tax liabilities	(18,004)	(18,751)	747
TOTAL	**(18,004)**	**(18,751)**	**747**
Net deferred tax assets at the reporting date	**9,880**	**6,669**	**3,211**

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 31 December 2023, deferred tax assets amounted to Euro 27.9 million marking an increase compared to Euro 2.5 million at 31 December 2022.

Net deferred tax assets at the reporting date amounted to Euro 9.9 million.

Deferred tax assets are considered recoverable in part through the offsetting against deferred tax liabilities that will be concurrently reversed in the future.

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 31 December 2023, deferred tax liabilities amounted to Euro 18 million, down by Euro 0.7 million compared to 31 December 2022.

Below the table showing the changes in question:

(in thousands of Euro)

Description	Balance at 31/12/2022	Provisions	Decreases	Other changes	Balance at 31/12/2023
Deferred tax assets	25,420	4,875	176	(2,587)	27,884
Deferred tax liabilities	(18,751)	663	(1,286)	1,368	(18,004)

The main components of deferred tax assets and deferred tax liabilities and the changes both at 31 December 2023 and 31 December 2022 are shown in the following table:

(in thousands of Euro)

Description	Elimination Intragroup profits	Application of IFRS	Development costs	Group rates adjustment	Financial statements and other	Total
Balance at 01/01/2022	**5,667**	**(2,435)**	**(318)**	**(875)**	**206**	**2,246**
Effect on profit or loss	(437)	(113)	2	130	5,960	5,542
Effect on equity						
Exchange differences	(11)	8		(51)	(254)	(308)
Payments and other changes	0	(1)	69	310	(1,189)	(811)

Balance at 31/12/2022	**5,219**	**(2,542)**	**(247)**	**(486)**	**4,722**	**6,669**
Effect on profit or loss	2,087	117	43	126	3,208	5,581
Effect on equity						
Exchange differences	(2)	30		17	(837)	(792)
Payments and other changes	(0)	1,093	55	343	(3,069)	(1,578)
Balance at 31/12/2023	**7,304**	**(1,302)**	**(148)**	**(0)**	**4,025**	**9,880**

The item Financial statements and other is mainly composed of deferred tax assets recorded against the tax losses of certain foreign companies of the Group amounting to approximately Euro 4 million at 31 December 2023.

Losses carried forward at 31 December 2023 relating to the Italian companies participating in the tax consolidation, on which deferred tax assets were recorded for approximately Euro 5.1 million, totalled approximately 205 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.

(5) Non-current derivatives

At 31 December 2023, no non-current derivatives were recognised.

(6) Other non-current financial assets

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Guarantee deposits	2,223	1,987	236
Other	1	0	1
TOTAL	**2,224**	**1,987**	**237**

Other non-current financial assets at 31 December 2023 amounted to Euro 2.2 million and exclusively refer to non-current guarantee deposits and are almost exclusively attributable to the Trevi Division, particularly to the Middle-East segment.

(7) Trade receivables and other non-current assets

(in thousands of Euro)

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

At 31 December 2023, there were no trade receivables and other non-current assets.

Compared to the previous year, there was a decrease of Euro 2.5 million generated by the closure of the position in the subsidiary Swissboring Overseas Piling Corporation.

CURRENT ASSETS

(8) Inventories

Total inventories at 31 December 2023 amounted to Euro 114.7 million and were made up as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Raw materials, consumables and supplies	83,669	78,427	5,242
Work in progress and semi-finished products	12,286	20,029	(7,743)
Finished goods	18,023	20,110	(2,087)
Payments on account	682	2,213	(1,531)
TOTAL INVENTORIES	**114,660**	**120,779**	**(6,119)**

The Group's closing inventories relate to the production of underground engineering rigs and consist in materials and spare parts used by the Foundations segment; the total amount of inventories was down by Euro 6.1 million. Inventories are shown net of the allowance for inventory write-down of Euro 24.1 million (Euro 26.4 million at 31 December 2022).

Changes of the allowance for inventory write-down were as follows:

(in thousands of Euro)

Description	31/12/2022	Accruals	Uses	Other changes	31/12/2023
Raw materials, consumables and supplies	24,685	1,744	(88)	(2,479)	23,862
Finished goods	1,678	289	(1,034)	(645)	288
TOTAL ALLOWANCE FOR INVENTORY WRITE-DOWN	**26,363**	**2,035**	**(1,122)**	**(3,126)**	**24,150**

Accruals amounted to Euro 2 million and are mainly attributable to the subsidiaries of the Trevi Division for Euro 1.2 million and to the companies of the Soilmec Division for Euro 0.8 million.

The Uses of the allowance were fully attributable to the Soilmec Division and specifically to Soilmec Singapore Pte Ltd and Soilmec (Suzhou) Machinery Trading Co. Ltd (China).

(9) Trade receivables and other current assets

The total amount at 31 December 2023 was Euro 271.9 million. This item is broken down as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Trade receivables	157,230	193,779	(36,549)
Due from customers	87,751	80,926	6,825
Sub Total: Trade receivables	**244,981**	**274,705**	**(29,724)**
Due from associates	3,327	3,262	65
VAT assets	7,967	7,593	374
Due from others	11,380	14,251	(2,871)
Prepayments and accrued income	4,266	7,975	(3,709)
Total trade receivables and other current assets	**271,921**	**307,786**	**(35,865)**

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

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Current assets:			
Contract work in progress	92,107	82,806	9,302
Total due from customers	***92,107***	**82,806**	**9,302**
Payments on account from customers	(4,356)	(1,880)	(2,476)
Total due from customers	**87,751**	**80,926**	**6,825**
Current liabilities:			
Contract work in progress	(5,644)	(8,337)	2,694
Payments on account from customers	(31,308)	(5,705)	(25,602)
Total due to customers	**(36,951)**	**(14,043)**	**(22,909)**

Total due from customers is expressed net of the related payments on account received from customers and reclassified under trade receivables or other liabilities respectively depending on whether the progress of the work is higher than the advances received or lower.

The Loss allowance amounted to Euro 62 million. Changes relating to this allowance were as follows:

(in thousands of Euro)

Description	Balance at 31/12/2022	Accruals	Decreases	Releases	Other changes	Balance at 31/12/2023
Loss allowance	69,069	401	(4,342)	(767)	(2,323)	62,037
TOTAL	**69,069**	**401**	**(4,342)**	**(767)**	**(2,323)**	**62,037**

Accruals totalled Euro 0.4 million at 31 December 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 the measurement of trade receivables in accordance with IFRS9 while the item Other changes is affected by exchange differences amounting to approximately Euro 2.3 million.

Prepayments and accrued income

This item is mainly composed of prepayments detailed as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Accrued income	61	96	(35)
Prepayments	4,205	7,879	(3,674)
TOTAL	**4,266**	**7,975**	**(3,709)**

The items Prepayments and accrued income include costs incurred by the end of the year but pertaining to subsequent years of a different nature.

The decrease compared to the previous year of Euro 3.7 million was mainly attributable to Trevi Finanziaria Industriale S.p.A. for Euro 4.9 million, which was partially offset by the increase of Euro 1.1 million recorded in the Trevi Division by Trevi Foundations Philippines Inc.

The breakdown of trade receivables and other current assets by geographical segment at 31 December 2023 is as follows:

(in thousands of Euro)

31/12/2023	Italy	Europe (excluding Italy)	U.S.A. and Canada	Latin America	Africa	Middle East and Asia	Far East	Rest of the world	Total
Trade receivables	34,026	18,302	53,854	10,020	20,251	67,323	30,672	10,533	**244,981**
Due from associates	3,094	89	0	0	(0)	0	144	0	**3,327**
Tax and VAT assets	7,435	(1,329)	10	232	329	96	334	860	**7,967**
Due from others	3,808	572	(124)	2,803	352	2,372	616	981	**11,380**
Prepayments and accrued income	1,655	19	40	19	583	785	1,018	147	**4,266**
TOTAL	**50,018**	**17,653**	**53,780**	**13,074**	**21,515**	**70,576**	**32,784**	**12,521**	**271,921**

31/12/2022	Italy	Europe (excluding Italy)	U.S.A. and Canada	Latin America	Africa	Middle East and Asia	Far East	Rest of the world	Total
Trade receivables	31,309	17,897	26,374	8,541	50,199	89,003	39,398	11,982	**274,705**
Due from associates	2,708	89	36	0	0	0	430	0	**3,262**
Tax and VAT assets	5,131	129	0	47	365	193	1,664	64	**7,593**
Due from others	2,007	2,798	87	816	3,081	2,473	1,518	1,470	**14,251**
Prepayments and accrued income	6,411	21	108	14	595	746	0	80	**7,975**
TOTAL	**47,565**	**20,935**	**26,606**	**9,417**	**54,240**	**92,416**	**43,010**	**13,597**	**307,786**

Amounts due from associates at 31 December 2023 amounted to Euro 3.3 million, the detail of which is provided in Note *(34)* – Related party transactions.

The breakdown of Trade receivables by currency at 31 December 2023 is as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
EURO	59,443	77,824	(18,381)
USD	67,785	37,656	30,129
AED	25,958	16,145	9,813
NGN	7,551	13,598	(6,047)
GBP	1,504	928	576
OTHERS	82,740	128,554	(45,814)
Total	**244,981**	**274,705**	**(29,724)**

The item Others includes Trade receivables in Saudi Riyals for Euro 21.1 million, in Philippine Pesos for Euro 19.5 million and Australian Dollars for approximately 7.1 million.

In accordance with IFRS 7, the following is an analysis of the trend in past due loans, net of the loss allowance, divided into homogeneous risk categories:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Not past due	158,898	163,466	(4,568)
Past due for 1 to 3 months	46,272	42,583	3,689
Past due for 3 to 6 months	3,481	6,287	(2,806)
Past due for more than 6 months	36,331	62,369	(26,038)
Total	**244,981**	**274,705**	**(29,724)**

The decrease in Not past due is mainly attributable to the collection of loans from the subsidiary Arabian Soil Contractor while the Soilmec Division recorded an increase in Not past due attributable to Soilmec North America for Euro 21.7 million.

With a view to a policy of constant credit monitoring by the individual Group companies, standard assessment ranges have been identified, made explicit in the following table:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Standard monitoring	243,426	272,558	(29,132)
Special monitoring	1,555	699	856
Monitoring for possible legal proceedings	0	1,272	(1,272)
Out-of-court monitoring in progress	0	21	(21)
Monitoring for ongoing legal proceedings	0	155	(155)
Total	**244,981**	**274,705**	**(29,724)**

The breakdown of the item Due from others at 31 December 2023 is as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Due from employees	815	983	(168)
Advances to suppliers	5,355	7,875	(2,520)
Other	5,210	5,393	(183)
TOTAL	**11,380**	**14,251**	**(2,871)**

(10) Current tax assets

Current tax assets, amounting to Euro 11.2 million, are mainly represented by direct taxes and tax advances.

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Direct taxes	11,241	6,562	4,679
TOTAL	**11,241**	**6,562**	**4,679**

The most significant amounts are represented by the credits for taxes paid abroad among which, in the Trevi Division, Euro 4.5 million attributable to the subsidiary Arabian Soil Contractor and Euro 1.5 million attributable to Trevi Foundations Philippines Inc.

This item is also affected by the payments on account paid to the subsidiaries in Italy.

(10a) Current financial assets

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Current financial assets	17,201	17,545	(344)
TOTAL	**17,201**	**17,545**	**(344)**

Current financial assets amounted to Euro 17.2 million, with a decrease of Euro 0.3 million compared to the previous year end.

The item includes Euro 3.8 million of bank deposits related to the Middle East subsidiary Swissboring Overseas Piling Corp. Ltd (Dubai), Euro 2.3 million of financial assets from unconsolidated associates attributable to Trevi S.p.A and, for the remaining part, the loan granted by the Company to MEIL Global Holding BV, dated 31 March 2020 with a 3-year maturity date. Starting from 1 April 2022, this loan was classified under 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 Company started the appropriate legal proceedings for the enforced recovery of the debt at the competent Court. Based on the contractual documentation and correspondence, the Company considers the loan recoverable.

(11) Cash and cash equivalents

This item is broken down as follows:

Description	31/12/2023	31/12/2022	Change
Bank and postal accounts	80,082	94,057	(13,975)
Cash-in-hand and cash equivalents	756	908	(152)
TOTAL	**80,838**	**94,965**	**(14,127)**

Cash and cash equivalents decreased by Euro 14.1 million compared to 31 December 2022; 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.

In addition, there are companies in the Group for which cash and cash equivalents on company current accounts are not immediately transferable due to currency restrictions (mainly in Nigeria for Euro 8.1 million).

EQUITY AND LIABILITIES

(12) Equity attributable to the owners of the Company

Group statement of changes in equity:

Description	Share capital	Share premium reserve	Legal Reserve	Other reserves	Translation Reserve	Retained earnings/(Losses carried forward)	Profit/(Loss) for the year attributable to the owners of the Company	Total equity
Balance at 01/01/2022	**97,374**	**13,053**	**19,475**	**524**	**1,908**	**12,200**	**(52,977)**	**91,557**
Allocation of 2021 loss		(13,053)	(10,240)	(1)		(29,683)	52,977	**0**
Capital increase								**0**
Distribution of dividends								**0**
Translation difference					16,881			**16,881**
Actuarial gains/(losses) and stock grant								**0**
Acquisitions/(disposals) and other changes					173	(95)		**78**
Hedging Reserve				353				**353**
Repurchase/(sale) of treasury shares						(125)		**(125)**
Reclassification				(41)		41		**0**
Loss for the year attributable to the owners of the Company							(19,127)	**(19,127)**
Balance at 31/12/2022	**97,374**		**9,235**	**835**	**18,962**	**(17,660)**	**(19,127)**	**89,618**
Allocation of 2022 loss						(19,127)	19,127	**0**
Capital increase	25,568	23,095		2,721				**51,383**
Distribution of dividends								**0**
Translation difference					(13,044)			**(13,044)**
Actuarial gains/(losses) and stock grant								**0**
Acquisitions/(disposals) and other changes				754	(8,757)	9,571		**1,568**
Hedging Reserve				(69.96)				**(70)**
Repurchase/(sale) of treasury shares								**0**
Reclassification				(1,504)		1,504		**0**
Profit for the year attributable to the owners of the Company							19,107	**19,107**
Balance at 31/12/2023	**122,942**	**23,095**	**9,235**	**2,736**	**(2,839)**	**(25,714)**	**19,107**	**148,561**

– *Share capital*

The Company 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 31 December 2023, the Company'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.

The current breakdown of the share capital is shown below, net of treasury shares held, which at 31 December 2023 amounted to Euro 122,942,338:

	Number of shares	Share capital	Reserve for Treasury Shares
Balance at 31/12/2021	**150,855,693**	**97,373,554**	**(736,078)**
Repurchase and sale of treasury shares	-	-	-
Balance at 31/12/2022	**150,855,693**	**97,373,554**	**(736,078)**
Repurchase and sale of treasury shares	-	-	-
Balance at 31/12/2023	**312,172,952**	**122,942,338**	**(736,078)**

- *Share premium reserve:*

At 31 December 2023, this reserve amounted to Euro 23,095 thousand, following the above-mentioned capital increase (reduced to zero at 31 December 2022); the item includes a decrease of Euro 2,474 thousand related to costs associated with the capital increase.

- *Legal reserve:*

The legal reserve is the share of the profit that, pursuant to Article 2430 of Italian Civil Code, cannot be distributed as dividends. At 31 December 2023, this reserve was Euro 9,235 thousand, in line with the previous year.

- *Reserve for treasury shares:*

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

- *Other reserves:*

The other reserves are as follows:

– Fair value reserve:

This reserve amounted to Euro 70 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, negative for Euro 2,839 thousand at 31 December 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 and Africa.

– *Losses carried forward:*

The item includes the losses of previous years, for the part not distributed as dividends to Shareholders and shows a loss of Euro 25.714 thousand.

- Other Reserves include an increase of Euro 2.7 million related to costs associated with the capital increase.

NON-CURRENT LIABILITIES

13) Loans and borrowings, loans and borrowings from other financial backers and derivatives

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Loans and borrowings	80,468	8,007	72,461
Lease liabilities	5,098	9,779	(4,681)
Loans and borrowings from other financial backers	136,372	57,823	78,549
Derivatives	0	0	0
TOTAL	**221,938**	**75,609**	**146,329**

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

(in thousands of Euro)

Description	From 1 to 5 years	After 5 years	Total
Loans and borrowings	80,468		80,468
Lease liabilities	4,578	520	5,098
Loans and borrowings from other financial backers	136,372		136,372
TOTAL	**221,418**	**520**	**221,938**

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 31 December 2023, the two covenants result as follows:

- 2.71x the ratio of net financial debt to recurring gross operating profit achieved in the previous twelve months
- 1.37x the ratio of the Group's net financial debt to the consolidated equity.

Lease liabilities amounted to Euro 5.1 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 Company for Euro 98.9 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 48.9 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 19.6 million and to the Soilmec Division for Euro 17.9 million.

Non-current derivatives were zero.

(14) Deferred tax liabilities and non-current provisions

Deferred tax liabilities totalled Euro 18 million, down by Euro 0.8 million compared to 31 December 2022, when they amounted to Euro 18.8 million.

Changes in deferred tax liabilities are as follows:

(in thousands of Euro)

Description	Balance at 31/12/2022	Accruals	Uses	Releases	Other changes	Balance at 31/12/2023
Deferred tax liabilities	18,751	(731)	1,286	68	(1,370)	18,004
TOTAL	**18,751**	**(731)**	**1,286**	**68**	**(1,370)**	**18,004**

Deferred tax liabilities reflect the difference in the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases recognised in the Countries in which the Group operates.

The item Other changes, amounting to Euro 1.4 million, refers to reclassifications related to deferred tax assets, the effect of exchange rates and changes in tax rates during the year.

For details on the composition of the deferred tax assets and liabilities, reference should be made to information already explained in note (4) Deferred tax assets and deferred tax liabilities.

(15) Post-employment benefits

The post-employment benefits and the provision for pensions are defined benefit plans and amounted to Euro 10.7 million at 31 December 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:

(in thousands of Euro)

Description	Balance at 31/12/2022	Accruals	Benefits and advances paid	Other changes	Balance at 31/12/2023
Post-employment benefits	3,825	127	(660)	198	3,490
Provisions for pensions and similar obligations	7,522	780	(635)	(422)	7,245
TOTAL	**11,347**	**907**	**(1,295)**	**(224)**	**10,735**

Other changes in the provision for pensions were due to the exchange effects of foreign subsidiaries, as well as actuarial gains/losses.

(in thousands of Euro)

Description	31/12/2023	31/12/2022
Opening balance	**3,825**	**4,948**
Service cost	77	77
Interest expense	131	44
Benefits paid	(640)	(751)
Actuarial gains/(losses) and other changes	97	(493)
Closing balance	**3,490**	**3,825**

The main actuarial assumptions were:

Description	31/12/2023	31/12/2022
Annual technical discount rate	3.17%, 3.08%, 3.15%	3.77%
Annual rate of inflation	2%	5.90%
Annual rate of increase in total salaries	3%	6.9%
Annual rate of increases in post-employment benefits	3%	5.9%

For the purposes of the actuarial calculation, the iBoxx Eurozone Corporates AA 7-10 and 10+ index at the measurement date was taken as the reference for the measurement of this parameter, depending on the average remaining permanence of the individual company.

The additional assumptions used as the basis for the actuarial calculation are as follows:

- the Ragioneria Generale dello Stato [State General Accounting Office] RG48 gender adjusted assumptions were used for the mortality rate;
- the gender adjusted assumptions in the INPS [National Social Welfare Institution] model for forecasts to 2010 were used for the disability rate;
- for retirement age it was assumed that active employees would stop working as soon as they reach the minimum pensionable age or length of service in order to qualify for a pension from the mandatory general insurance scheme;
- annual rates of between 2.5% and 15% were used for the probability of termination of employment for reasons other than death and were based on Group figures;
- an annual rate of 2% was assumed for early retirements.

Sensitivity analyses of the most important assumptions at 31 December 2023 are shown below for the companies subject to actuarial assessment:

Past Service Liability Annual discount rate		
	0.50%	**-0.50%**
Trevi S.p.A.	1,434	1,517
Trevi Finanziaria Industriale S.p.A.	604	633
Soilmec S.p.A.	1,124	1,229
PSM	62	68
Parcheggi S.p.A.	156	157
Total	**3,380**	**3,604**

Past Service Liability Inflation rate		
	0.25%	-0.25%
Trevi S.p.A.	1,487	1,463
Trevi Finanziaria Industriale S.p.A.	622	616
Soilmec S.p.A.	1,190	1,159
PSM	66	64
Parcheggi S.p.A.	156	156
Total	**3,521**	**3,458**

Past Service Liability Annual turnover rate		
	2.00%	-2.00%
Trevi S.p.A.	1,478	1,469
Trevi Finanziaria Industriale S.p.A.	618	620
Soilmec S.p.A.	1,183	1,165
PSM	66	65
Parcheggi S.p.A.	156	156
Total	**3,501**	**3,475**

(16) Non-current provisions

The balance of the item Non-current provisions amounted to Euro 17.5 million, a decrease of Euro 8.2 million compared to 31 December 2022, equal to Euro 25.6 million. This balance was the result of changes in 2023 as shown below:

(in thousands of Euro)

Description	Balance at 31/12/2022	Accruals	Uses	Other changes	Balance at 31/12/2023
Non-current provisions for risks and charges	25,631	(3,597)	(3,602)	(962)	17,470

The item Other changes refers to exchange rate effects and to asset reclassifications from the current provision for risks and charges and amounts due from customers.

The breakdown of the item Non-current provisions for risks and charges was as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Contractual risks	3,467	9,468	(6,001)
Work carried out under warranty	991	798	193
Loss allowance for investees	1,046	920	126
Dispute risks	77	483	(406)
Other current provisions for risks and charges	11,889	13,962	(2,073)
TOTAL Non-current provisions for risks and charges	**17,470**	**25,631**	**(8,161)**
Other current provisions for risks and charges	4,123	1,963	2,160
TOTAL Current provisions for risks and charges	**4,123**	**1,963**	**2,160**
TOTAL	**21,593**	**27,594**	**(6,001)**

The balance of the provision for contractual risks amounted to approximately Euro 3.5 million, attributable to the Trevi Division for Euro 2.8 million and to the Soilmec Division for approximately Euro 0.7 million.

The decrease compared to 31 December 2022 is mainly attributable to the release of the Euro 7 million provision on a construction site in Italy of Trevi S.p.a., as the risk will be covered by the insurance policy.

The provision for Work carried out under warranty of Euro 1 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 other minor companies of Trevi S.p.A.

The provision for dispute risks equal to Euro 77 thousand 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 disputes arising during the ordinary course of business;
- Legal disputes involving tax authorities.

The item Other non-current provisions for risks and charges includes bonuses to employees for a total amount of Euro 1.8 million and tax disputes for Euro 1.3 million. The item also includes Company's provisions for future charges relating to the potential assumption of positions following the sale of the Oil & Gas Division for Euro 7.5 million.

The item other current provisions for risks and charges, amounting to Euro 4.1 million at 31 December 2023, mainly includes bonuses to employees for Euro 3.7 million and other risks attributable to the subsidiaries of the Trevi Division, IDT Fzco in Dubai for approximately Euro 0.3 million.

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 31 December 2023, the Group believed it does not have any contingent liabilities exceeding the amount set aside under the item Other Provisions in the category Work carried out under warranty, as it considers that there is no probable outlay of resources.

With regards to contingent liabilities relating to tax disputes, based on the information currently available and taking into account the existing risk provisions, it is considered that they will not determine significant negative effects on the consolidated financial statements. Following audits carried out by tax authorities, the ongoing disputes of the companies of the Group amounted to Euro 4.8 million, referring to tax periods in previous years and mainly attributable to tax credits for research and development, income taxes and withholding taxes. In view of said disputes, the companies of the Group filed specific appeals, providing all the information and supporting documents needed to reach an agreement with the tax authorities; at the same time, specific risk provisions were set up to cover them, for a total amount of approximately Euro 1.3 million. Specifically, on 15 November 2022, following a tax audit to a company of the Group, a provisional notification was received of a formal request for payment of higher taxes, plus penalties and interests, in the amount of approximately Euro 3.8 million, relating to the 2019 tax period. The subsidiary of the Group concerned filed an appeal on 14 December 2022, pointing out that tax authorities, in notifying the above-mentioned violations, did not consider, in violation of the applicable tax law, the supporting documents and defence pleadings already submitted during the audit. In this regard, the subsidiary, after consulting its tax advisors, set aside a provision of Euro 200 thousand to cover disputes deemed potentially founded.

(17) Other non-current liabilities

Other non-current liabilities at 31 December 2023 amounted to Euro 1.4 million, a decrease of Euro 1.4 million compared to Euro 2.8 million at 31 December 2022.

The item is almost exclusively attributable to the Company.

CURRENT LIABILITIES

Current liabilities amounted to Euro 296.9 million at 31 December 2023, decreasing by Euro 239.6 million compared to 31 December 2022.

A breakdown of changes of the various items is provided below:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Current loans (bank loans and borrowings)	48,463	145,200	(96,737)
Bank overdrafts	3,816	4,607	(791)
Sub-total of current loans and borrowings	**52,279**	**149,807**	**(97,528)**
Lease liabilities	14,577	8,392	6,185
Loans and borrowings from other financial backers	11,238	128,591	(117,353)
Sub-total of loans and borrowings from other financial backers	**25,815**	**136,983**	**(111,168)**
Trade payables	114,550	139,836	(25,284)
Payments on account	17,061	34,598	(17,537)
Due to customers	36,951	14,043	22,908
Due to associates	3,690	881	2,809
Due to social security institutions	3,367	3,300	67
Accrued expenses and deferred income	3,245	1,855	1,390
Other liabilities	18,275	29,372	(11,097)
VAT liabilities	5,871	7,863	(1,992)
Current provisions	4,123	1,963	2,160
Sub-total of other current liabilities	**207,133**	**233,711**	**(26,578)**
Current tax liabilities	11,654	15,940	(4,286)
Sub-total of current tax-liabilities	**11,654**	**15,940**	**(4,286)**
TOTAL	**296,881**	**536,441**	**(239,560)**

Concerning past due trade payables, loans and borrowings, tax liabilities and amounts due to employees at 31 December 2023, overdue trade payables were totalling approximately Euro 28.2 million.

There were no overdue amounts due to employees or social security institutions.

At the reporting date, there were no payment orders against the Group companies.

(18) Trade payables and payments on account by geographical segment and currency

Trade payables amounted to Euro 114.6 million marking a decrease compared to Euro 25.3 million at 31 December 2022.

The breakdown by geographical segment of current trade payables and payments on account is the following:

(in thousands of Euro)

31/12/2023	Italy	Europe (excluding Italy)	United States and Canada	Latin America	Africa	Middle East and Asia	Far East	Rest of the world	Total
Suppliers	55,689	4,700	10,963	3,417	3,275	21,986	955	13,566	114,550
Payments on account from customers	2,194	478	106	1,030	3,474	1,992	218	7,569	17,061
Due to customers	4,722	0	6,687	911	4,538	18,898	0	1,196	36,951
Due to associates	3,678	0	0	0	0	12	0	0	3,690
TOTAL	**66,282**	**5,178**	**17,756**	**5,358**	**11,287**	**42,888**	**1,173**	**22,330**	**172,252**

(in thousands of Euro)

31/12/2022	Italy	Europe (excluding Italy)	United States and Canada	Latin America	Africa	Middle East and Asia	Far East	Rest of the world	Total
Suppliers	66.672	5.700	7.618	3.819	8.575	28.826	16.129	2.496	139.835
Payments on account from customers	4.476	618	110	4.873	11.220	2.764	1.207	9.330	34.598
Due to customers	8.085	0	3.461	0	0	2.412	85	0	14.043
Due to associates	696	0	0	0	0	13	173	0	881
TOTAL	**79.928**	**6.318**	**11.189**	**8.692**	**19.796**	**34.015**	**17.593**	**11.826**	**189.357**

The breakdown of trade payables by currency was as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
EURO	62,502	73,885	(11,383)
USD	12,711	9,506	3,205
AED	13,837	7,742	6,095
NGN	1,604	5,966	(4,362)
GBP	144	33	111
DKK	-1	5	(6)
OTHERS	23,753	42,698	(18,945)
Total	**114,550**	**139,835**	**(25,285)**

Trade payables and other current liabilities:

Due to customers:

This item, for an amount of Euro 37 million, shows contract work in progress net of the related payments on account.

Due to associates:

This item, totalling Euro 3.7 million, refers almost entirely to trade payables of the subsidiary Trevi S.p.A. to consortia. See Note (34) – Related party transactions for details of these amounts.

VAT liabilities:

VAT liabilities decreased amounted to Euro 5.9 million with a decrease of Euro 2 million compared to 31 December 2022.

Accrued expenses and deferred income:

Accrued expenses and deferred income amounted to Euro 3.2 million at 31 December 2023. This item is composed as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Accrued expenses	2,833	941	1,892
Deferred income	412	914	(502)
TOTAL	**3,245**	**1,855**	**1,390**

The above-mentioned item includes economic items pertaining to the year, but which will be incurred in the following year.

The effect is mainly attributable to the Trevi Division for an amount of approximately Euro 2.5 million and for Euro 0.7 million to the Soilmec Division.

Other liabilities:

The item Other liabilities mostly includes:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Due to employees	12,315	14,956	(2,641)
Other	5,960	14,416	(8,456)
TOTAL	**18,275**	**29,372**	**(11,097)**

Amounts due to employees relate to wages and salaries for December 2023 and holidays accrued but not used.

(19) Current tax liabilities

Tax liabilities at 31 December 2023 amounted to Euro 11.7 million and are broken down as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
IRES taxes	1,172	275	897
IRAP taxes	171	0	171
Income taxes of foreign companies and other tax liabilities	10,311	15,665	(5,354)
TOTAL	**11,654**	**15,940**	**(4,286)**

The balance at 31 December 2023 includes liabilities related to estimated taxes pertaining to the year 2023.

(20) Current loans and borrowings

Current loans and borrowings at 31 December 2023 amounted to Euro 52.3 million and are broken down as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Bank overdrafts	3,816	4,608	(792)
Bank loans and borrowings	35,427	135,038	(99,611)
Portion of mortgages and loans expiring within twelve months	13,036	10,161	2,875
TOTAL Current loans and borrowings	**52,279**	**149,807**	**(97,528)**

Current loans and borrowings are made up of bank loans and borrowings and of the residual short-term portions of non-current mortgages.

The item Loans and borrowings includes trade advances whose amount is mainly attributable to Italian companies for Euro 25.7 million, marking a decrease of Euro 2.9 million compared to Euro 28.6 million at 31 December 2022.

The reduction effect of current loans and borrowings of the Group was mainly attributable to the non-current 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”).

(21) Lease liabilities and current loans and borrowings from other financial backers

Lease liabilities and loans and borrowings from other financial backers at 31 December 2023 amounted to Euro 25.8 million and can be broken down as follows:

(in thousands of Euro)

Description	31/12/2023	31/12/2022	Change
Lease liabilities	14,577	8,392	6,185
Loans and borrowings from other financial backers	11,238	128,591	(117,353)
TOTAL Loans and borrowings from other financial backers	**25,815**	**136,983**	**(111,168)**

Lease liabilities include the principal of instalments due within one year and are governed by IFRS 16.

Loans and borrowings from other financial backers at 31 December 2023 mainly include amounts due to non-banking institutions.

The reduction effect of current loans and borrowings from other financial backers of the Group is mainly attributable to the long-term reclassification due to the rescheduling of other financial 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”).

(22) Current derivatives

At 31 December 2023, there were no current derivatives.

(23) Current provisions

Current provisions classified as current at 31 December 2023 amounted to Euro 4.1 million (Euro 2 million at 31 December 2022).

Changes during the year are shown below:

(in thousands of Euro)

Description	Balance at 31/12/2022	Accruals	Uses	Releases	Other changes	Balance at 31/12/2023
Other current provisions	1,963	3,617	(531)	(1,552)	626	4,123

The item Other current provisions mainly includes provisions for tax disputes and accruals for bonuses to employees.

The item Other changes is almost entirely attributable to exchange differences.

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 representation of the Group, based on the current guidelines and interpretations available.

(in thousands of Euro)

	Description	31/12/2023	31/12/2022	Change
A	Cash and cash equivalents	**80,838**	**88,519**	**(7,681)**
B	Other cash equivalents	3,818	9,835	(6,017)
C	Other current financial assets	13,383	14,156	(773)
D	**Cash and cash equivalents (A+B+C)**	**98,039**	**112,510**	**(14,471)**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current debt)	54,830	269,127	(214,297)
F	Current portion of non-current financial debt	23,263	17,664	5,599
G	**Current financial debt (E+F)**	**78,093**	**286,791**	**(208,698)**
H	**Net current financial debt (G-D)**	**(19,946)**	**174,281**	**(194,227)**
I	Non-current financial debt (excluding the current portion and debt instruments)	171,938	25,608	146,330
J	Debt instruments	50,000	50,000	0
K	Trade payables and other non-current liabilities	0	1,290	(1,290)
L	**Non-current financial debt (I+ J+ K)**	**221,938**	**76,898**	**145,040**
M	**Total financial debt (H+L) (as provided for by Consob warning notice No. 5/21 of 29 April 2021)**	**201,992**	**251,179**	**(49,187)**

For further details on third parties, reference should be made to paragraph “Related Party Transactions” in these Notes.

Financial assets do not include guarantee deposits to calculate the Net Financial Debt.

GUARANTEES AND COMMITMENTS

The main guarantees provided are listed below:

Corporate guarantees/Bank guarantees for Euro 279,267.8 thousand, *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 as well as lease contracts for their subsidiaries or made available for subsidiaries.

This category also includes the Corporate guarantees issued by Trevi - Finanziaria Industriale SpA 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 49,645.3 thousand. 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 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 147,114.8 thousand and refer in particular to:

Bank commercial guarantees for Euro 146,745.2 thousand. Guarantees mainly issued to take part in tenders, to cover performance bonds and for contractual advances.

Financial sureties for Euro 369.6 thousand 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).

COMMENT ON THE MAIN ITEMS OF THE STATEMENT OF PROFIT OR LOSS

Below are some details and information relating to the statement of profit or loss for the year ended 31 December 2023. For a more detailed analysis of the performance for the year, reference should be made to the comments in the Directors' Report.

REVENUE

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

This item amounted to Euro 594.9 million compared to Euro 570.7 million in 2022, an increase of Euro 24.2 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:

(in thousands of Euro)

Geographical segment	2023	%	2022	%	Change	%
Italy	67,561	12%	51,015	9%	16,546	32%
Europe	25,046	4%	44,574	8%	(19,528)	-44%
U.S.A. and Canada	130,298	22%	83,425	15%	46,873	56%
Latin America	34,866	6%	26,226	5%	8,640	33%
Africa	52,710	9%	79,587	14%	(26,877)	-34%
Middle East and Asia	173,010	29%	166,457	29%	6,553	4%
Far East and Rest of the World	111,408	19%	119,406	21%	(7,998)	-7%
Total revenue	**594,899**	**100%**	**570,689**	**100%**	**24,210**	**4%**

The increase in revenue is mostly attributable to some job orders of the Trevi Division in U.S.A. and in the Middle East and to an increase in sales of the Trevi Division in Italy.

The main decreases in revenue were recorded in Europe and Africa due respectively to reduced sales of machinery by the Soilmec Division in Europe and the completion of major foundation orders by the Trevi Division in Africa.

Euro 85 million of total revenue is attributable to the "Neom" project of the subsidiary Arabian Soil Contractors in Saudi Arabia.

The breakdown of revenue between the Foundations segment, made up of the Trevi and Soilmec Divisions, and the Company is shown below:

(in thousands of Euro)

Activity	2023	2022	Change
Special foundation works	468,245	438,013	30,232
Manufacturing of special machinery for foundations	152,942	133,319	19,623
Intradivisional eliminations and adjustments	(25,754)	(4,197)	(21,556)
Sub-total of Foundations segment (Core business)	**595,433**	**567,135**	**28,299**
Company	16,537	18,478	(1,941)
Intradivisional and Company eliminations	(17,071)	(14,923)	(2,148)
TREVI GROUP	**594,899**	**570,690**	**24,210**

Other operating revenue

Other operating revenue amounted to Euro 13.2 million in 2023, down by Euro 0.9 million compared to 2022. This item is broken down as follows:

(in thousands of Euro)

Description	2023	2022	Change
Grants related to income	238	288	(50)
Recovery of expenses and recharges to Consortia	519	788	(269)
Sales of spare parts and raw materials	1,125	857	268
Gains on sale of capital goods	1,635	4,799	(3,164)
Compensation for damage	178	401	(223)
Lease income	149	309	(160)
Prior year income	3,409	2,817	592
Other	5,913	3,819	2,094
Total	**13,166**	**14,078**	**(912)**

Grants related to income refer to Trevi S.p.A. for Euro 139 thousand and to Soilmec S.p.A. for Euro 99 thousand.

In 2023, there was a decrease in Recovery of expenses and recharges to Consortia totalling Euro 0.3 million, down by Euro 0.8 million compared Euro 0.5 million in the previous year.

Sales of spare parts amounted to Euro 1.1 million, an increase of Euro 0.3 million compared to the previous year; Gains on sale of capital goods amounted to Euro 1.6 million compared to Euro 4.8 million in the previous year, amount generated by the Trevi Division for Euro 1.1 million, by the Soilmec Division for Euro 0.3 million and by the Company for Euro 0.2 million. The significant change from the previous year is mainly due to the sale of a business unit of Parcheggi S.p.A. in the previous year.

Prior year income amounted to Euro 3.4 million, up by Euro 0.6 million compared to the previous year. This revenue was generated by the Trevi Division for Euro 2.9 million and by the Soilmec Division for Euro 0.4 million.

The item Other amounted to Euro 5.9 million marking an increase compared to the previous year of Euro 2.1 million and was generated by the Trevi Division for Euro 2.6 million and the Soilmec Division for 3.3 million.

(25) Internal work capitalised

The item Internal work capitalised amounted to Euro 19.2 million in 2023, marking an increase compared to Euro 9.5 million recorded in 2022. The amount was mainly due to the production of equipment made by the Soilmec Division for use by the Trevi Division.

PRODUCTION COST

Production cost totalled Euro 565.8 million in 2023 compared to Euro 570.3 million in the previous year, marking a decrease of Euro 4.5 million; the main items are analysed below.

(26) Personnel expense

This item amounted to Euro 130.3 million in 2023, an increase of Euro 7.3 million over the previous year.

(in thousands of Euro)

Description	2023	2022	Change
Wages and salaries	104,957	95,547	9,410
Social security charges	21,230	22,310	(1,080)
Post-employment benefits	127	639	(512)
Pension fund	780	1,238	(458)
Other costs	3,170	3,217	(47)
Total	**130,264**	**122,951**	**7,313**

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

(in units)

Description	2023	2022	Change	Average
Executives	66	68	(2)	67
- of which Managers	41	42	(1)	42
White-collar workers and Middle managers	1,112	1,084	28	1,098
Blue-collar workers	2,011	2,122	(111)	2,067
Total	**3,189**	**3,274**	**(85)**	**3,232**

(in units)

	Workforce	
Geographical segment	**2023**	**2022**
Italy	762	709
Europe (excluding Italy)	28	27
United States and Canada	127	112
South America	245	295
Africa	470	535
Middle East and Asia	792	687
Far East and Rest of the World	765	909
Total	**3,189**	**3,274**

(27) Other operating expenses

This item amounted to Euro 172.3 million in 2023, decreasing by Euro 8.6 million compared with the previous year, details of which are mentioned below.

(in thousands of Euro)

Description	2023	2022	Change
Services	130,420	144,834	(14,414)
Use of third-party assets	33,740	24,933	8,807
Other operating costs	8,170	11,201	(3,031)
Total	**172,330**	**180,968**	**(8,638)**

Services:

Services amounted to Euro 130.4 million in 2023 against Euro 144.8 million of Euro in 2022. This item mostly includes:

(in thousands of Euro)

Description	2023	2022	Change
Sub-contracts	24,558	45,162	(20,604)
Technical, legal, tax consultancy services	23,284	20,324	2,960
Other expenses for the provision of services	31,407	22,638	8,769
Food, accommodation and travel expenses	10,215	10,521	487
Insurance companies	6,398	6,845	(447)
Shipping, customs and transport costs	17,183	15,448	1,735
Maintenance and repairs	3,224	3,812	(588)
Bank services	1,127	2,028	(901)
Expenses for energy, telephone, gas, water and post	2,691	2,888	(198)
Outsourcing	6,307	8,335	(2,027)
Technical assistance	2,362	2,080	282
Advertising and promotions	662	1,111	(450)
Administrative services	87	670	(583)
Driving force	81	1,051	(970)
Commissions and ancillary charges	530	1,329	(806)
Entertainment expenses	304	592	(288)
Total	**130,420**	**144,834**	**3,076**

The item Services decreased compared to the previous year by Euro 3.1 million.

Sub-contracts decreased by approximately Euro 20.6 million compared to the previous year in connection with the completion of orders in the Trevi Division; the breakdown of these costs by geographic segment showed the following changes from the previous year:

Africa for Euro 3.4 million compared to Euro 16.8 million in 2022, U.S.A. for Euro 5.1 million compared to Euro 15 million in 2022 and Far East for Euro 3.4 million compared to Euro 7.2 million in the previous year.

Technical, legal, tax consultancy services increased by Euro 3 million and this increase was mainly due to the Trevi Division as the costs recorded amounted to Euro 18.4 million in 2023 compared to Euro 15.3 million in the previous year. The Soilmec Division recorded costs for Euro 2.8 million (Euro 0.2 million in 2022).

Other expenses for the provision of services increased by approximately Euro 8.8 million compared to the previous year and were generated respectively by the Trevi Division for approximately Euro 23 million, the Soilmec Division for approximately Euro 3.4 million and the Company for Euro 5 million.

In the Trevi Division, these costs mainly refer to services received from third companies directly on orders and general services.

Shipping, customs and transport costs increased by Euro 1.7 million compared to the previous year, affected by the increase in costs attributable to the Trevi Division for Euro 11.4 million. The amount related to the Soilmec Division remained practically unchanged from the previous year, which recorded costs of Euro 5.8 million.

Use of third-party assets:

This item amounted to Euro 33.7 million in 2023, an increase of Euro 8.8 million over the previous year.

The item mainly refers to:

(in thousands of Euro)

Description	2023	2022	Change
Equipment leases	30,829	21,601	9,228
Lease expense	2,911	3,331	(420)
Total	**33,740**	**24,932**	**8,808**

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

The increase in these items is particularly related to the operating dynamics and the performance of orders in the Trevi Division.

Other operating costs:

This item amounted to Euro 8.2 million in 2023, a decrease of Euro 3 million over 2022. Its composition is as follows:

(in thousands of Euro)

Description	2023	2022	Change
Indirect duties and fees	3,299	2,989	310
Prior year expense	1,325	4,496	(3,171)
Other sundry expenses	2,061	1,380	681
Ordinary losses on the sale of assets	1,485	2,336	(851)
Total	**8,170**	**11,201**	**(3,031)**

Prior year expense amounted to Euro 1.3 million and were generated by the Trevi Division for Euro 0.8 million, a decrease of Euro 3.2 million with respect to the previous year, by the Soilmec Division for Euro 0.4 million, an increase of Euro 0.3 million with respect to the previous year, and Euro 0.1 million by the Company.

Other sundry expenses amounted to Euro 2.1 million, increasing compared to the previous year, and were generated respectively by the Trevi Division for Euro 1.6 million, of which Euro 0.9 million of Trevi S.p.A., by the Soilmec Division for Euro 0.4 million and by the Company for Euro 0.1 million.

Ordinary losses on sale of assets amounted to Euro 1.5 million, marking a decrease compared to Euro 0.9 million in 2022. These losses were generated by the Trevi Division for Euro 0.9 million and by the Soilmec Division for Euro 0.5 million.

(28) Provisions and impairment losses

(in thousands of Euro)

Description	2023	2022	Change
Provisions for risks	(1,705)	3,066	(9,525)
Accruals to loss allowances	(220)	8,861	(1,009)
Net impairment losses on assets	1,067	699	(169)
Total	**(858)**	**12,626**	**(10,704)**

Provisions for risks:

The amount of Euro 1.7 million includes the release of a provision for contractual risks of Euro 7 million in the

Trevi Division, which more than offset the 2023 provisions for employee bonuses of Euro 3.6 million, for contractual risks of Euro 1.1 million, for tax disputes and for miscellaneous risks for a total of Euro 0.6 million.

Accruals to loss allowances:

The amount of Euro 0.2 million refers balance between the release and accrual for the loss allowances for trade receivables of the individual subsidiaries.

Net impairment losses on assets:

Net impairment losses on assets amounted to Euro 1.1 million generated by the Trevi Division.

(29) Financial income

Financial income amounted to Euro 45.6 million in 2023, with an increase of Euro 38.4 million compared to 2022.

This item is broken down as follows:

(in thousands of Euro)

Description	2023	2022	Change
Bank interest income	422	211	211
Interest income on trade receivables	622	292	330
Financial income from fair value measurement (IFRS9)	41,247	0	41,247
Financial income from financial restructuring	761	0	761
Other financial income	2,588	6,707	(4,119)
Total	**45,640**	**7,210**	**38,430**

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 recalculation on the rescheduled debt.

(30) Financial expense

Financial expense amounted to Euro 46.1 million in 2023, with an increase of Euro 21.7 million compared to 2022. This item is broken down as follows:

(in thousands of Euro)

Description	2023	2022	Change
Interest expense on loans and borrowings	12,707	9,260	3,447
Financial expense from fair value measurement	27,957	9,496	18,461
Bank fees and commissions	2,583	2,760	(177)
Interest expense on loans	228	24	204
Interest expense on right-of-use assets	848	631	217
Other financial expense	1,771	2,259	(488)
Total	**46,094**	**24,430**	**21,664**

The item Interest expense on 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 Company and 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 recalculation on the rescheduled debt.

The overall effect of the financial income and expense related to the restructuring and the recalculation of IFRS 9 on the debt had a positive impact for a total of Euro 13.3 million in 2023.

(31) Exchange losses

Net exchange losses amounted to Euro 4.2 million in 2023, mainly due to the fluctuation between the Euro and the following currencies: US Dollar, Nigerian Naira, Dirham of the UAE and Argentine Peso. Exchange gains/losses mainly derive from intercompany payables and receivables between the Trevi Group companies expressed in currencies other than the reporting currency, and do not give rise to cash effects.

The composition of this item is shown below:

(in thousands of Euro)

Description	2023	2022	Change
Realised exchange gains	38,607	10,034	4,833
Realised exchange losses	(41,851)	(10,036)	(5,982)
Net realised exchange losses	**(3,244)**	**(2)**	**(1,149)**
Unrealised exchange gains	15,017	18,270	2,220
Unrealised exchange losses	(15,936)	(25,727)	5,593
Net unrealised exchange losses	**(919)**	**(7,457)**	**7,814**
Net exchange losses	**(4,163)**	**(7,459)**	**6,665**

(32) Income taxes

Net taxes for the year remained substantially unchanged from the previous year and amounted to Euro 10.5 million in 2023 and were composed as follows:

(in thousands of Euro)

Description	2023	2022	Change
Current taxes:			
- Regional Business Tax (IRAP)	171	0	171
- Income taxes	15,149	16,030	(881)
Deferred tax expense	2,122	(6,147)	8,269
Deferred tax income	(6,987)	551	(7,538)
Total	**10,455**	**10,434**	**21**

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 scope of consolidation of the Group.

Taxes for foreign companies are calculated according to the rates in force in the respective countries.

(in thousands of Euro)

Description	2023	2022	Change
Prodit/(Loss) for the year before taxes and non-controlling interests	**36,388**	**(4,741)**	**41,129**
IRES - Italian companies	128	194	(66)
Deferred taxes of Italian companies and consolidation entries	(2,039)	(1,522)	(518)
Current and deferred income taxes on foreign companies	12,964	12,728	236
Regional Business Tax (IRAP)	171	0	171

Taxes paid abroad	1,376	45	1,331
IRES tax differences from previous years	(2,145)	(1,011)	(1,134)
Income taxes shown in the statement of profit or loss	**10,455**	**10,434**	**21**
Tax rate	**28.7%**	**n.a.**	

(33) Earnings per share

The calculation of basic and diluted losses per share was as follows:

Description	**2023** **Profit from continuing operations**	**2022** **Loss from continuing operations**
"A" Profit/(Loss) for the year (thousands of Euro)	19,107	(19,127)
"B" Weighted average number of ordinary shares for the determination of basic earnings per share	307,311,336	150,855,693
Basic earnings/(losses) per share: (A*1000) / B	0.06	(0.13)
"D" Profit/(Loss) adjusted for the dilution analysis (thousands of Euro)	19,107	(19,127)
Weighted average number of ordinary shares for calculating basic earnings per share (B)	322,947,621	166,439,024
Diluted earnings/(losses) per share: (D*1000) / E	0.06	(0.11)

RELATED PARTY TRANSACTIONS

Directors' remuneration

For the year 2023, the amount of remuneration due to the Directors of the Company for the performance of these duties also in other companies included in the scope of consolidation is provided below:

Name	Company	Office	Remuneration for the office	Remuneration for subsidiaries	Other remuneration
Anna Zanardi - until 31 July 2023	Trevi - Fin. Ind. S.p.A.	Chairperson of the Board of Directors	23.1		
Paolo Besozzi – as of 1 August 2023	Trevi - Fin. Ind. S.p.A.	Non-executive Board Director and Chairman of the Board of Directors	65		
Giuseppe Caselli	Trevi - Fin. Ind. S.p.A.	Non-executive Board Director	0		531.2
	Trevi S.p.A.	Chairman of the Board of Directors; Chief Executive Officer		0	
	Soilmec S.p.A.	Chairman of the Board of Directors; Chief Executive Officer		0	
Davide Contini	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Member of Related Party Committee	9.5		
Bartolomeo Cozzoli	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Member of Appointments and Remuneration Committee	17		
Cristina De Benedetti	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Chairperson of Related Party Committee	12.8		
Manuela Franchi;	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Chairperson of Control, Risks and Sustainability Committee	29.3		
Sara Kraus	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Member of Related Party Committee	9.5		
Davide Manunta	Trevi - Fin. Ind. S.p.A.	Non-executive Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Member of Control, Risks and Sustainability Committee	23.3		
	Trevi S.p.A.	Non-executive Board Director		22.5	
	Soilmec S.p.A.	Non-executive Board Director		12.5	
Elisabetta Oliveri	Trevi - Fin. Ind. Industriale S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Member of Control, Risks and Sustainability Committee	23.3		
	Trevi - Fin. Ind. S.p.A.	Member of Appointments and Remuneration Committee	17		
Alessandro Piccioni	Trevi - Fin. Ind. S.p.A.	Non-executive and independent Board Director	40		
	Trevi - Fin. Ind. S.p.A.	Chairperson of Appointments and Remuneration Committee	23		
	Trevi S.p.A.	Non-executive Board Director		22.5	

(34) Other 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 financial assets at 31 December 2023 and 31 December 2022 are shown below:

(In thousands of Euro)

Financial assets	31/12/2023	31/12/2022	Change
Porto Messina S.c.a.r.l.	716	713	3
Pescara Park S.r.l.	632	626	6
Overturning S.c.a.r.l.	794	2,964	(2,170)
Bologna Park S.r.l.	170	100	70
Total	**2,312**	**4,403**	**(2,091)**

The most significant amounts of current trade receivables at 31 December 2023 and 31 December 2022 included under the item Trade receivables and other current assets are shown below:

(In thousands of Euro)

Trade receivables and other current assets	31/12/2023	31/12/2022	Change
Sofitre S.r.l.	0	0	0
Other	0	0	0
Sub-total	**0**	**2**	**(2)**
Porto Messina S.C.A.R.L.	1,007	826	181
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
Overturning S.C.A.R.L.	29	0	29
Italthai Trevi	144	429	(285)
Other	(6)	(5)	(1)
Sub-total	**3,326**	**3,262**	**64**
Total	**3,326**	**3,262**	**64**
% of consolidated trade receivables	1.3%	1.2%	

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

(In thousands of Euro)

Revenue from sales and services	2023	2022	Change
Parcheggi S.p.A.*	0	1	(1)
Sub-total	**0**	**1**	**(1)**
Italthai Trevi	590	804	(214)
Overturning S.c.a.r.l.	80	0	80
Treviicos-Nicholson JV (USA)	0	37	(37)
Hercules Trevi Foundation AB	0	273	(273)
Other	4	4	0
Sub-total	**674**	**1,118**	**(444)**
Total	**674**	**1,119**	**(445)**
% of total revenue	0.1%	0.2%	

(*) Parcheggi S.p.A., acquired in 2021, was excluded from the related party transaction statement at 31 December 2022.

(In thousands of Euro)

Financial income	2023	2022	Change
Bologna Park S.r.l.	33	18	15
Other	0	2	(2)
Total	**33**	**20**	**13**

The most significant amounts due to related companies at 31 December 2023 and 31 December 2022 included under the item Trade payables and other current liabilities are shown below:

(In thousands of Euro)

Trade payables and other current liabilities	31/12/2023	31/12/2022	Change
IFC Ltd	0	173	(173)
Sofitre S.r.l.	0	0	0
Sub-total	**0**	**173**	**(173)**
Filippella S.C.A.R.L.	271	46	225
Nuova Darsena	545	173	372
Porto Messina S.c.a.r.l.	2,283	234	2,049
Trevi SGF INC S.C.A.R.L.	171	90	81
Overturning S.c.a.r.l.	256	0	256
Other	164	165	(1)
Sub-total	**3,690**	**708**	**2,983**
Total	**3,690**	**881**	**2,810**
% of consolidated trade payables	0.6%	0.6%	

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

(In thousands of Euro)

Consumption of raw materials and external services	2023	2022	Change
Porto Messina S.c.a.r.l.	180		180
Trevi SGF INC S.C.A.R.L.	82		82
Filippella S.c.a.r.l.	225		225
Nuova Darsena S.c.a.r.l.	372	174	198
Overturning S.c.a.r.l.	1,510		1,510
Other	1		1
Sub-total	**2,370**	**174**	**2,196**
Total	**2,370**	**174**	**2,196**
% of consumption of raw materials and consolidated external services	0.6%	0.0%	

SEGMENT INFORMATION

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 segments 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 31 December 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 this Note on segment reporting.

Trevi Division

Statement of Financial Position

(In thousands of Euro)

Description		31/12/2023	31/12/2022	Change
A)	**Non-current assets**	**139,809**	**128,393**	**11,416**
B)	**Net working capital**			
	- Inventories	130,397	116,359	14,038
	- Trade receivables	105,697	154,760	(49,063)
	- Trade payables (-)	(91,299)	(116,304)	25,005
	- Payments on account (-)	(47,470)	(35,586)	(11,884)
	- Other liabilities	(6,905)	(27,169)	20,264
		90,420	**92,061**	**(1,641)**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital less liabilities (A + B)**	**230,229**	**220,453**	**9,775**
E)	**Post-employment benefits (-)**	**(8,439)**	**(8,591)**	**152**
F)	**NET INVESTED CAPITAL (C+D)**	**221,790**	**211,862**	**9,927**

Statement of Profit or Loss summary

(In thousands of Euro)

Trevi Division Statement of Profit or Loss Summary	2023	2022	Change
TOTAL REVENUE	**468,245**	**438,013**	**30,232**
Change in finished goods and work in progress	555	0	555
Internal work capitalised	978	1,015	(38)
PRODUCTION REVENUE	**469,777**	**439,028**	**30,749**
Consumption of raw materials and external services	(302,316)	(289,204)	(13,112)
VALUE ADDED	**167,461**	**149,824**	**17,638**
% of total revenue	35.8%	34.2%	58.3%
Personnel expense	(97,677)	(87,733)	(9,944)
RECURRING GROSS OPERATING PROFIT (EBITDA)	**69,785**	**62,091**	**7,694**
% of total revenue	14.9%	14.2%	25.4%
Non-recurring expense	(233)	(883)	650
GROSS OPERATING PROFIT (EBITDA)	**69,552**	**61,208**	**8,344**
% of total revenue	15%	14%	28%
Depreciation and amortisation	(23,995)	(20,786)	(3,209)
Provisions and impairment losses	2,714	(8,118)	10,832
OPERATING PROFIT (EBIT)	**48,271**	**32,304**	**15,967**
% of total revenue	10.3%	7.4%	

Soilmec Division

Statement of Financial Position

(In thousands of Euro)

	Description	31/12/2023	31/12/2022	Change
A)	**Non-current assets**	**37,675**	**39,975**	**(2,300)**
B)	**Net working capital**			
	- Inventories	74,558	80,291	(5,733)
	- Trade receivables	60,747	52,427	8,320
	- Trade payables (-)	(49,136)	(51,509)	2,373
	- Payments on account (-)	(5,653)	(6,520)	866
	- Other liabilities	412	811	(399)
		80,927	**75,500**	**5,427**
C)	**Assets held for sale and liabilities associated with assets held for sale**			
D)	**Invested capital less liabilities (A + B)**	**118,602**	**115,475**	**3,127**
E)	**Post-employment benefits (-)**	**(1,520)**	**(2,022)**	**502**
F)	**NET INVESTED CAPITAL (C+D)**	**117,082**	**113,453**	**3,628**

Statement of Profit or Loss summary

(In thousands of Euro)

Soilmec Division Statement of Profit or Loss Summary	2023	2022	Change
TOTAL REVENUE	**152,061**	**133,319**	**18,742**
Change in finished goods and work in progress	(4,841)	9,832	(14,673)
Internal work capitalised	5,021	10,113	(5,093)
PRODUCTION REVENUE	**152,241**	**153,265**	**(1,024)**
Consumption of raw materials and external services	(115,154)	(123,313)	8,159
VALUE ADDED	**37,087**	**29,952**	**7,135**
% of total revenue	24.4%	22.5%	38.1%
Personnel expense	(24,323)	(26,428)	2,105
RECURRING GROSS OPERATING PROFIT (EBITDA)	**12,764**	**3,524**	**9,240**
% of total revenue	8.4%	2.6%	49.3%
Non-recurring expense	(556)	(617)	61
GROSS OPERATING PROFIT (EBITDA)	**12,208**	**2,906**	**9,301**
% of total revenue	8%	2%	50%
Depreciation and amortisation	(4,912)	(7,056)	2,144
Provisions and impairment losses	(713)	(3,596)	2,884
OPERATING PROFIT/(LOSS) (EBIT)	**6,583**	**(7,746)**	**14,328**
% of total revenue	4.3%	-5.8%	

RECONCILIATION STATEMENT at 31 December 2023

Statement of Financial Position

(In thousands of Euro)

Description		Trevi Division	Soilmec Division	Trevi Finanziaria	Adjustments	Trevi Group
A)	**Non-current assets**	**139,809**	**37,675**	**231,828**	**(221,966)**	**187,345**
B)	**Net working capital**					
	- Inventories	130,397	74,558	0	(3,832)	201,123
	- Trade receivables	105,697	60,747	20,727	(26,763)	160,408
	- Trade payables (-)	(91,299)	(49,136)	(8,990)	31,261	(118,165)
	- Payments on account (-)	(47,470)	(5,653)	(132)	498	(52,757)
	- Other liabilities	(6,905)	412	(15,666)	3,836	(18,324)
		90,420	**80,927**	**(4,061)**	**5,000**	**172,285**
C)	**Assets held for sale and liabilities associated with assets held for sale**					
D)	**Invested capital less liabilities (A + B)**	**230,229**	**118,602**	**227,766**	**(216,966)**	**359,631**
E)	**Post-employment benefits (-)**	**(8,439)**	**(1,520)**	**(619)**	**(156)**	**(10,735)**
F)	**NET INVESTED CAPITAL (C+D)**	**221,790**	**117,082**	**227,147**	**(217,122)**	**348,896**

The statement of financial position adjustment column includes for non-current assets the elimination of equity investments and the elimination of intragroup non-current financial assets, for trade receivables and payables the remaining intragroup eliminations.

Reconciliation statement for 2023

Statement of Profit or Loss summary

(In thousands of Euro)

Description	Trevi Division	Soilmec Division	Trevi Finanziaria	Adjustments	Trevi Group
TOTAL REVENUE	**468,245**	**152,061**	**16,537**	**(41,944)**	**594,899**
Change in finished goods and work in progress	555	(4,841)	0	(2,454)	(6,740)
Internal work capitalised	978	5,021	0	13,230	19,229
PRODUCTION REVENUE	**469,777**	**152,241**	**16,537**	**(31,168)**	**607,387**
Consumption of raw materials and external services	(302,316)	(115,154)	(10,522)	24,706	(403,287)
VALUE ADDED	**167,461**	**37,087**	**6,015**	**(6,462)**	**204,101**
% of total revenue	35.8%	24.4%	36.4%		34.3%
Personnel expense	(97,677)	(24,323)	(6,843)	(739)	(129,582)
RECURRING GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**69,785**	**12,764**	**(828)**	**(7,201)**	**74,519**
% of total revenue	14.9%	8.4%	-5.0%		12.5%
Non-recurring expense	(233)	(556)	(1,429)	0	(2,218)
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**69,552**	**12,208**	**(2,258)**	**(7,201)**	**72,301**
% of total revenue	15%	8%	-14%		12%
Depreciation and amortisation	(23,995)	(4,912)	(3,731)	1,048	(31,590)
Provisions and impairment losses	2,714	(713)	(1,145)	1	858
OPERATING PROFIT/(LOSS) (EBIT)	**48,271**	**6,583**	**(7,134)**	**(6,151)**	**41,569**
% of total revenue	10.3%	4.3%	-43.1%		7.0%

Significant events after the reporting period

During the first two months of 2024, the Group acquired orders for approximately Euro 125 million, compared to approximately Euro 80 million acquired in the same period of 2023. The Trevi Division, in particular, acquired orders for approximately Euro 106 million (Euro 76 million in 2023), while the Soilmec Division acquired orders for Euro 25 million (Euro 16 million in the first two months of 2023). The order backlog at 29 February 2024 amounted to Euro 791 million, compared to Euro 557 million at 28 February 2023 (it was Euro 587 million at 31 December 2022 and Euro 720 million at 31 December 2023).

The Group's performance in the first months of the year in terms of order intake, production revenue and backlog was in line with the forecasts for the year 2024.

The Group's Net Financial Debt at 31 January 2024 was Euro 198.9 million compared to Euro 202 million at 31 December 2023.

On 13 February 2024, the 2023-2027 Business Plan, an update to the 2023-2026 Business Plan, was presented to the financial community, examined and approved by the Board of Directors of Trevi - Finanziaria Industriale S.p.A. on 22 December 2024.

For the third year running, the Trevi Group is among "The most climate-conscious companies 2024", according to the survey conducted among over 600 companies by Corriere della Sera and Statista. The survey will appear in the monthly magazine "Pianeta2030" of the Corriere della Sera and on the website www.corriere.it.

As was the case last year, Trevi - Finanziaria Industriale S.p.A. is one of the "Sustainability Leaders 2024" companies. The survey, which is based on the assessment of the environmental, social and governance performance of leading Italian companies and will be officially presented on 16 May 2024, was conducted by the newspaper "Il Sole 24 Ore" in collaboration with Statista, a German company specialising in statistical analysis.

The subsidiary Trevi Foundation Philippines received an award (Safety Award) for 1 million accident-free hours worked for the Candaba Viaduct Project. Furthermore, in the first months of the year, the ISO 45001, ISO 9001 and ISO14001 certifications were renewed for Trevi S.p.A.

Significant non-recurring events and transactions

On 19 December 2023, the merger through incorporation of the Dutch holding company Trevi Contractors BV into the Italian subsidiary Trevi S.p.A., which held all of its investments, was finalised, with a view to simplifying and reorganising the company.
Trevi Contractors BV held almost all the investments of the foreign companies in the Trevi Division, which are now held directly by the subsidiary Trevi S.p.A.
At a consolidated level, this transaction did not have any impact on the Group's financial position or performance.

Positions or transactions deriving from atypical and/or unusual operations

The Trevi Group did not record positions or transactions deriving from atypical and/or unusual operations.

Statutory auditors' remuneration

For the year 2023, the amount of remuneration due to Statutory Auditors of the Company for the performance of these duties also in other companies included in the scope of consolidation is provided below:

Name	Office	Term of office (in months)	Remuneration from the Company	Other remuneration	Total
M. Vicini	PCS	12	50	20	70
F. Parente	SE	12	40	0	40
M. Pierini	SE	12	40	0	40
Total			**130**	**20**	**150**

Audit fees pursuant to Art. 160 par. 1-*bis* No. 303 of Italian Law 262 of 28 December 2005 supplemented by Italian Legislative Decree of 29 December 2006

(Amounts in Euro)	Audit	Certification services	Other services	Overall
Trevi Finanziaria Industriale S.p.A.				
KPMG S.p.A.	332,774	0	0	332,774
KPMG network	0	0	0	0
	332,774	**0**	**0**	**332,774**
Subsidiaries				
KPMG S.p.A.	82,036	0	0	82,036
KPMG network	102,649	0	0	102,649
	184,685	**0**	**0**	**184,685**
Total	**517,459**	**0**	**0**	**517,459**

Information required by Consob pursuant to Art. 114 of Italian Legislative Decree No. 58/98

On 10 December 2018, Consob, under Art. 114 of Italian Legislative Decree No. 58/98 requested the Company to communicate, by the end of each month, the following information updated to the end of the previous month:

A) the Company and the Group's net financial position, with separate disclosure of the short-term position and the medium/long-term position;

B) the overdue amounts of the Company and of the Group headed by it, broken down by nature (financial, trade, tax, social security and to employees) and the relevant initiatives of reaction of creditors (reminders, injunctions, suspensions in the supply, etc.);

C) the Company and the Group's main variations in the transactions with related parties compared to the approved last annual or semi-annual financial report pursuant to Art.154-*ter* of the Italian Consolidated Law on Finance.

Concerning the situation at 31 December 2023, the information was communicated to the market through individual Press Releases issued monthly throughout the year. All the Press Releases mentioned are available on the Company's website at the following address: https://www.trevifin.com/en/press_releases.

ANNEXES

The following annexes supplement the information contained in the Notes to the Consolidated Financial Statements of which they form an integral part.

1) Companies consolidated in the Consolidated Financial Statements at 31 December 2023 on a line-by-line basis.

1a) Companies consolidated in the Consolidated Financial Statements at 31 December 2023 using the equity method.

1b) Companies and consortia consolidated in the Consolidated Financial Statements at 31 December 2023 with the cost method.

2) Organisational chart of the Group.

Annex 1

COMPANIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023 ON A LINE-BY-LINE BASIS

COMPANY NAME	COUNTRY	CURRENCY	SHARE/QUOTA CAPITAL	% HELD BY THE GROUP
Arabian Soil Contractors Ltd	Saudi Arabia	Saudi Riyal	1,000,000	99.78%
Foundation Construction Ltd	Nigeria	Naira	28,006,440	80.15%
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	98.78%
Pilotes Trevi Sacims	Argentina	Argentine Peso	1,217,355,055	99.76%
Pilotes Trevi Sacims - Paraguay	Paraguay	Guarani	330,000,000	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%
Soilmec Algeria - company in liquidation	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	89.93%
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 (Suzhou) Machinery Trading 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 – Finanziaria Industriale S.p.A.	Italy	Euro	123,044,340	Parent
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 Fondations Spéciales Sas	France	Euro	100,000	99.78%
Trevi Foundations Canada Inc	Canada	US Dollar	10	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 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%
Trevi Bangladesh Ltd	Bangladesh	Taka	1,000,000	99.78%

(*) 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.

(*) 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.

Annex 1a

COMPANIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 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	135,258,237	35.50%

Annex 1b

COMPANIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023 USING THE EQUITY METHOD

COMPANY NAME	COUNTRY	CURRENCY	SHARE/QUOTA CAPITAL	% HELD BY THE GROUP	CARRYING AMOUNT (Euro/000)
J.V. Rodio-Trevi-Arab Contractor	Egypt	US Dollar	100,000	17.46%	0
TOTAL					**0**

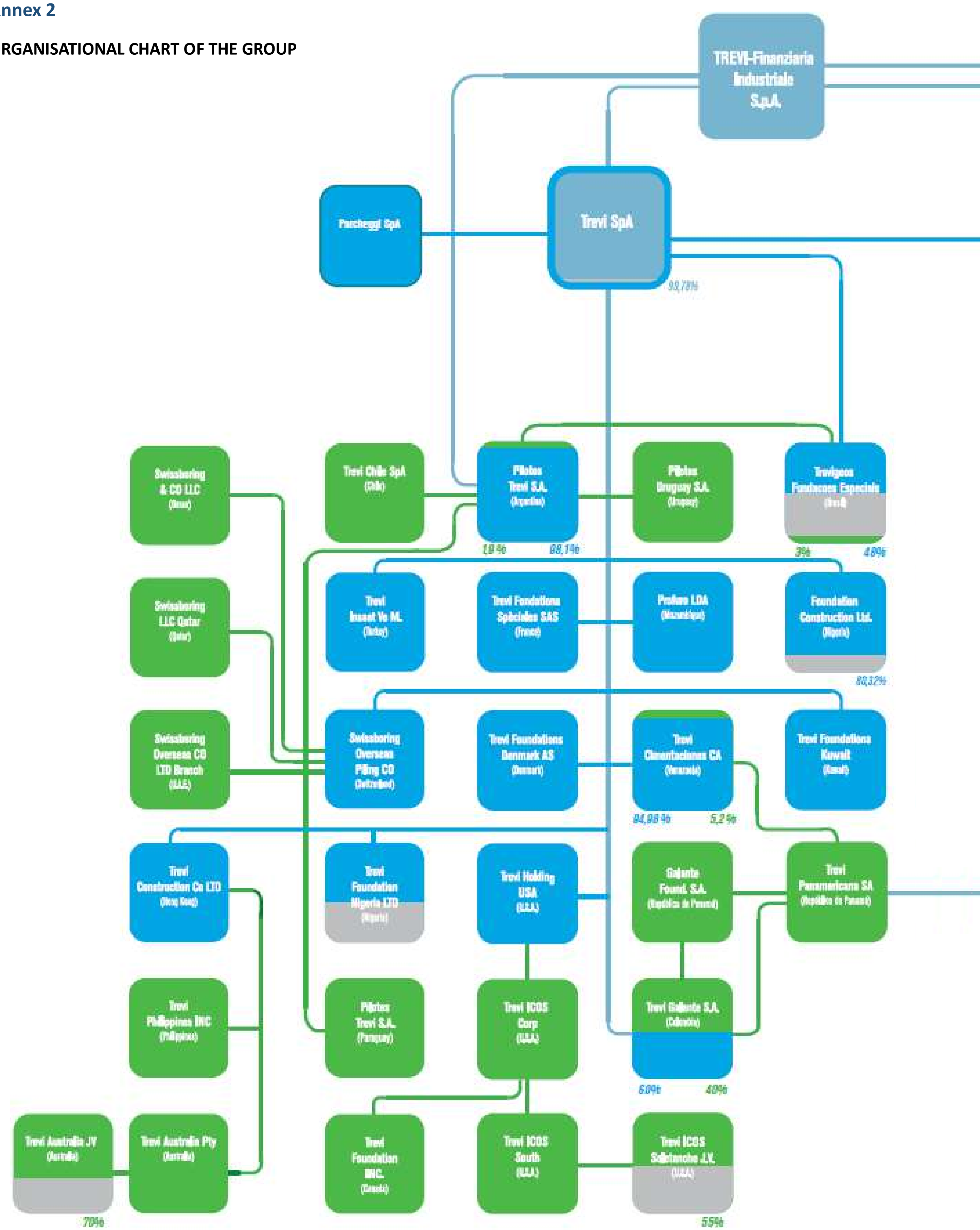
Annex 1c

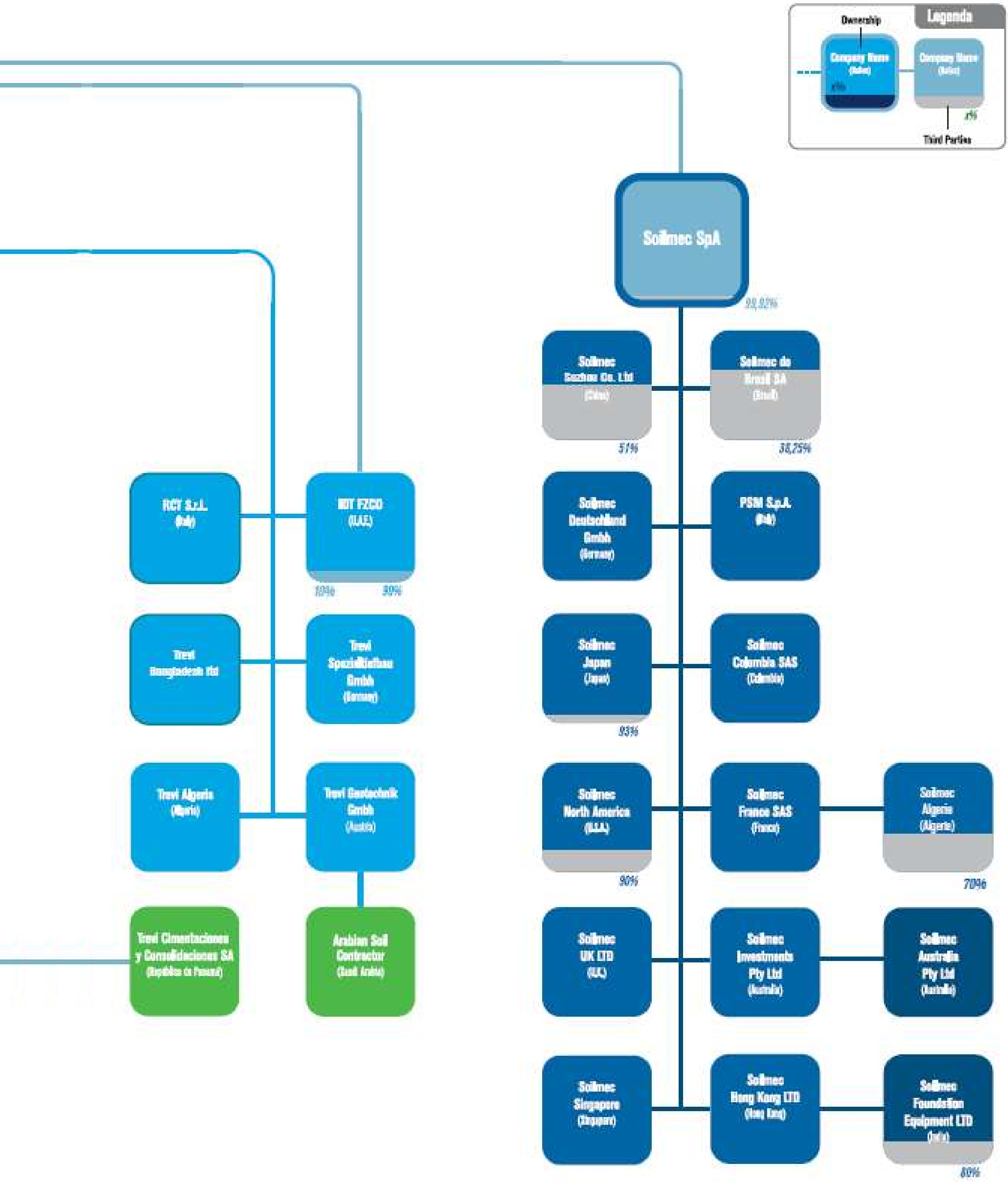
COMPANIES AND CONSORTIA CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023 WITH THE COST METHOD

COMPANY NAME	COUNTRY	CURRENCY	SHARE/ QUOTA CAPITAL	% HELD BY THE GROUP	CARRYING AMOUNT (Euro/000)
CONSORTIUM COMPANIES AND CONSORTIA					
Trevi S.G.F. Inc. per Napoli	Italy	Euro	10,000	54.88%	6
Consorzio Fondav in liquidation	Italy	Euro	25,823	37.00%	0
Filippella S.c.a.r.l. in liquidation	Italy	Euro	10,000	100.00%	9
Porto di Messina S.c.a.r.l.	Italy	Euro	10,200	100.00%	0
Consorzio Water Alliance in liquidation	Italy	Euro	60,000	100.00%	0
Compagnia del Sacro Cuore S.r.l.	Italy	Euro			0
Centuria S.c.a.r.l.	Italy	Euro	308,000	1.58%	6
Soilmec Arabia	Saudi Arabia	Saudi Riyal		24.25%	0
Overturning S.c.a.r.l.	Italy	Euro	10,000	6.69%	1
Nuova Darsena S.C.A.R.L.	Italy	Euro	10,000	50.80%	0
Drillmec India	India	Euro			24
I.F.C	Italy	Euro	10,000	0.69%	0
Comex S.p.A. (in winding-up)	Italy	Euro	7,474,296	0.01%	0
Credito Cooperativo Romagnolo – BCC di Cesena e Gatteo	Thailand	Baht	80,000,000	2.19%	1
Italthai Trevi	Sweden	Crown	100,000	49.50%	136
Hercules Trevi Foundation A.B.	Japan	Japanese Yen	5,907,978,000	0.00%	0
Japan Foundations	Italy	Euro	50,000	56.13%	92
Pescara Park S.r.l.	Italy	Euro	10,000	34.92%	0
Bologna Park S.r.l.	Hong Kong	US Dollar	18,933	0.10%	0
OOO Trevi Story	Russia	Russian Ruble	5,000,000	100.00%	0
Gemac S.r.l.	Romania	New Leu	50,000	24.59%	0
Sviluppo Imprese Romagna S.p.A.	Italy	Euro	1,125,000	13.33%	150
SEP SEFI JV	France	Euro		50.00%	0
TOTAL					**425**

Annex 2

ORGANISATIONAL CHART OF THE GROUP





Legenda
Ownership
Third Parties
Soilmec SpA
99,92%
Soilmec Suzhou Co. Ltd
(China)
51%
Soilmec do Brasil SA
(Brazil)
38,25%
Soilmec Deutschland Gmbh
(Germany)
PSM S.p.A.
Soilmec Japan
(Japan)
93%
Soilmec Colombia SAS
(Colombia)
Soilmec North America
(U.S.A.)
90%
Soilmec France SAS
(France)
Soilmec Algeria
(Algerie)
70%
Soilmec UK LTD
(U.K.)
Soilmec Investments Pty Ltd
(Australia)
Soilmec Australia Pty Ltd
(Australia)
Soilmec Singapore
Soilmec Hong Kong LTD
Soilmec Foundation Equipment LTD
(India)
80%
RCT S.r.l.
IDT FZCO
(U.A.E.)
Trevi Bangladesh ltd
Trevi Spezialtiefbau Gmbh
(Germany)
Trevi Algeria
Trevi Geotechnik Gmbh
(Austria)
Trevi Cimentaciones y Consolidaciones SA
Arabian Soil Contractor
(Saudi Arabia)

Statement on the Consolidated Financial Statements pursuant to Art. 154-*bis* of Italian Legislative Decree No. 58/98

1. The undersigned Giuseppe Caselli, Chief Executive Officer, and Massimo Sala, Director of Administration, Finance and Control as Manager in charge of financial reporting of the Trevi Group, hereby state, also taking into account the provisions of Art. 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998, No. 58:
   - the adequacy in relation to the characteristics of the group; and
   - the effective application

   of the administrative and accounting procedures for drafting the consolidated financial statements during the 2023 financial year.

2. It is also stated that:

2.1 The Consolidated Financial Statements at and for the year ended 31 December 2023:

a) have been drafted in compliance with the applicable International Financial Reporting Standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) match the results of the ledgers and accounting records;

c) are suitable for providing a true and fair view of the financial situation, financial performance and cash flows of the issuer and of all companies included in the consolidation.

2.2 The Directors' report contains references to important events that occurred during the year and their impact on the consolidated financial statements, together with a description of the main risks and uncertainties of the year as well as information on significant transactions with related parties.

Cesena, 28 March 2024

Giuseppe Caselli	Massimo Sala
Chief Executive Officer	*Manager in charge of financial reporting*

KPMG S.p.A.
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PEC kpmgspa@pec.kpmg.it

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

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

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

Report on the audit of the consolidated financial statements

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Trevi Group
Independent auditors' report
31 December 2023

Recapitalisation and debt restructuring transaction

Notes to the consolidated financial statements: "Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption" section

Key audit matter	Audit procedures addressing the key audit matter
Trevi Finanziaria Industriale S.p.A. and its subsidiaries (the "group") commenced a recapitalisation and debt restructuring process in 2017, which resulted in the restructuring agreement with the lending banks signed in 2019. In 2021, the parent started negotiations with the lending banks aimed at identifying the necessary amendments to the existing arrangements in order for it to be able to achieve the original business plan's objectives. In November 2022, the parent's board of directors approved a new restructuring agreement pursuant to articles 56 and 284 of the Italian Code of Corporate Crisis and Insolvency (the "new agreement"), based on the 2022-2026 consolidated business plan approved by the board of directors on 29 September 2022. The new agreement envisaged, inter alia, a capital increase, the subordination and postponement of a portion of the bank debt and the extension of the maturity of the non-current bank debts and bonds to 2026. It took effect on 11 January 2023. On 22 December 2023, the parent's board of directors approved the consolidated plan's the update and extension for the 2023-2027 period. The directors assessed the parent's ability to continue as a going concern on the basis of its past performance, the new debt structure and capitalisation and the projections included in the 2023-2027 consolidated plan (the "consolidated plan"). Assessing the appropriateness of the use of the going concern assumption entails important judgements, which are inherent in any forecast, about the existence of risks to which the parent and the group are exposed and that may, inter alia, affect the materialisation of the assumptions underlying the consolidated plan. For the above reasons, we believe that the use of the going concern assumption is a key audit matter.	Our audit procedures, which also involved our own specialists, included: • analysing the process and models used by the directors to assess the group's ability to continue as a going concern; • understanding and assessing the reasonableness of the main assumptions underlying the consolidated plan; • comparing the above main assumptions to the parent's and group's historical data and external information, where available; • checking the directors' assessments of the consolidated plan's adequacy to enable the parent's and the group's capital and financial rebalancing; • analysing the actions implemented by the directors to successfully reach an agreement with the lending banks and reset the parameters provided for by the covenants; • analysing the correspondence with the competent supervisory authorities; • analysing the minutes of the board of directors' meetings; • analysing the events after the reporting date that provide information useful for an assessment of the group's ability to continue as a going concern; • checking the accuracy and completeness of the disclosures provided in the notes.

Recoverability of the group's net assets

Notes to the consolidated financial statements: "Impairment of assets", "Use of estimates" and "Impairment test" sections

Key audit matter	Audit procedures addressing the key audit matter
As a result of the situation of the market in which the group operates, assisted by an external advisor, the directors tested the net assets allocated to the identified cash-generating units (CGUs, Trevi and Soilmec) for impairment by comparing their recoverable amount to their carrying amount. The directors determined the recoverable amount based on their value in use calculated using the discounted cash flow model. A breakdown of these expected cash flows by subsidiary is set out in the 2023-2027 consolidated business plan approved by the board of directors on 22 December 2023 (the "consolidated plan"). The directors also carried out a sensitivity analysis, whose results are presented in the notes to the consolidated financial statements, to check the impact of possible variations in the discount rate applied to cash flows and in the growth rate after the explicit period to value in use compared to the forecasts. Impairment testing requires a high level of judgement, especially in relation to: • the expected cash flows, calculated by taking into account the general economic performance and that of the group's sector and the actual cash flows generated by the CGUs in recent years; • the financial parameters to be used to discount the above cash flows. For the above reasons, we believe that the recoverability of the net assets allocated to the CGUs mentioned above is a key audit matter.	Our audit procedures, which also involved our own specialists, included: • understanding the process adopted to prepare the impairment test; • understanding the process adopted to prepare the consolidated plan which includes the expected cash flows used for impairment testing; • analysing the reasonableness of the assumptions used by the directors to prepare the consolidated plan; • comparing the cash flows used for impairment testing to the cash flows forecast in the consolidated plan; • assessing the reasonableness of the impairment testing model and related assumptions, including by means of a comparison with external data and information; • checking any discrepancies between the most recent actual figures and the consolidated plan forecasts and understanding the underlying reasons; • checking the accuracy of the CGUs' scope; • assessing the appropriateness of the disclosures provided in the notes about net assets and the related impairment test.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Trevi Group
Independent auditors' report
31 December 2023

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

On 15 May 2017, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2017 to 31 December 2025.

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

Trevi Group
Independent auditors' report
31 December 2023

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

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

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

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

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

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

The directors of Trevi Finanziaria Industriale S.p.A. are responsible for the preparation of a non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, other auditors attested the compliance of the non-financial statement separately.

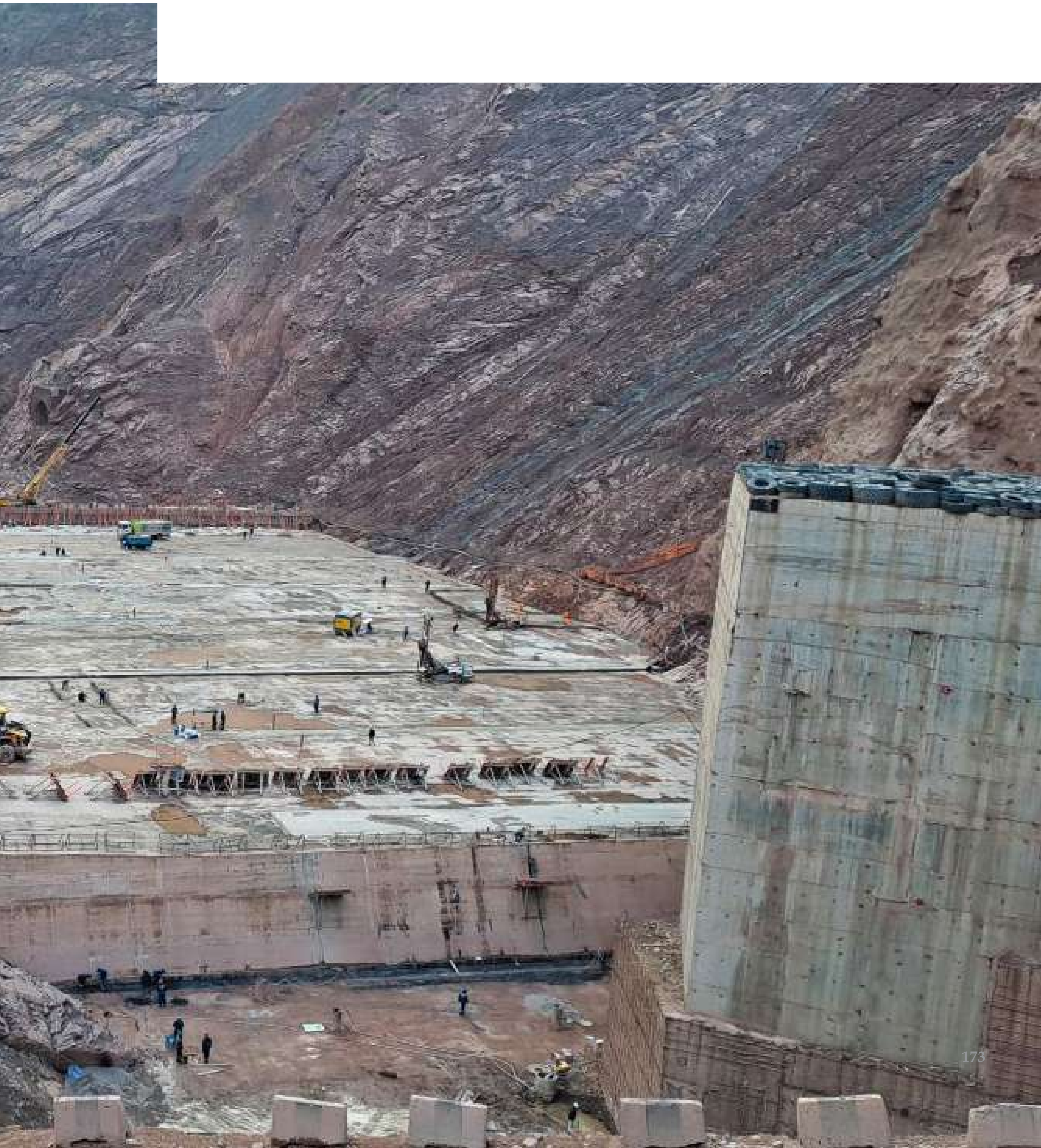
Bologna, 16 April 2024

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

SEPARATED FINANCIAL STATEMENTS
at 31 december 2023



SEPARATED FINANCIAL STATEMENTS

Statement of financial position

amounts expressed in Euro

ASSETS	*Notes*	31/12/2023	31/12/2022
Non-current assets			
Property, plant and equipment			
Land and buildings		6,152,611	6267334
Plant, machinery and industrial and commercial equipment		5,905,807	8,195,291
Other assets		462,463	443,857
Total property, plant and equipment	**(1)**	**12,520,881**	**14,906,482**
Intangible assets			
Concessions, licences and trademarks		7,141,588	8,140,400
Assets under development and payments on account		-	
Total intangible assets	**(2)**	**7,141,588**	**8,140,400**
Equity investments in other companies	**(3)**	175,594	175,594
Equity investments in subsidiaries	**(3)**	211,989,567	192,989,567
Deferred tax assets	**(4)**	-	-
Other non-current financial assets		20,793	22,971
Other non-current financial assets from subsidiaries and other companies	**(5)**	0	0
- of which from related parties		-	-
Trade receivables and other non-current assets			
Total financial assets		**212,185,954**	**193,188,132**
Total non-current assets		**231,848,423**	**216,235,014**
Assets held for sale			
Current assets			
Trade receivables and other current assets	**(6)**	4,927,069	9,322,365
- of which from related parties		-	-
Trade receivables and other current financial assets from subsidiaries	**(7)**	29,410,313	36,980,146
- of which from related parties		*29,410,313*	*36,980,146*
Current tax assets	**(8)**	466,925	545,853
Other current financial assets	**(9)**	79,307,951	67,410,585
Cash and cash equivalents	**(10)**	3,939,704	9,719,175
Total current assets		**118,051,962**	**123,978,124**
TOTAL ASSETS		**349,900,385**	**340,213,138**

In the photo on the previous page: Rogun Dam project, Republic of Tajikistan

EQUITY	*Notes*	*31/12/2023*	*31/12/2022*
Share capital and reserves			
Share capital		122,942,340	97,373,554
Other reserves		33,669,811	7,834,105
Losses carried forward		(13,340,242)	
Profit/(Loss) for the year		1,454,833	(13,340,242)
Total Equity	**(11)**	**144,726,742**	**91,867,416**

LIABILITIES			
Non-current liabilities			
Non-current loans and borrowings	**(12)**	37,390,145	4,949,189
Non-current loans and borrowings from other financial backers	**(13)**	99,158,941	58,866,072
Non-current derivatives	**(14)**	-	-
Deferred tax liabilities	**(15)**	497,885	411,685
Post-employment benefits	**(16)**	618,852	593,881
Non-current provisions	**(17)**	10,204,903	12,290,961
Other non-current liabilities	**(17.1)**	1,202,229	1,830,980
Total non-current liabilities		**149,072,955**	**78,942,768**
Current liabilities			
Trade payables and other current liabilities	**(18)**	6,547,703	18,825,078
Trade payables and other current liabilities to subsidiaries	**(19)**	19,107,994	17,963,165
- of which to related parties		*19,107,994*	*17,963,165*
Current tax liabilities	**(20)**	439,189	672,679
Current loans and borrowings	**(21)**	522,059	44,121,374
Current loans and borrowings from other financial backers	**(22)**	28,595,409	87,820,659
- of which from related parties		*19,374,778*	*4,479,835*
Current provisions	**(23)**	*888,334*	-
Current derivatives	**(24)**	-	-
Total current liabilities		**56,100,688**	**169,402,954**
TOTAL LIABILITIES		**205,173,643**	**248,345,722**
Liabilities held for sale			**-**
TOTAL EQUITY AND LIABILITIES		**349,900,385**	**340,213,138**

SEPARATED FINANCIAL STATEMENTS

Statement of profit or loss

amounts expressed in Euro

	Notes	2023	2022
Revenue from sales and services	**(25)**	15,198,340	13,734,597
- of which from related parties		*14,999,711*	*13,584,481*
Other operating revenue	**(26)**	1,338,722	4,743,158
- of which from related parties		-	-
Raw materials and consumables	**(27)**	(96,211)	(72,741)
- of which with related parties			
Personnel expense	**(28)**	(6,843,288)	(6,535,331)
Other operating expenses	**(29)**	(11,855,117)	(10,105,239)
- of which to related parties		*(1,970,163)*	*(1,193,625)*
Depreciation and amortisation	**(30)**	(3,731,458)	(4,142,758)
Provisions and impairment losses	**(30.1)**	(1,144,553)	(1,999,908)
Internal work capitalised		-	-
Operating loss		**(7,133,565)**	**(4,378,222)**
Financial income	**(31)**	34,957,331	7,560,100
- of which from related parties		*3,862,642*	*1,345,173*
Financial expense	**(32)**	(27,648,678)	(15,047,252)
Net exchange gains/(losses)	**(33)**	421,957	(304,024)
Net financial income/(expense)		**7,730,610**	**(7,791,176)**
Adjustments to financial assets	**(34)**	**958,772**	**(1,241,753)**
- of which with related parties		*958,772*	*(1,241,753)*
Profit/(Loss) before taxes		**1,555,817**	**(13,411,151)**
Income tax benefit/(expense)	**(35)**	(100,984)	70,909
Profit/(loss) from continuing operations	**(35.1)**	**1,454,833**	**(13,340,242)**
Profit/(Loss) from assets held for sale		-	-
Profit/(Loss) for the year	**(36)**	**1,454,833**	**(13,340,242)**

SEPARATED FINANCIAL STATEMENTS

Statement of comprehensive income

	2023	2022
Profit/(loss) for the year	**1,454,833**	**(13,340,242)**
Items that are or may be reclassified to profit or loss for the year		
Hedging reserve		
Income taxes		
Change in the hedging reserve		
Items that are or may be reclassified to profit or loss for the year net of taxes	**0**	**0**
Items that will not be reclassified to profit or loss for the year		
Actuarial gains/(losses)	20,094	815
Income taxes		
Items that will not be reclassified to profit or loss for the year net of taxes	**20,094**	**815**
Comprehensive income/(expense) net of taxes	**1,474,927**	**(13,339,427)**

SEPARATED FINANCIAL STATEMENTS

Statement of changes in equity

amounts expressed in Euro

DESCRIPTION	Share capital	Other reserves	Losses carried forward	Profit/(Loss) for the year	Total Equity
Balance at 31/12/2021	**97,373,554**	**31,126,859**	**-**	**(23,293,569)**	**105,206,844**
Loss allocation		(23,293,569)		23,293,569	-
Distribution of dividends					-
Capital increase	-				-
Other changes					-
Comprehensive expense		815		(13,340,242)	(13,339,427)
Balance at 31/12/2022	**97,373,554**	**7,834,105**	**-**	**(13,340,242)**	**91,867,416**
Loss allocation		-	(13,340,242)	13,340,242	-
Distribution of dividends					-
Capital increase	25,568,786	25,815,612			51,384,397
Other changes					-
Comprehensive income		20,094		1,454,833	1,474,927
Balance at 31/12/2023	**122,942,340**	**33,669,811**	**(13,340,242)**	**1,454,833**	**144,726,742**

SEPARATED FINANCIAL STATEMENTS

Statement of cash flows

amounts expressed in Euro

	Notes	2023	2022
Profit/(loss) for the year	(36)	1,454,833	(13,340,242)
Income taxes	(35)	100,984	(70,909)
Profit/(loss) before taxes		**1,555,817**	**(13,411,151)**
Depreciation and amortisation	(30)	3,731,458	4,142,758
Capital (gains)/losses from disposal of assets	(1) - (2)	925	(192,123)
Financial income/(expense)	(31)-(32)-(33)	(6,303,872)	7,487,152
(Dividends)	(31)-(32)-(33)	(1,004,781)	-
Adjustments to financial assets	(34)	(958,772)	1,241,753
Accruals/uses of the provision for risks and post-employment benefits	(16)	45,065	(40,957)
Provisions for risks and charges and other non-monetary changes	(22)	4,608,970	3,011,713
Use of provisions for risks and charges	(17)	-	-
(A) Cash flows from continuing operations before changes in the Working Capital		**1,674,810**	**2,239,145**
Decrease in trade receivables	(6)	6,008,162	9,297,436
Increase in other assets	(7) - (8) - (4)	(470,897)	(1,343,109)
Decrease in trade payables	(18)	(3,030,769)	(5,461,769)
Increase/(Decrease) in other liabilities	(15) - (19) - (20)	(2,753,585)	1,338,325
(B) Changes in working capital		**(247,089)**	**3,830,883**
(C) Financial expense	(31)-(32)-(33)	(4,290,503)	(2,217,173)
(D) Direct taxes (paid)/collected	(8)	-	(8,328)
(E) Cash flows from (used in) continuing operations (A+B+C+D)		**(2,862,783)**	**3,844,527**
(Investments) net of property, plant and equipment	(1) - (29)	643,428	(143,755)
(Investments) net of intangible assets	(2) - (29)	(991,398)	(1,098,519)
Net change in financial assets	(3) - (5)	-	-
(F) Cash flows used in investing activities		**(347,970)**	**(1,242,275)**
Increase in share capital and reserves	(11)	18,554,180	6,445,820
Decrease in loans and borrowings from other financial backers	(9)-(12) - (13) - (14) - (21) -(22)- (23)	(21,122,898)	(880,554)
(G) Cash flows from/(used in) financing activities		**(2,568,718)**	**5,565,266**
(H) Change in cash flows for assets held for sale		**-**	**-**
(H) Increase/(Decrease) in cash and cash equivalents (E+F+G+H)		**(5,779,471)**	**8,167,518**
Opening cash and cash equivalents		**9,719,175**	**1,551,657**
Closing cash and cash equivalents		**3,939,704**	**9,719,175**

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to the Financial Statements as at and for the year ended 31 December 2023

Company profile and business activities

TREVI – Finanziaria Industriale S.p.A. (hereinafter the "**Company**") and the companies that it controls (hereinafter "**TREVI Group**" or the "**Group**") carry out their activities mainly in the segment 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.

The company is also active in the management of automated car parks.

TREVI – Finanziaria Industriale S.p.A. has been listed on the Milan stock exchange since July 1999.

For further information on the various business segments in which the Group operates, in respect of related party transactions and significant events after the reporting period, reference should be made to the Directors' Report.

Structure and content of the Separate Financial Statements

The Separate Financial Statements of the Company were prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and with the provisions of Article 6 of (EC) Regulation No. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, as implemented by Italian Legislative Decree No. 38, of 28 February 2005, and subsequent amendments, CONSOB communications and resolutions and the related IFRIC interpretations issued by the International Reporting Interpretation Committee and the previous SICs issued by the Standing Interpretations Committee.

The "Basis of preparation" section indicates the IFRSs adopted in the preparation of the Company's Separate Financial Statements at 31 December 2023.

The Company's Separate Financial Statements at 31 December 2023 present the balances as at and for the year ended 31 December 2022 for comparative purposes.

In the photo on the previous page: Hydromill SC-135 Tiger Soilmec, Metro Rome Line C, Italy

The following classifications were used:

- the “Statement of Financial Position” by current/non-current items;
- the “Statement of Profit or Loss” by nature;
- The Statement of Comprehensive Income includes the profit or loss for the year and changes in equity other than owner transactions.
- the “Statement of Cash Flows” drawn up using the indirect method.

These classifications are considered to provide information that best responds to representing the financial position, financial performance and cash flows of the Company.
The functional and presentation currency is the Euro.
The statements contained in these Separate Financial Statements and the related notes, unless otherwise indicated, are shown in units of Euro.

Accounting standards

The Separate Financial Statements were prepared in accordance with the general historical cost principle, with the exception of those items that, pursuant to IFRS, are measured at fair value, as indicated below under the Basis of preparation section, and on a going concern basis.

Basis of preparation

The preparation of the Separate Financial Statements requires the Directors to make discretionary assessments, estimates and hypotheses that influence the carrying amounts of income, expense, assets and liabilities, and the indication of potential liabilities at the reporting date. The main items of the Separate Financial Statements that required the use of estimates are:

- measurement of equity investments;
- deferred tax assets, in particular in relation to the probability of future repayment of the same;
- loss allowance and provisions for risks;
- main assumptions applied to the actuarial recalculation of post-employment benefits, such as the future turnover rate and the discount rate.

The Company’s Separate Financial Statements at 31 December 2023 were prepared on a going concern basis. For any further information, reference should be made to paragraph “Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern”.

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

Overview

This section aims at: (**i**) examining the correct application of the going concern assumption to the 2023 financial statements (separate and consolidated) of the Company and the Group 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 Interim Financial Report at 30 June 2023, 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 the Interim Financial Report; and **(b)** the risk arising from any failure to achieve the recovery goals, as set out in the 2022-2026 Consolidated Plan (as therein defined).

At the time of approval of the Interim Financial Report at 30 June 2023, 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 (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 Interim Financial Report, to be taken into account up to the date of preparation of these financial statements, considering the events that have occurred in the meantime and, in particular, the update of the 2022-2026 Consolidated Plan, with an extension of its duration by one year to 2027, as well as new information available about the performance and its outlook.

Assessments relating to the going concern assumption

In assessing whether the going concern assumption was appropriate or not also with regard to these financial statements, 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 consolidated financial statements at 31 December 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 Interim Financial Report at 30 June 2023, 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

With the aim of assessing the risks linked to the achievement of the 2022-2026 Consolidated Plan's projected goals, on 23 April 2021, the Board of Directors approved a business plan for the period 2021-2024. This 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 Financial Restructuring (as therein defined), agreed with the Group's Lending Banks (the "**Lending Banks"**), was therefore approved by the Board of Directors of the Company on 29 September 2022 (the "**2022-2026 Consolidated Plan**").

On 22 December 2023, the Board of Directors of the Company approved an update of the 2022-2026 Consolidated Plan, extending its duration by one year to 2027 and confirming the original strategic guidelines and the goals envisaged in the recovery plan approved by the Board on 17 November 2022, within the time frame and in the manner required (the "**2023-2027 Consolidated Plan**").

Consistently with assessments made at the time of the approval of the 2023 interim 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 time frame and manner requested (as confirmed within the 2023-2027 Consolidated Plan), the achievement of a financial rebalancing.

Specifically:

- the 2022- 2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 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, within the time frame and manner required, a balanced financial position and performance, such as to allow the refinancing of the remaining debt at market conditions;
- the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by 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;
- the Financial Restructuring reflected within the Restructuring Agreement (as therein defined), whose content has been subject to comments of both institutional shareholders (*i.e.*, CDPE and Polaris as therein defined) 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, currently confirmed in the 2023-2027 Consolidated Plan;

- the updated 2022-2026 Consolidated Plan shows that the financial covenants set forth in the Restructuring Agreement (*i.e.*, the ratio of consolidated net financial debt to consolidated gross operating profit and the ratio of consolidated net financial debt to consolidated equity) were always met over the relevant plan period.

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan were 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.

Furthermore, Gian Luca Lanzotti - a professional appointed by Lending Banks who, in accordance with what provided for by the Restructuring Agreement, was entrusted 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 two reports on the activities carried out by him, a report dated 3 August 2023 related to the six-month period from his appointment to 25 July 2023 and a report dated 2 February 2024 related to the six-month period from 26 July 2023 to 25 January 2024, in which he confirmed the compliance with the obligations provided for by the Restructuring Agreement.

Furthermore, the reasonableness and feasibility of the 2022-2026 Consolidated Plan - which was subsequently updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan - were confirmed by the Trevi Group results of the year ended 31 December 2023 which show revenue and recurring EBITDA higher than those expected in the 2022-2026 Consolidated Plan. Furthermore, the order intake in 2023 amounted to approximately Euro 741 million, up by 12% compared to the previous year, while the order backlog amounted to Euro 720 million, marking a significant increase compared to 31 December 2022 (Euro 587 million). The net financial debt amounted to Euro 202 million at 31 December 2023, which is lower than what expected in the 2022-2026 Consolidated Plan. The Group's performance in the first few months of 2024, 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 2024. 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 Company'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 Company'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. (d) 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 Plan;
g) the extension of the maturity date of the Bond Issue to 2026.

Also on 17 November 2022, the Company'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 Company and the Trevi Group; (**ii**) pursuant to the proxy granted by the shareholders' meeting of 11 August 2022 - the Company'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 Company 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 Company 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 Company 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 Trevifin 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 Company 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. At 31 December 2023, the Group equity amounted to Euro 146.9 million (marking an increase of Euro 57.3 million compared to 31 December 2022).
- the Group’s net financial debt, which at 31 December 2022 amounted to Euro 251.2 million, was affected by the decrease of approximately Euro 52 million recorded in January 2023 as a result of the Financial Restructuring. At 30 June 2023, the net financial debt amounted to Euro 187.1 million, compared to Euro 202 million at 31 December 2023 (decreasing by Euro 49.2 million compared to 31

December 2022).

- in this regard, the residual debt of the Group was almost entirely rescheduled as part of the Financial Restructuring. Specifically, a substantial portion of the medium/long-term debt towards 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.

Furthermore, the actual results of the Trevi Group Consolidated Financial Statements at 31 December 2023 meet the financial covenants envisaged in the Restructuring Agreement. In particular, the ratio of consolidated net financial debt to the consolidated recurring gross operating profit at 31 December 2023 was 2.71x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 3.75x), while the ratio of the consolidated net financial debt to the consolidated equity was 1.37x, hence lower than the covenant established in the Restructuring Agreement at the reporting date (equal to 2.60x).

Expected liquidity trend over the next 12 months

Consistently with assessments made at the approval of the Interim Financial Report at 30 June 2023, an element that has been assessed with particular attention 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 interim financial report on the basis of actual data and extended these forecasts until 31 March 2025. 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 situations of cash flow tension may arise during the 12 months subsequent to the reporting date, the following should be noted.

First of all, the Company'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 March 2024 (with figures updated at that date), analysing the expected liquidity trend up to 31 March 2025. 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 Company 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 February 2024, 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 07 March 2024, again in accordance with the requirements of the Restructuring Agreement, the Company provided the Lending Banks with a forecast budget for the current year and up to 31 December 2024, 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 these draft financial statements, examined the update of this liquidity analysis up to 31 March 2025, 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 March 2025. 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 are shared on a periodical basis with the Lending Banks, and (**iii**) at 31 December 2023, the Trevi Division acquired orders equal to approximately 86% of the revenue expected to be generated in 2024 and the Soilmec Division acquired orders equal to approximately 21% of the revenue expected to be generated in 2024, 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 Company and the Group are exposed, although in the presence of normal uncertainties factors associated with the implementation of the 2022-2026 Consolidated Plan (as updated and confirmed in its original strategic guidelines with the approval of the 2023-2027 Consolidated Plan), the Directors deem it appropriate to adopt the going concern basis for preparing the Financial Statements of Trevi Finanziaria Industriale S.p.A. and the Trevi Group at 31 December 2023.

Key financial indicators of the Company

To date, to sum up, the Company's main financial indicators are as follows:

(in unit of Euro)	**31/12/2023**	**31/12/2022**	**Change**
Revenue from sales and services	15,198,340	13,734,597	1,463,743
Other operating revenue	1,338,722	4,743,158	(3,404,436)
Total revenue	**16,537,062**	**18,477,755**	**(1,940,693)**
Value added	4,585,734	8,299,775	(3,714,041)
% of total revenue	*27.73%*	*44.92%*	*(17.19)%*
Gross Operating Profit/(Loss) (EBITDA)	**(2,257,554)**	**1,764,444**	**(4,021,998)**
% of total revenue	*(13.65)%*	*9.55%*	*N/A*
Operating Loss (EBIT)	**(7,133,565)**	**(4,378,222)**	**(2,755,343)**
% of Total Revenue	*(43.14)%*	*(23.69)%*	*(19.44)%*
Profit/(loss) from continuing operations	**1,454,833**	**(13,340,242)**	**14,795,075**
% of total revenue	*8.80%*	*(72.20)%*	*N/A*
Net investments/(divestments)	174,816	(509,807)	684,623
Net invested capital	227,147,349	210,497,631	16,649,718
Net financial debt	**82,420,609**	**118,630,215**	**(36,209,606)**
Equity	144,726,742	91,867,416	52,859,326
Operating loss / Net invested capital (ROI)	*(3.14)%*	*(2.08)%*	*(1.06)%*
Profit/(loss) from continuing operations / Equity (R.O.E.)	*1.01%*	*(14.52)%*	*N/A*
Operating loss / Total Revenue (R.O.S.)	*(43.14)%*	*(23.69)%*	*(19.44)%*
Net financial debt / Equity	*56.95%*	*129.13%*	*(72.18)%*

Basis of preparation

Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production cost. The acquisition or production cost is represented by the fair value of the price paid to acquire or build the asset and any other direct cost incurred in preparing the asset for use. The capitalisation of the costs related to the expansion, modernisation or improvement of structural components owned or used by third parties is performed exclusively within the limits in which they meet the requirements to be classified separately as an asset, or as part of an asset.

Property, plant and equipment are recorded at cost, net of accumulated depreciation and any impairment losses. The depreciable amount of each significant component of an asset, having a different useful life, is allocated on a straight-line basis over its estimated useful life. The useful lives per category of assets are as follows:

ASSET CATEGORY	RATE
Land	Indefinite useful life
Industrial and civil buildings	5%
Furniture and fittings	12%
Office machinery	20%
Drilling and foundation equipment	7.50%
Generic equipment	10%
Motor vehicles	18.75%
Miscellaneous various equipment	20%

The depreciation criteria used, the useful life and the residual value are re-examined and recalculated at least as often as at the end of each reporting period in order to take into account any significant changes.
The capitalised costs for leasehold improvements are recognised in the relevant asset category and depreciated for the shorter of either the residual lease term or the residual useful life of the asset itself.
The carrying amount of Property, Plant and Equipment is maintained in the financial statements as long as that amount can be recovered from their use. If indicators are found that highlight the difficulty of recovering the carrying amount, the impairment test is performed. Impairment losses are reversed if the underlying reasons are no longer valid. Right-of-use assets are measured under IFRS 16.

Intangible assets

Intangible assets are recognised at acquisition or development cost. The acquisition cost is represented by the fair value of the price paid to acquire the asset and any other direct cost incurred in preparing the asset for use. Industrial patents and intellectual property rights, concessions, licences, trademarks and software are measured at cost net of accumulated amortisation, determined on the basis of the straight-line method over the expected useful life of 5 years barring any significant impairment. The amortisation criteria used, the useful life and the residual value are examined and measured at least as often as the end of each financial year in order to take account of any significant changes, as required by IAS 38.

Equity investments in subsidiaries and associates

Subsidiaries are the companies over which TREVI - Finanziaria Industriale S.p.A. has the independent power to determine strategic corporate choices in order to obtain the corresponding benefits. Generally, control is presumed to exist when more than half of the voting rights that may be exercised at the ordinary shareholders' meeting are directly or indirectly held, also taking into consideration the so-called potential votes, *i.e.*, the voting rights derived from convertible instruments.
Associates are the companies over which TREVI - Finanziaria Industriale S.p.A. exercises a significant influence in determining the strategic choices of the company, even though it does not have control over them, also taking into consideration the so-called potential votes, *i.e.*, the voting rights derived from convertible instruments; significant influence is presumed when Trevi – Finanziaria Industriale S.p.A. directly or indirectly holds more than 20% of the voting rights that can be exercised at the ordinary shareholders' meeting.

Equity investments in subsidiaries and associates are measured at acquisition cost and reduced, if necessary, in case of distribution of capital or capital reserves, or in the presence of impairment losses determined by applying the so-called "impairment test". The cost is reinstated in subsequent years if the reasons that gave rise to the impairment losses no longer exist.
The carrying amounts of these investments is tested to detect any impairment losses when events or changes indicate that the carrying amount may not be recoverable.

Equity investments in other companies

Equity investments in other companies for which a market quotation is not available are recognised at cost, net of any impairment losses.

Impairment of assets

An impairment loss arises each time the carrying amount of an asset exceeds its recoverable amount. At each reporting date, the presence of indicators suggesting the existence of impairment is ascertained. In the presence of these indicators, the asset's recoverable amount is estimated (impairment test) and the possible impairment loss is accounted for. For assets not yet available for use and assets recognised in the current year, the impairment test is carried out at least once every year, irrespective of the presence of these indicators.

Financial assets and financial liabilities

Financial assets and liabilities are measured in accordance with IFRS 9.
Depending on the characteristics of the instrument and the business model adopted for its management, financial assets, which represent debt instruments, are classified into the following three categories:

(i) amortised cost, for financial assets held with the aim of collecting the contractual cash flows that pass the SPPI test as the cash flows exclusively represent payments of principal and interest. This category includes trade receivables, other operating receivables included in other current and non-current assets, and financial receivables included in other current and non-current financial assets.
(ii) fair value through other comprehensive income (FVOCI), for financial assets held in order to collect contractual cash flows, represented exclusively by the payment of principal and interest, and to realise their value through transfer (so-called hold to collect and sell business model). Changes in fair value are recognised with a balancing entry in OCI (Other Comprehensive Income), to then be released to the Statement of Profit or Loss at the time of the derecognition.
(iii) fair value through profit or loss (FVTPL), as a residual category, for assets that are not held in one of the above-mentioned business models. In this case, changes in fair value are recognised with a balancing entry in the Statement of Profit or Loss.

Initial recognition takes place at fair value. For trade receivables without a significant financial component, the initial carrying amount is represented by the transaction price. After initial recognition, financial assets that generate contractual cash flows that represent exclusively principal and interest payments are measured at amortised cost, if held for the purpose of collecting the contractual cash flows (the so-called hold to collect business model). In accordance with the amortised cost method, the initial recognition amount is subsequently adjusted to take into account principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial carrying amount. Amortisation is based on the effective interest rate which represents the rate that makes the present value of expected cash flows and the initial carrying amount equal at the time of initial recognition. Trade receivables and other financial assets measured at amortised cost are presented in the Statement of Financial Position, net of the corresponding loss allowance. The financial assets representing debt instruments whose business model includes the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal (the so-called hold to collect and sell business model), are measured at fair value through other comprehensive income (hereinafter the "FVTOCI"). In this case, changes in the fair value of the instrument are recognised under equity among other comprehensive income. The cumulative amount of changes in fair value, recognised in the equity reserve which includes the other comprehensive income, is reversed to the statement of profit or loss when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange rate differences and impairment losses is recognised in the Statement of Profit or Loss. A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at fair value through profit or loss (hereinafter the "FVTPL"). Transferred financial assets are derecognised when the contractual rights to receive the cash flows of the financial assets expire, or when they are transferred to third parties. The assessment of the recoverability of the financial assets representing debt instruments not measured at fair value through profit or loss is made on the basis of the so-called "Expected Credit Loss model". For further details, reference should be made to the table included in paragraph IFRS 9.

Loans and borrowings and bonds

Loans and borrowings and bonds are initially recognised at cost, corresponding to the fair value of the consideration received net of the ancillary charges related to obtaining the instrument. After initial recognition, loans and borrowings are measured using the amortised cost method. This method requires amortisation to be determined using the effective interest rate, represented by the rate that makes the amount of the expected cash flows and the initial carrying amount equal at the time of initial recognition. The ancillary charges for financing transactions are classified under liabilities in the statement of financial position as a reduction of the loan granted and the amortised cost is calculated by taking into account these charges and any discount or premium included at the time of adjustment. The statement of profit or loss effects of the measurement according to the amortised cost method are recognised in the item "Financial income/(expense)".

Trade receivables and other non-current financial assets

Trade receivables and other non-current financial assets are initially recognised at fair value and subsequently measured at amortised cost.

Measurements are regularly carried out in order to check if there is objective evidence that financial assets, taken individually or as part of a group of assets, have been impaired. Any impairment loss is recognised as an expense in profit or loss for the year. For further details, see paragraph "IFRS 9".

Trade receivables and other current assets

Receivables due within normal credit terms or which carry interest at market rates are not discounted but are recognised at nominal value net of the loss allowance, with direct deduction of the receivables themselves, so their carrying amount is in line with the estimated realisable value. If expressed in foreign currency, the receivables are measured at the closing exchange rate.

This item of the Statement of Financial Position also includes the portions of costs and revenue spread over two or more years on an accruals basis.

Recourse and non-recourse factoring that does not comply with the requirements of IFRS 9 for the derecognition of the assets from the Statement of Financial Position, as the related risks and rewards have not been substantially transferred, remain recorded in the Company's Separate Financial Statements, although they have been legally transferred to third parties.

Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits with banks and short-term investments (with an original maturity not exceeding 3 months), which can easily be converted into known amounts of money and are not subject to a significant risk of value changes.

Cash and cash equivalents are recognised at fair value.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash, demand deposits with banks, other current high-liquidity financial assets, with original maturity not exceeding 3 months.

Equity

- *Share capital*

This item is the subscribed and fully paid-up share capital and is shown at nominal value. The share buy-back, measured at cost and including ancillary charges, is accounted for as a change in equity and treasury shares which are deducted from the share capital by the nominal value and the reserves are reduced by the difference between the cost and the nominal value.

- *Reserve for treasury shares*

Treasury shares are recognised as a deduction from equity. In particular, the nominal value of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase amount over the nominal value is recorded in a specific equity reserve. No profit/(loss) is recognised in the statement of profit or loss for the purchase, sale, issue or cancellation of treasury shares.

- *Fair value reserve*

This item includes changes in fair value, net of the tax effect, of the items accounted for at fair value with a balancing entry in equity.

- *Other reserves*

The items consist of capital reserves for specific purposes, the legal reserve, the extraordinary reserve and the reserve for bond conversion.

- *Retained earnings/(losses carried forward) including profit/(loss) for the year*

This item includes the profit or loss for previous financial years, for the part not distributed or allocated to a reserve and the transfers from other equity reserves when the constraint to which they were subjected is released. This item includes also the profit or loss for the year.

Short/long-term loans

These are initially recognised at cost which, at the time of activation, is equal to the fair value of the payment received, net of transaction costs. Subsequently, the loans are measured using the amortised cost method and the effective interest rate method.

Employee benefits

Defined benefit plans

The Company grants its employees benefits after the termination of the employment (post-employment benefits). These benefits fall into the category of defined benefits, verifiable as to their existence and quantifiable as regards the amount payable but uncertain as to when payment will be required. Under IAS 19, the liability is measured using the projected unit credit method and calculated by independent actuaries. This calculation consists in discounting the amount of the benefit that an employee will receive on the estimated date for employment termination by using demographic assumptions (such as mortality rate and staff turnover rate) and financial assumptions (such as discount rate). The amount of the defined benefit obligation is calculated each year by an independent external actuary. Actuarial gains and losses are recognised in full in profit or loss in the year in which they are realised. The Company did not use the so-called “corridor” approach for recognising actuarial gains and losses.

As of 1 January 2007, the finance act and related implementing decrees introduced significant changes in the rules governing post-employment benefits, including the employee’s choice as to the destination of his or her accruing benefits. In particular, the new post-employment benefits flows can be directed by employees to supplementary pension schemes chosen by them or maintained in the company.

Provisions for risks and charges, contingent assets and liabilities

Provisions for risks and charges represent probable liabilities of uncertain amount and/or maturity derived from past events whose fulfilment will involve the use of financial resources. Provisions are made exclusively for an existing obligation, either legal or implicit, which makes it necessary to use financial resources, provided that a reliable estimate of the obligation can be given. The amount taken as a provision is the best estimate of the necessary cost to meet the obligation at the reporting date. The provisions made are re-assessed on each reporting date and adjusted in order to represent the best current estimate.

Where it is envisaged that the financial disbursement related to the obligation will take place beyond the normal payment terms and the effect of discounting is material, the amount of the provision is represented by the present value of future payments expected for the settlement of the obligation.
Contingent assets and liabilities are not recognised in the separate financial statements. However, information is provided for those of a significant amount (if contingent assets are probable and contingent liabilities are possible).

Derivative instruments

The Company adopted a Group Risk Policy. The measurement of changes in the fair value varies according to the designation of the derivative instrument (trading or hedging) and the nature of the risk covered (Fair Value Hedge or Cash Flow Hedge).
For contracts designated as held-for-trading, changes in fair value are recognised directly in the Statement of Profit or Loss.
If the hedging instrument is designated as a Fair Value Hedge, both the fair value changes of the hedging instrument and the hedged item are accounted for in the Statement of Profit or Loss, regardless of the measurement method adopted for the latter.
If the hedging instrument is designated as Cash Flow Hedge, changes in fair value are recognised directly in Equity if the hedging instrument is held to be an effective hedge whilst the portion held to be ineffective is recognised in the Statement of Profit or Loss. Changes recognised directly in Equity are released to the Statement of Profit or Loss in the same year, or in the years in which the hedged asset or liability affects profit or loss.
Purchases and sales of financial assets are accounted for on the trading date.

Warrants

A share capital increase through the exercise of warrants falls within the scope of IAS 32 "Financial Instruments".
Under paragraph 15 of IAS 32 "the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument".
Specifically, under paragraph 16 "when an issuer applies the definitions in paragraph 11 ("rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own equity instruments") to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:
a) The instrument includes no contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

(b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

(i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

(ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

A contractual obligation, including one arising from a derivative financial instrument, which will or may result in the future receipt or delivery of the issuer's own equity instruments, but does not meet conditions (a) and (b) above, is not an equity instrument" (the so-called fixed for fixed test).

Paragraph 21 further clarifies that the warrant is a financial liability even if the entity must or can settle it by delivering its own equity instruments. It is not an equity instrument because the entity uses a variable number of its own equity instruments as a means to settle the contract.

Therefore, in order to consider a warrant as an equity instrument, it must pass the fixed for fixed test, *i.e.*, the warrant must provide that the number of shares that can be subscribed is fixed in a given quantity (fixed) and that the consideration received if the warrant is exercised is also determined in any currency in a given quantity. Taking into account the difficulties of interpretation of IAS 32 and after a comparison with the technical bodies of the independent auditors, the fixed for fixed test was not passed due to the presence of bonus shares. Therefore, in accordance with the interpretation given to IAS 32, a non-current liability under IFRS 9 was recognised in the Statement of Financial Position at 31 December 2021. The warrant fair value was measured by using a model based on the market value of Trevi Finanziaria shares and on the volatility of the stock price of shares of a pool of comparables of the Trevi Group. The fair value was updated at 31 December 2023, thus determining a carrying amount of approximately Euro 2 thousand and is remeasured at each reporting date.

This liability was not classified as financial debt in the net financial position since:

- the Company has no contractual obligation to deliver cash to the holder of Warrants;
- no interest of any kind accrues on this type of liabilities;
- this liability derives from an instrument that will provide the Company with a capital increase at the time of its possible future exercise.

Management constantly monitors the existence of the conditions that led to the recognition of this liability.

In the financial statements closed at 31 December 2023, this liability has a balancing entry in profit or loss under financial income.

Revenue and costs

The recognition of revenue from contracts with customers is performed by applying a model based on five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations provided for by the contract; (iii) determination of the consideration for the transaction; (iv) allocation of the consideration for the transaction to the performance obligation; (v) recognition of revenue when (or as) the individual performance obligation is satisfied. In application of these criteria, this means for the Company that the revenue derived from the sale of the assets is normally recognised at the time of satisfaction of the performance obligation that usually occurs with the consignment, while the revenue derived from the provision of services is determined with reference to the stage of completion, which is defined on the basis of the work performed.

Costs are allocated using criteria similar to those of revenue recognition and on an accruals basis.

Interest income and expense are recognised on an accruals basis, taking into account the applicable effective rate.

Dividends are recognised in the year in which the shareholders' right to receive payment arises.

Taxes

Taxes for the year are determined based on the presumable charges that will be paid in accordance with current tax legislation.

Deferred tax assets and liabilities are also recognised in the temporary differences between the amounts recognised in the separate financial statements and the corresponding amounts that are recognised for tax purposes, the carryforward of tax losses or unused tax credits, provided that it is probable that the recovery (settlement) could reduce (increase) future tax payments compared to those that would have arisen if such recovery (settlement) had no tax effects. The tax effects of transactions or other events are recognised in the Statement of Profit or Loss, or directly in equity, with the same procedures as the transactions or events that give rise to taxation. Other taxes not related to income are included under "Other operating expenses".

Starting from the 2006 financial year and to date, for three-year renewals, Trevi - Finanziaria Industriale S.p.A. and almost all of its direct and indirect Italian subsidiaries have decided to adhere to the national tax consolidation pursuant to articles 117/129 of the Italian Consolidated Tax Act (T.U.I.R.).

Trevi – Finanziaria Industriale S.p.A. operates as a consolidating company and determines a single taxable basis for the group of companies adhering to the national tax consolidation, which therefore benefits from the possibility of offsetting taxable income against tax losses in a single declaration. Each company adhering to the national tax consolidation transfers the tax income (taxable income or tax loss) to the consolidating company. Trevi – Finanziaria Industriale S.p.A. recognises a receivable from the companies that provide taxable income, equal to the IRES to be paid. On the other hand, Trevi - Finanziaria Industriale S.p.A. recognises a payable equal to the IRES tax on the part of the loss effectively offset at Group level with respect to companies that provide tax losses.

Currency

Foreign currency transactions are translated into the functional currency at the exchange rate on the transaction date. Foreign exchange gains and losses derived from the settlement of these transactions and from translation on the reporting date of monetary assets and liabilities in foreign currency are recognised in the Statement of Profit or Loss.

Use of estimates

The preparation of Financial Statements requires the Directors to apply accounting standards and methods which, in certain circumstances, are based on difficult and subjective assessments and estimates related to historical 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 Separate Financial Statements were drawn up without undermining their reliability.

The application of these estimates and assumptions affects the figures in the Separate Financial Statements - the Statement of Financial Position, the Statement of Profit or Loss and the Statement of Cash Flows, as well as those given as additional information. Actual results may differ from these estimates given the uncertainty surrounding the assumptions and conditions on which the estimates are based.

The Separate 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 Separate Financial Statements:

- Impairment losses on non-current assets;
- Measurement of equity investments;
- Measurement of the recoverability of receivables;
- Deferred tax assets;
- Loss allowance;
- Employee benefits;
- Measurement of complex financial instruments;
- Loans and borrowings and bonds;
- Provisions for risks and charges, contingent assets and liabilities.

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.

Financial Statements

Copies of these Separate Financial Statements, the Consolidated Financial Statements, the Directors' Report, the Report on Corporate Governance and the Ownership Structure, the Report on Remuneration and the Report of the Supervisory Bodies will be deposited at the registered office, on the website www.trevifin.com, at Borsa Italiana S.p.A. and at the Register of Companies, under the terms set out by current regulations.

IFRS 9

In the past, the IASB considered that the provisions of IAS 39 on impairment were no longer sufficient for a rapid, objective and predictive measurement of losses. Therefore, this critical aspect led to the need to have new rules for the recognition and accounting of losses that would give greater importance to a forward-looking view in the estimate, as well as an anticipation of their effects in a company's financial statements.

The board, therefore, changed the impairment approach from an "Incurred Loss" model provided by IAS 39 to an "Expected Credit Loss" model. The first one provided for the recognition of the loss only when the default event occurred; the second, on the contrary, anticipates the recognition of the loss by estimating, through the use of forward-looking variables, the probability that the default event will occur.

In accordance with IFRS 9 § 5.5.1 and 5.5.2 impairment applies to all financial assets measured at Amortised Cost and Fair Value through Other Comprehensive Income (FVOCI), while those at Fair Value through Profit or Loss are excluded. In addition, the following types of instruments also fall within the scope of application:

- Loan Commitments;
- Lease receivables;
- Contract assets;
- Financial guarantees included in IFRS 9.

Among the elements of discontinuity with respect to the past, there is also the inclusion of financial guarantees not measured at Fair Value through profit or loss within the scope of the provisions of IFRS 9 regarding impairment.

The definition of financial guarantee remains unchanged with respect to what was already provided for in IAS 39:

"A financial guarantee represents a contract in which the Company is required to honour the contractual obligations of a third party when the latter fails to reimburse its creditor."

The Company recognises financial guarantees in the Financial Statements at fair value on the date of initial recognition or on the date on which they become part of the contractual clauses. Financial guarantees are then subject to impairment; therefore, at subsequent measurement dates, their carrying amount will be equal to the higher of the initial carrying amount, net of any amortisation of costs, and the expected credit loss determined in accordance with the new provisions of IFRS 9.

The general rule of impairment provided for by IFRS 9 aims at representing the deterioration or improvement in credit quality in the financial assets held by the Company. The way in which the amount of expected loss recognised is calculated depends, therefore, on the change in credit risk from the initial recognition of the asset to the measurement date.

Therefore, at each reporting date, the Company will recognise the loss allowance by distinguishing between different placement stages that reflect the creditworthiness of the counterparty, in particular:

- **Stage 1 -** for assets that have not significantly increased credit risk compared to what was recorded at the time of initial recognition, an allowance must be recognised to reflect the 12-months ECL, *i.e.*, the probability that default events will occur in the following 12 months (IFRS 9 § 5.5.5).
- **Stage 2 -** for assets that, on the other hand, have undergone a significant increase in credit risk compared to what was recorded at the time of initial recognition, an allowance must be recognised that reflects the lifetime ECL, *i.e.* the probability that default events will occur over the life of the instrument (IFRS 9 § 5.5.3).
- **Stage 3 -** for assets with actual evidence of impairment, the allowance must reflect an impairment representative of an ECL on a lifetime basis, with a probability of default of 100% (IFRS 9 § 5.5.3).

In addition, IFRS 9 § 5.5.15 also provides for the possibility of adopting a simplified approach to the calculation of expected losses exclusively for the following categories:

- Trade receivables and Contract Assets that:
    - do not contain a significant financing component; or
    - contain a significant financing component but the company chooses as its accounting policy to measure the expected credit losses on a lifetime basis.
- Lease receivables;

The simplified approach starts with the general approach, but does not require the company to monitor changes in counterparty credit risk as the expected loss is always calculated on a lifetime basis.

The impairment model described in this operating instruction was applied to all financial assets as defined by IFRS 9. Below are the main features of the approaches adopted by the Group and envisaged by IFRS 9: Simplified Approach and General Approach.

Simplified Approach

The simplified approach was adopted by the Group with regard to:

- trade receivables (including invoices to be issued);
- contract assets (“work in progress” assets net of advances received);
- receivables for advances to suppliers.

For these cases, the rules of the simplified approach set out in IFRS 9 were applied, calculating the loss allowance using the product of the following factors:

- **EAD - Exposure At Default***:* accounting exposure at the measurement date;
- **PD - Probability of Default***:* the probability that the exposure may go into default and therefore not be repaid. The counterparty-specific probability of default was taken into account as the driver for determining the probability of default of the exposure. In particular, the PD was determined using external sources (info-providers) and where the specific data of the counterparty being assessed was

not present, an expressive PD of the market segment to which the counterparty belongs or, in the case of an unrepresentative sample, the average PD representative of the loan portfolio was applied as the last alternative. For exposures to government counterparties, the PD used is that relating to the reference country of the counterparty;

- **LGD - Loss Given Default:** expected percentage of loss in case of creditor default. The IFRS 9 impairment model provides for the possibility to calculate internally the identified parameter of the expected loss in case of default. As an alternative to the latter, given the impossibility of reconstructing a historical database adequate for the calculation of LGD, the Company decided to adopt the standard parameter defined for banking regulations and equal to 45%.

For financial assets falling under the simplified approach, the default period was identified on the basis of the collection statistics for the assets falling under the scope. Therefore:

- for “performing” positions, *i.e.*, those not past due, with exclusive reference to trade receivables and invoices to be issued, the PD is defined over a reference time horizon of 60 days, consistent with the average payment term horizon agreed by the Group on the basis of:
    - the different geographical areas in which the individual legal entities of each division operate whose average payment terms differ but deviate from an average Group horizon of 2 months;
    - the characteristics of the business in which the Company operates and the characteristics of the trade receivables which, for the majority of the receivables issued, require a delay of payment in the short term;
- for positions past due within the default period (set at a threshold of 360 days from the due date of the receivable), the PD is expressed with a time horizon of 1 year. The Company agreed to apply a default threshold different from that defined by IFRS 9 (*i.e.*, 90 days past due), rejecting this presumption (see IFRS 9, paragraph B5.5.37) on the basis of:
    - the obvious delays in payments by its customers, which very often occur more than 90 days after the expiry of the document;
    - any delays in payments due to the characteristics of the business in which the Company operates and, more specifically, from potential delays in the supply of goods and services that the Company offers its customers, generating a balance from customers only at the conclusion of a service, rather than the physical delivery of a good. Specifically:
        - temporary payment difficulties of public administrations;
        - a slowdown in sales of goods under construction;
        - objective difficulties in collecting payments from customers in certain countries dictated by contingent situations of a legislative or currency nature;
        - temporary impediments due to the relationship between customer and supplier that

develops during a job order;

- a due date that is not easy to determine in the case of payments of retentions or sums previously subject to litigation.

With regard to the individual divisions of the group: for the Soilmec division, sales are mainly made through dealers/agents with whom there is a "line of credit" that is regularly monitored. Expired items are in any case subject to warranty by means of the machines in stock at the dealer's yard. On sales, moreover, except for a few cases, payment is made at the same time as the delivery of the equipment or with an agreed extension for particular customers with whom there is a "historical" relationship.

For these reasons, the Company extended the recognition of a default by opting for the application of a threshold of 1 year, considering the exceeding of this threshold as an identification of the counterparty's real difficulty in meeting its debtor commitments, generating a failure to collect the receivable.

- for positions past due beyond the default period, on the other hand, the PD has been set at 100%.

The model for measuring the impairment of contract assets and advances to suppliers, similar to that defined for trade receivables past due but not in default, provides for the application of an expressive PD with a time horizon of 1 year.

However, the application of quantitative rules for the calculation of the loss allowance may be followed by the application of a specific allowance percentage for certain positions (*i.e.*, customers) based on management experience and/or specific qualitative information available.

General Approach

On the other hand, with regard to the items subject to IFRS 9 impairment that present the conditions for the application of the General Approach, the Company defined an Expected Credit Loss method for each credit quality cluster defined for these exposures.

Financial Guarantees

As mentioned above, the general approach provides that the definition of the parameters used to calculate the amount of expected loss recognised depends on the change in the credit risk that the asset has undergone since initial recognition at the measurement date.

In assessing the increase in credit risk, the Company took into account all reasonable and acceptable information that was available or that can be obtained without incurring excessive costs.

The Standard also provides an illustrative list of variables that can be considered as drivers for the increase in credit risk and that can be divided into: macroeconomic data (changes in regulations, political instability), counterparty data (deterioration in financial results, credit rating downgrade), market data (CDS, credit spread, rating) and contract data (collateral impairment, unfavourable contract changes).

Consequently, the calculation of impairment on these items was carried out in accordance with the following rules:

- ***Stage allocation*****:** the stage allocation of the Company's financial guarantees was driven by qualitative and quantitative drivers, by means of information provided by external sources (info providers), the change in the probability of default and covenants set in several agreements with the Lending Banks of the Company.
  On the basis of the parameters used for stage allocation purposes, the financial guarantees provided by Trevi Finanziaria S.p.A. to the companies belonging to the divisions of the Group, were classified within the cluster identifying an increase in credit risk from the initial recognition date such as to recognise an allowance reflecting the lifetime ECL., *i.e.*, the probability that default events will occur over the life of the instrument.

- **Calculation of the expected loss**: as described for of the Company's trade receivables, the calculation of the Expected Credit Loss for the positions relating to the financial guarantees issued was carried out using the product of the three risk parameters:
  - **PD – Probability of Default**: the division belonging to the company for which the guarantee was issued by the Company was taken into account as the driver for determining the probability of default of the exposure. In particular, the PD was determined using external sources (info-providers) and where the specific data of the company being assessed was not present, an expressive PD of the market segment to which the division belongs was applied.
  - **LGD – Loss Given Default**: the Company decided to adopt the standard parameter defined for banking regulations and equal to 45%., as the identified parameter of the expected loss in case of default.
  - **EAD – Exposure at Default**: equal to the amount of the guarantee issued.

IFRS 15

The new IFRS 15 was issued in May 2014 by the FASB, with the aim of replacing the following standards:

- IAS 11 "Construction contracts",
- IAS 18 "Revenue",
- IFRIC 13, IFRIC 15, IFRIC 18, SIC 31.

The objective of the introduction of IFRS 15 “Revenue from Contracts with Customers” is to create a complete and uniform framework for the recognition of revenue, applicable to all commercial contracts (with the exception of leases, insurance contracts and financial instruments).

This creates a concentration of revenue rules in a single principle, called the “Five step model framework”:

1) Identification of the contract with the customer, to identify the set of contractual rights and obligations to which the model applies. In this context, the Board defined the criteria that must be met to include contracts with customers in the scope of the standard.

2) Identification of performance obligations under the contract, identifying goods and services promised within the contract to determine whether or not they may be separate and distinct “performance obligations” in the contract. The assessment must be made at the “inception date” in order to identify the POs and, in this context, separate POs must be determined.

3) Determination of the transaction consideration: the amount of consideration that the entity expects to receive in exchange for goods or services transferred to the customer, which includes any type of variable consideration.

4) Allocation of the transaction consideration to performance obligations.

5) Recognition of revenue when (or as) the individual performance obligation is satisfied: the Company must recognise revenue at the time when the POs are satisfied through the transfer of goods or services to the customer, and, in this context, the assets are transferred at the time when the customer obtains control of the asset.

The standard states that this assessment should be carried out for each PO. This introduces a model based on the concept of transfer of control.

IFRS 15.23 also requires an entity to provide information about judgements made, and their changes, in the application of the standard that significantly affect the determination of the amount and timing of recognition of revenue from contracts with customers.

As part of the disclosure of the accounting standards applied, the Company provided a description of the judgements that significantly affect the determination of the amount and timing of recognition of revenue from contracts with customers. Entities shall exercise a professional judgement in ensuring that the information provided is sufficient to meet the disclosure objectives in the standard.

Applying the standard, therefore, entities must recognise revenue to faithfully represent the transfer of the goods and services provided to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services.

1.1 Variable consideration

At the same time, specific rules are also introduced for the accounting of “variable” or “potential” considerations.

If the consideration promised in a contract includes a variable amount, the Company shall estimate the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

The variable consideration is estimated at the inception of the contract and it cannot be recognised until it is highly probable that a significant reversal in the amount of the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

1.2 Non-cash consideration

IFRS 15.48 requires that, when determining the transaction price, an entity shall take into account the effects of variable consideration, the constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and the consideration payable to the customer. Consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity (IFRS 15.70). The entity shall include this in the disclosure of the standards applied, if material.

1.3 Warranties

The Company typically provides warranties for the repair of defects existing at the time of sale, as required by law. These standard quality warranties are recognised as provisions for risks and charges.

If the customer has the option to purchase the warranty separately or if the warranty provides a separate service to the customer, in addition to correcting defects existing at the time of sale, IFRS 15.B29 requires the entity to provide a service that is a separate performance obligation. Otherwise, it is a standard quality warranty, which provides the customer with the assurance that the product complies with the agreed-upon specifications.

In 2018, the Company decided to apply the new standard from the mandatory effective date, using the modified retrospective application method, permitted by IFRS 15.C3 b.

Using this transition method, the Company has chosen to recognise the cumulative effect of the initial application of this standard as an adjustment to the opening balance of retained earnings (or, depending on the case, of another component of equity) for the financial year that includes the date of the initial application. Additionally, under this transitional method, the Company chose to apply this Standard retroactively, but only to contracts that are not completed on the date of the initial application.

IFRS 15 also introduced a prohibition on offsetting asset positions with liability positions for work in progress and related payments on account, if not related to the same contract. As a result of this change, and following the introduction in 2018 of two new statement of financial position items for the separate presentation of assets for work in progress and related payments on account, no general offsets were made between work in progress and the corresponding payments on account as at 31 December 2021.

The Company applied the IFRS 15 model to each of the revenue streams identified at Group level, which share the same economic factors, including nature, timing and execution risks, as well as contractual terms and conditions that are consistent by revenue category (IFRS 15 paragraph 114), respectively:

a) Foundation & Construction contract;
b) Full Package;
c) Machine & Equipment;

d) Spare Parts;
e) Technical Assistance;
f) Other Services (Rental);
g) Services provided by Trevi Finanziaria Industriale S.p.A.

For the purposes of IFRS 15, only in the event that the contract does not provide for explicit recognition of these costs, they must be capitalised and subsequently amortised in line with the transfer of control of the asset, provided that they are (i) inherent to the contract, (ii) recoverable and regularly subjected to an impairment process to verify their recoverability.

IFRS 16

Leases

The Company assesses at the inception of the contract whether it is, or contains, a lease. In other words, it assesses if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration. The definition of an agreement as a lease (or containing a lease) depends on the substance of the transaction and requires a judgement on whether it depends on the use of one or more specific assets or if the agreement transfers the right to use these assets.

The Company as lessee

The Company adopts a single recognition and measurement model for all leases except for short-term leases and leases of low value. The Company recognises the liabilities relating to lease payments and the right-of-use asset representing the right to use the asset underlying the contract.

i) Right-of-use asset

The Company recognises the right-of-use asset on the inception date of the lease (*i.e*., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities recognised, the initial direct costs incurred and the lease payments made at or before the commencement date, less any incentives received.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment. Reference should be made to section Impairment of non-financial assets

ii) Lease liabilities

At the commencement date, the Company recognises the lease liability measuring the present value of the lease payments that are not paid at that date. Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments include also the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period (unless they were incurred to produce inventories) in which the event or condition giving rise to the payment occurs.

In calculating the present value of the payments due, the Company uses the incremental borrowing rate at the commencement date, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. In addition, the carrying amount of lease liabilities is restated in the event of any changes in the lease or for changes in the contractual terms for the change in payments; it is also restated in the event of changes in the assessment of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments.

Lease liabilities of the Company are included in the item Loans and borrowings from other financial backers (short/long-term).

Short-term leases or leases of low-value assets

The Company applies the exemption for the recognition of short-term leases (*i.e.*, leases that have a duration of 12 months or less from the inception date and do not contain a purchase option). The Company also applied the exemption for leases relating to low-value assets with reference to leases of equipment whose value is considered low. Short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Company as lessor

Leases where the Company is substantially responsible for all the risks and rewards of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term and is included among other operating revenue in the Statement of Profit or Loss due to its operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Accounting standards

New accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2023.

- By Regulation (EU) No. 2022/1392 of 11 August 2022, the document "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes)" was endorsed. The Regulation was published by the IASB Board on 7 May 2021.

Having noticed a diversity in the accounting treatments adopted by entities, the IASB Board introduced an amendment to IAS 12 in order to reduce the diversity of application of the standard described above.
The IASB Board has clarified the following:

- the exceptions to the initial recognition of deferred tax assets and liabilities do not apply if a single transaction recognises an asset and a liability that give rise to temporary differences of equal value;
- deductible and taxable temporary differences shall be calculated by considering separately the asset and liability and not on their net value. Deferred tax assets are recognised in the financial statements only if deemed recoverable.

With regard to the presentation in the financial statements, the amendments to IAS 12 do not remove the obligation to offset DTAs/DTLs already provided for in the standard.

- By Regulation (EU) No. 2022/357 of 2 March 2022 the following documents published by the IASB Board on 12 February 2021 were adopted:
  - Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements)
  - Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).

Amendments to IAS 1 defines the additional guidelines to allow an entity to decide which accounting policies should be described in the Notes to the financial statements.
The IASB amended IAS 1 to clarify that an entity shall disclose in the Notes to the financial statements material information about the accounting policies it has adopted and not describe all significant accounting policies. An entity shall also exercise appropriate judgement in identifying material information about the accounting policies it has adopted, considering the size ("quantitative factors") and nature ("qualitative factors") of the transactions, other events or conditions related to them.

As a result of the Amendments to IAS 1, the following accounting standards were also adjusted to align the disclosure requirements with the provisions of IAS 1:

- IFRS 7 Financial Instruments: Disclosures
- IAS 26 Recognition and Reporting by Retirement Benefit Plans
- IAS 34 Interim Financial Reporting

The Amendments to IAS 8 clarifies how to distinguish changes in accounting estimates from changes in accounting policies, for which different accounting treatments are provided:

- the effects of a change in accounting estimates are generally recognised prospectively in the financial statements;
- the effects of a change in accounting policies are generally recognised retrospectively.

Amendments to IAS 8 also introduced a new definition of accounting estimates, thus replacing the definition of "changes in accounting estimates".

- By Regulation (EU) No. 2023/2468 of 08 November 2023, the European Commission endorsed the document "International tax reform - Model rules (pillar two) (Amendments to IAS 12 Income Taxes)". For the IASB the publication date of the Regulation was 23 May 2023, while for the European Union the publication date was 9 November 2023, the date of publication of the endorsement regulation.

In October 2021, more than 135 countries —representing more than 90% of global GDP—agreed to a major international tax reform. This reform is based on two pillars:

- Pillar One — which aims to ensure a fairer distribution of profits and taxing rights among countries;
- Pillar Two — which aims to ensure that large MNEs pay a minimum corporate tax rate set at 15% in every jurisdiction where they operate by introducing a top-up tax.

On 14 December 2022, the European Commission adopted EU Directive 2022/2523 introducing the top-up tax for multinational groups and, in order to ensure compliance with the EU Treaties, extended it to domestic groups of companies.

The deadline for implementing the directive by the member states was set for 31 December 2023, while in Italy it was implemented by Italian Legislative Decree 209/2023 with effect from 1 January 2024. Under IAS 12, an entity is required to reflect the deferred tax effects of its assets and liabilities based on the tax regulations enacted or substantively enacted at the reporting date.

Based on the operating mechanisms of the Pillar two model, a number of application issues of IAS 12 emerged, with particular reference to the accounting treatment of deferred taxes:

- possible emergence of further temporary differences;
- need to restate deferred tax assets and liabilities to reflect the potential effects of the top-up-tax;

- tax rate to be used to measure deferred tax assets and liabilities.

Due to the complexity of the accounting issues, the IASB Board decided, in an urgent process, to amend IAS 12 in order to ensure greater comparability of financial statements and to avoid the risk of entities defining accounting treatments that conflict with the requirements of IAS 12.

Temporary mandatory exception to deferred tax accounting related to Pillar Two tax legislation
Due to the temporary and mandatory exception introduced in IAS 12, entities are not required to recognise or disclose deferred tax assets and liabilities related to Pillar 2 income taxes. The entity shall disclose that it has applied the temporary exception in the Notes.

Disclosure requirements

- In periods in which Pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity shall provide qualitative and quantitative disclosures that help users of financial statements understand the entity's exposure to Pillar two income taxes determined in accordance with such new legislation.
  If exposure information is not known or reasonably estimable, the entity shall disclose a specific statement to that effect and information on the entity's progress in evaluating its exposure in the Notes.
- In periods when the new tax legislation is in effect, the entity shall disclose the amount of the top-up tax recognised in the period separately in the Notes.

New accounting standards, amendments and interpretations endorsed by the European Union and effective from 1 January 2024

- In June 2020, the IFRS Interpretation Committee ("IFRS IC") published an Agenda Decision concerning the accounting treatment, in accordance with IFRS 16, of a sale-and-leaseback transaction involving payment of variable rent by the seller/lessee.

  IFRS IC clarified that in a sale-and-leaseback transaction the seller/tenant shall recognise in its financial statements an asset for the right of use, equal to the portion of the right retained, and a lease liability determined by taking into account any variable leaseback payments due. Following the publication of the Agenda Decision, IFRS IC recommended that the IASB Board amend IFRS 16 to define how the lease liability recognised as a result of a sale and leaseback transaction should be accounted for subsequently.

  With Regulation (EU) No 2023/2579 of 20 November 2023, the European Commission endorsed the document "Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16 Leases)", published by the IASB Board on 22 September 2022.

  With the Amendments to IFRS 16, the IASB Board clarified the accounting treatment for subsequent measurement of the lease liability arising from a sale-and-leaseback transaction.

The Amendments to IFRS 16 become effective for annual reporting periods beginning on or after1 January 2024. Earlier application is permitted by providing adequate disclosure in the Notes to the financial statements.

The transitional provisions provide for the Amendments to IFRS 16 to be applied retroactively, in accordance with the provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, from the date of first-time application of IFRS 16.

- By Regulation (EU) No. 2023/2822 of 19 December 2023 the European Commission endorsed the following documents published by the IASB Board:
  - Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements), published on 23 January 2020
  - Non-current Liabilities with Clauses (Amendments to IAS 1 Presentation of Financial Statements), published on 31 October 2022.

The Amendments to IAS 1 are the result of a lengthy IASB Board project aimed at clarifying how liabilities should be classified as current or non-current in the statement of financial position.

The IASB Board's first objective was to clarify the apparently conflicting concepts expressed in paragraphs 69(d) and 73 of IAS 1. The IASB Board clarified that:

- the right to defer the settlement of a liability for a period of at least 12 months after the end of the reporting period, referred to in paragraph 69(d), shall not be unconditional but shall only be "substantive and [...] must exist at the end of the reporting period";
- the classification of a liability as current or non-current shall not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months and by decisions made between the reporting date and the date of its publication.

The Amendments to IAS 1 also clarified that, for the purposes of classifying a liability as current or non-current, the term "settlement" (in paragraph 69(a), (c) and (d)) refers to a transfer to the counterparty that results in the extinguishment of the liability.

Financial Statements Disclosure
An entity shall disclose in its financial statements information about events that occur between the end of the reporting period and the date on which the financial statements are authorised for publication. Such disclosure requirements are specifically defined in IAS 1 as "non-adjusting events after the reporting period" in accordance with the provisions of IAS 10 "Events After the Reporting Period":

e) long-term refinancing of a liability classified as current;
f) remedy of the breach of a long-term financing agreement classified as current;
g) granting by the lender of a grace period to remedy a breach of a long-term loan agreement classified as current;
h) settlement of a liability classified as non-current.

If Management intends or expects to settle a liability classified as non-current within twelve months after the reporting period, it does not change the classification in the financial statements but must disclose the timing of such settlement in the notes.

Liabilities from loan agreements with covenants

The IASB Board clarified that, where the right to defer the settlement of a liability arising from a loan agreement for at least 12 months after the reporting date is subject to compliance with specific covenants, the liability is classified as non-current if all covenants under the agreement have been met up to the reporting date, even if they are calculated in the first few months of the following reporting period.
Compliance with contractual covenants to be calculated after the reporting date is not relevant to the classification of the liability in the statement of financial position.

Financial Statements Disclosure
The Amendments to IAS 1 introduced the following disclosure requirements for liabilities arising from loan agreements that are classified as non-current liabilities in the statement of financial position, and for which the right to defer settlement for at least 12 months after the reporting date is subject to compliance with covenants:

c) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of the related liabilities;
d) information about facts and circumstances, if any, that indicate that the entity may have difficulty complying with covenants (*e.g.*, the entity having acted during or after the reporting period to avoid or mitigate a potential breach). Such facts and circumstances could also refer to the situation in which the covenants to be observed in the 12 months after the reporting date would not be observed using the figures at the reporting period.

The Amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2024 and are to be applied retroactively in accordance with IAS 8 Changes in Accounting Estimates and Errors. Earlier application is permitted by providing adequate disclosure in the Notes to the financial statements.

- On 25 May 2023 the IASB published a document entitled "Supplier Finance Arrangements", which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures in response to investor requests for greater transparency of the impact of supplier finance arrangements (also known as "supply chain financing", "payable finance" or "reverse factoring") on financial statements.

The amendments introduce new disclosure requirements for entities to provide information on such arrangements that enable users to assess the effects of the arrangements on the company's liabilities and cash flows and its exposure to liquidity risk.
Under the amendments, companies must also disclose the type and effect of non-cash changes in the carrying amounts of financial liabilities that are part of supplier finance arrangements.
For the purposes of the disclosures required by IFRS 7.34(c) on the concentration of liquidity risk, an entity must take into account the presence of supplier finance arrangements, which result in the concentration of a portion of the financial liabilities, originally due to multiple suppliers, with lenders.

Amendments to IAS 7 and IFRS 7 become effective for annual reporting periods beginning on or after 1 January 2024; earlier application is permitted.
In the first year of application the following are not required:

- comparative information for the previous year;
- with reference to the opening date of the current financial year, an indication of the financial liabilities for which the supplier has already received payment and the intervals of the payment dates;
- disclosure in interim financial statements.

Below is a list of the documents applicable as of the financial statements for annual reporting periods beginning on or after 1 January 2024 described above:

Document title	Issuance date	Effective date	EU endorsement Regulation date (date of publication on the OJEU)
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	22 September 2022	1 January 2024	(EU) 2023/2579 of 20 November 2023 (21 November 2023)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) + Non-current Liabilities with Covenants (Amendments to IAS 1)	23 January 2020 (*) 31 October 2022	1 January 2024	(EU) 2023/2822 of 19 December 2023 (20 December 2023)
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	1 January 2024	TBD

(*) On 15 July 2020, the IASB Board published an additional document to defer the effective date of the first amendment (published on 23 January 2020) from 1 January 2023 to 1 January 2024. This amendment was then confirmed with the second amendment published on 31 October 2022 and is therefore not shown separately in the table.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

Document title	Issuance date	Effective date	EU endorsement Regulation date (date of publication on the OJEU)
Standard			
IFRS 14 Regulatory deferral accounts	30 January 2014	1 January 2016 (*)	Not planned
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) + Amendments to effective date	11 September 2014 17 December 2015	Not defined	Not planned
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	1 January 2024	TBD
Lack of exchangeability (Amendments to IAS 21)	15 August 2023	1 January 2025	TBD

(*) IFRS 14 became effective on 1 January 2016, but the European Commission decided to suspend the

endorsement process pending the new accounting standard on "rate-regulated activities".

(**) In December 2015, the IASB Board published the document "Effective date of amendments to IFRS 10 and IAS 28" by which it removed the mandatory effective date (which was scheduled for 1 January 2016) pending completion of the equity method project.

Management and coordination of the Company

At the date of preparation of these Separate Financial Statements, TREVI - Finanziaria Industriale S.p.A. is the Parent of the TREVI Group (and therefore it is the reporting entity of the Group's consolidated Financial Statements) and, pursuant to Art. 2497 of the Italian Civil Code, it manages and coordinates the directly controlled companies:

- Trevi S.p.A., 99.78% directly held;
- Soilmec S.p.A., 99.92% directly held.
- PSM S.p.A., 99.92% indirectly held (100% owned by Soilmec S.p.A.) until 31 December 2023 and subsequently subject to merger through incorporation in Soilmec.
- Parcheggi S.p.A, 99.78% indirectly held (100% owned by TREVI S.p.A.).

Organisational, Management & Control Model

The Company adopted an organisational, management and control model (known as the 231 Model) aimed at:

- preventing the commission of crimes pursuant to Italian Legislative Decree 231/01;
- defining and incorporating a corporate culture based on respect and transparency;
- increasing awareness among employees and stakeholders.

The Model operates through the monitoring of transactions subject to risks of administrative liability of legal entities, introducing specific controls that are referred to and made operational within the corporate procedures/policies.

The Model contains measures designed to detect and reduce potential risks of non-compliance with the provisions of Italian Legislative Decree 231/01. With regard to corruption risks, the controls envisaged by the Model are coordinated and consistent with the Anti-Corruption Compliance System.

An independent control body, the Supervisory Body, monitors the effective implementation and compliance with the Model. The Company has provided employees with a software application for sending reports of offences or irregularities committed within the organisation, which they have become aware of because of their employment relationship. This guarantees the whistleblower's confidentiality and protection from any form of retaliation.

The system adopted complies with the provisions of Italian Law No. 179/2017. (the so-called Whistleblowing).

Privacy and protection of personal data

General Data Protection Regulation (GDPR)

The Company has approved and disseminated the following documental set of procedures/policies, which meet the legal requirements: (i) “Data Breach Management” Policy, to provide strategic guidelines for the effective and efficient management of security incidents involving the violation of personal data. A register of personal data incidents has also been defined: (ii) “Data Subject Rights” Policy, which aims to manage any requests to exercise the rights of data subjects (*e.g.*, Right of Withdrawal, Rectification, Erasure, etc.) established by the GDPR; (iii) “Privacy Inspection” Policy, which aims to manage the stages of inspections by the Data Protection Authority. In addition, all Company executives, middle managers and employees have been designated as “data controllers”. The documents were disseminated to all Management and explained through classroom training sessions to all function managers.

Risk management

Aims, management strategies and identification of financial risks

The Company’s Finance Department and the Finance Managers of the individual subsidiaries manage the financial risks to which the Company is exposed, in accordance with the directives contained in the Group’s Treasury Risks Policy.

The Company’s financial assets are mainly represented by cash and short-term deposits, directly derived from operating activities.

Financial liabilities, on the other hand, include bank loans and finance leases, the main function of which is to finance operating and development activities.

The risks generated by these financial instruments are represented by interest rate risk, currency risk, liquidity risk and credit risk.

Until 16 December 2022, effective date of the New Agreement, the Company only carried out a systematic monitoring of the financial risks described above, since, pursuant to the previous Restructuring Agreement no longer applicable, it was not authorised to use derivative financial instruments in order to reduce these risks to a minimum. In this regard, the New Agreement currently applicable provides for the possibility of requesting and establishing dedicated lines of credit to reduce both exchange rate risk and interest rate risk.

The definition of the optimal composition of debt structure between the fixed rate component and the variable rate component is identified by the Company at a consolidated level.

Liquidity risk

This is the risk that the company will be unable to meet the expected payments, due to its inability to find new funds or to liquidate assets on the market, thus causing an impact on profit or loss if it is forced to incur

additional costs in order to meet its commitments or, as an extreme consequence, leading to a situation of insolvency that exposes the company's business to a high risk.
Following the signing of the New Agreement, effective as of 16 December 2022, the liquidity management will be guaranteed and regulated by the said Agreement.
Preparatory activities of the Steering Committee are now well established to evaluate the performance of cash and cash equivalents, giving a permanent boost to financial planning tasks.

The bank loans and borrowings of Trevi – Finanziaria Industriale S.p.A. at the reporting date are broken down in current and non-current as follows:

Current loans and borrowings			
	31/12/2023	31/12/2022	Change
Total	522,059	44,121,374	-43,599,315

Non-current loans and borrowings			
	31/12/2023	31/12/2022	Change
Total	37,390,145	4,949,189	32,440,956

The carrying amount of non-current bank loans in the Statement of Financial Position corresponds to their fair value.

The following table shows the total financial liabilities including bank loans, derivative liabilities, finance leases and loans and borrowings from other financial backers:

Current financial liabilities			
	31/12/2023	31/12/2022	Change
Total	29,117,468	131,942,033	-102,824,565

Non-current financial liabilities			
	31/12/2023	31/12/2022	Change
Total	136,549,086	63,815,261	72,733,826

Interest rate risk

On 1 July 2014, the Board of Directors of Trevi - Finanziaria Industriale S.p.A. authorised the structuring and execution of a bond issue called "Trevi – Finanziaria Industriale 2014-2024", for Euro 50 million. The instrument was placed on the Italian Stock Exchange EXTRA MOT PRO market from 28 July 2014. This bond and its regulations have been amended over time, most recently by resolution of the Bondholders' Meeting of

24 October 2022, in order to adapt it to the Company's current situation and the New Consolidated Plan, and it currently provides for a maturity date of 31 December 2026 and a fixed rate of 2%.

31/12/2023			
	Fixed rate	**Variable rate**	**Total**
Loans and Leases	14,181	98,192	**112,373**
Bonds	50,000	0	**50,000**
Total financial liabilities	**64,181**	**98,192**	**162,373**
%	40%	60%	100%

Following the effectiveness of the Restructuring Agreement and in accordance with its application, interests were recalculated retroactively starting from 30 September 2022 at a variable rate of EURIBOR 6 months plus 2% of margin (previously a fixed rate of 2%).

Currency risk

The Company is exposed to the risk of fluctuations in exchange rates which can affect its financial position and financial performance. The Company's exposure to currency risk is of a transactional nature, or is derived from changes in the exchange rate between the date on which a financial commitment between counterparties becomes highly probable and/or certain, and the date of settlement of the commitment, changes that determine a variance between expected cash flows and actual cash flows.

The Company regularly assesses its exposure to currency risk; the instruments used are the correlation of cash flows in foreign currency but with a contrasting positive or negative sign, financing contracts in foreign currencies, and forward sales of currency and derivative instruments.

The Company does not use instruments of an explicitly speculative nature for its hedging against currency risk. However, if the derivative financial instruments do not meet the conditions required for the accounting treatment of the hedging instruments required by IFRS 39, their changes in fair value are recognised in the statement of profit or loss as financial expense/income.

Specifically, the Company manages the transaction risk described above. Exposure to the risk of changes in exchange rates mostly arises from intragroup relationships that the Company has. In particular, the greatest risk is determined by the presence of relationships in US dollars and in currencies linked to them.

The fair value of a forward contract is determined as the difference between a forward exchange rate of the contract and that of a transaction of the opposite sign of the same amount and with the same maturity, assumed at exchange rates and interest rate differentials at 31 December.

Credit risk

Credit risk is the possibility that the debtor is unable to fulfil its obligation to pay interest and repay the principal.

Almost all of the Company's trade receivables are represented by receivables from Subsidiaries.

Additional information on financial instruments

With regard to derivative instruments recognised in the Statement of Financial Position at fair value, IFRS 7 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 for assets and liabilities at 31 December 2023 show, based on the categories provided for by IFRS 9, additional information on financial instruments in accordance with IFRS 7 and the statements of profit or loss. Discontinued operations/non-current assets held for sale and Liabilities directly associated with Discontinued operations/non-current assets held for sale are excluded.

Key to IFRS 9 Categories	
Amortised cost	AC
Held-to-maturity assets	HtM
FV - hedging instruments	FVOCI or FVTPL

Items recognised in compliance with IFRS 9						
	IFRS 9 categories	Notes	31/12/2023	Amortised cost	Original	Effect on the Statement of Profit or Loss
Equity investments	HtM	3	175,594		175,594	-
Other non-current financial assets	AC	5	20,793	20,793		3,862,642
Total non-current financial assets			**196,387**	**20,793**	**175,594**	**3,862,642**
Current financial assets	AC	9	79,307,951	79,307,951		
Cash and cash equivalents	AC	10	3,939,704	3,939,704		-
Total current financial assets			**83,247,655**	**83,247,655**	**-**	**-**
TOTAL FINANCIAL ASSETS			**83,444,042**	**83,268,448**	**175,594**	**3,862,642**
Non-current loans and borrowings	AC	12	37,390,145	37,390,145		5,504,761
Non-current loans and borrowings from other financial backers	AC	13	99,158,941	99,158,941		63,357
Non-current derivatives	FV	14	-			-
Total non-current financial liabilities			**136,549,086**	**136,549,086**	**-**	**5,568,118**
Current loans and borrowings	AC	21	522,059	522,059		76,860
Current loans and borrowings from other financial backers	AC	22	28,595,409	28,595,409		18,271
Current derivatives	FV	23	-			
Total current financial liabilities			**29,117,468**	**29,117,468**	**-**	**95,131**
TOTAL FINANCIAL LIABILITIES			**165,666,554**	**165,666,554**	**-**	**5,663,249**
Warrant	FV		**2,229**			**28,751**
TOTAL			**165,668,783**	**165,666,554**	**-**	**(1,771,856)**

Impairment test on controlling equity investments and measurement of financial assets

With reference to the Separate Financial Statements of Trevi Finanziaria Industriale S.p.A. at 31 December 2023, in line with 31 December 2022, Management proceeded to assess the carrying amounts of the equity investments held in Trevi S.p.A. (equal to 99.78%) and in Soilmec S.p.A. (equal to 99.92%).

In this regard, it is necessary to first observe how there is a substantial alignment between the Cash Generating Units of the Group and the respective Legal Entities. In view of the above, the impairment test on the controlling equity investments recorded in the Separate Financial Statements of Trevi Finanziaria Industriale S.p.A. was performed starting from the recoverable amount, in the sense of the value in use, or through the Discounted Cash Flow financial method, as directly referred to by IAS 36 and estimating the Equity Values of the individual Legal Entities, taking into consideration the Surplus Assets recorded and the Net Financial Position. Subsequently, the Equity Value determined in this way was compared with the carrying amount of each investment.

The impairment test was carried out by using 2023 actual financial position and financial performance figures (resulting from actual figures at 31 December 2023) as well as 2024-2027 financial position and financial performance figures drawn from the 2024-2027 plans prepared by Management and approved by the Company on 22 December 2023.

Said plans take into consideration the economic impacts attributable to the activities that are and will be undertaken in order to achieve the objectives of "Environmental, social, and corporate governance" (so-called "ESG") set by the Group. In this regard, the Company has punctually identified its sustainability objectives and begun to define a prospective implementation plan for their achievement, incorporated in the 2024 - 2027 Business Plan.

The planning flows considered are not affected by the effects of future restructuring and efficiency improvements not yet initiated, which the accounting standard requires to be excluded.

The expected cash flow was constructed based on the operating profit of each period, calculating and subtracting taxes charged directly at the full rate. Subsequently, the negative components of income that do not give rise to monetary outflows, such as amortisation, depreciation and provisions, were added, establishing the cash flow from continuing operations that can be interpreted as a "potential" cash flow. The cash flow from operations was determined by adding changes to the Net Working Capital (the amount of cash flows actually generated by current ordinary operations reflects the changes in items that arise and that are extinguished due to the operating cycles: trade receivables, inventories, trade payables, amounts due to personnel, etc.), CAPEX (investments net of divestments in non-current assets) and changes in operational provisions.

A weighted average cost of capital "WACC" was calculated for the discounting of cash flows, determined, in line with 2022, in accordance with the CAPM economic model (Capital Asset Pricing Model). Given that the two Legal Entities Trevi S.p.A. and Soilmec S.p.A. operate in different segments, albeit closely related, it was deemed appropriate to determine - in line with last year - a specific WACC in consideration of the segment in which they operate: «Special Foundation/Heavy Construction» for Trevi S.p.A. and «Industrial Machinery» for Soilmec S.p.A.

The WACC of Trevi S.p.A. was determined at 11.37%, and the individual variables were derived as follows:

- risk-free rate*:* 3.96%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the twelve months prior to 31 December 2023;
- beta levered*:* 0.79, calculated as an average of the unlevered beta at 3Y of a sample of comparable companies of the «Special Foundation/Heavy Construction» segment written based on the average D/E ratio of the comparables;
- equity risk premium: a rate of 5.50% was used;
- country risk: 3.04%, 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 Trevi S.p.A. operates, weighted by the percentage of production of operating profit in these countries in 2027;
- inflation differential: 1.82%, this component was added to Ke in order to consider the effect of inflation and determine the real rate;
- alpha coefficient equal to one percentage point, included in the calculation to take into account a small cap premium and/or an execution risk premium;
- cost of the gross debt: equal to 4.80% (post tax: 3.60%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 26.47%; E/D+E= 73.53%, determined as the average of the comparables of the «Special Foundation/Heavy Construction» segment already considered for the definition of the beta.

For the purposes of determining the Terminal Value, the WACC mentioned above was increased by 1 percentage points.

The WACC of Soilmec S.p.A. was determined at 10.72%, and the individual variables were derived as follows:

- risk-free rate*:* 3.96%, rate of return on securities of a mature country (United States), equal to the average of 10Y Bonds relating to the twelve months prior to 31 December 2023;
- beta levered*:* 1.03, 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;
- equity risk premium: a rate of 5.50% was used;
- country risk: 1.57%, 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 operates, weighted by the percentage of production of operating profit in these countries in 2027;
- inflation differential: 0.33%, this component was added to Ke in order to consider the effect of inflation and determine the real rate;

- alpha coefficient equal to one percentage point, included in the calculation to take into account a small cap premium and/or an execution risk premium;
- cost of the gross debt: equal to 4.80% (post tax: 3.52%) determined by adding to the average actual rates of the Group's lines of credit;
- financial structure: D/D+E= 20.18%; E/D+E= 79.82%, determined as the average of the comparables of the «Industrial Machinery» already considered for the definition of the beta.

The above WACC was adopted also to determine the Terminal Value.

For the years after 2027, the cash flows of the Legal Entities have been calculated based on a Terminal Value determined by projecting in perpetuity the normalised operating profit of the last explicit plan year (2027), 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 each Legal Entity operates, weighted by the percentage of operating profit actually produced by these CGUs in those countries in 2027. Specifically, the g growth rate of the Legal Entity Trevi S.p.A. was equal to 3.92% while the g growth rate of the Legal Entity Soilmec S.p.A. was equal to 2.43%.

As a result, the discount rate adopted for the Terminal Value, resulting from the difference between the aforementioned WACC and the g growth rates was 8.45% for Trevi S.p.A. and 8.29% for Soilmec S.p.A. This is a significant figure, given that the Terminal Value represents on average 70-80.00% of the Enterprise Value of the CGUs.

Subsequently, the Equity Value of Trevi S.p.A. and Soilmec S.p.A. was determined by adding to the Enterprise Value, calculated as above, the identified Surplus Assets and subtracting the non-controlling interests and the Net financial debt at 31 December 2023.

Finally, the Equity Value thus determined was compared with the carrying amount of each investment.

The test carried out in this way did not reveal any impairment losses of the equity investments held by Trevi Finanziaria Industriale in Trevi S.p.A. and Soilmec S.p.A.

Trade receivables

In accordance with IFRS 7, the following is an analysis of the trend in past due trade receivables, divided into homogeneous risk categories:

Description	31/12/2023	31/12/2022	Change
Not past due	5,323,358	13,737,028	(8,413,670)
Past due for 1 to 3 months	2,347,361	2,751,842	(404,481)
Past due for 3 to 6 months	2,430,206	3,155,776	(725,570)
Past due for more than 6 months	12,858,384	11,968,458	889,927
Total	**22,959,309**	**31,613,104**	**(8,653,794)**

These mainly refer to trade receivables from subsidiaries for commercial activities and services performed under normal market conditions for approximately Euro 17,544 thousand and for the remaining part to receivables from third parties.

The above-mentioned total does not include tax consolidation assets of Euro 11,053 thousand and prepayments of Euro 977 thousand, and is shown gross of the loss allowance.

Furthermore, the analysis relating to the ageing of trade receivables was conducted on the gross amounts thereof. For further details, see paragraph IFRS 9 - Impairment.

To classify trade receivables as past due, the conditions in the terms of payment were used and amended for any subsequent agreements between the parties. For the above-mentioned trade receivables, no special monitoring bands were identified, since they all fall within the standard category.

Description	31/12/2023	31/12/2022	Changes
Standard monitoring	22,959,309	31,613,104	(8,653,794)
Total	**22,959,309**	**31,613,104**	**(8,653,794)**

Notes on the main items of the Statements of Financial Position

Non-current assets

(1) Property, plant and equipment

Property, plant and equipment totalled Euro 12,521 thousand at 31 December 2023, marking a decrease of Euro 2,385 thousand compared to the previous financial year end.

Changes relating to 2023 are summarised in the table below:

Description	Original cost at 31/12/2022	Accumulated depreciation at 31/12/2022	Carrying amount at 31/12/2022	Incr.	Decr.	Deprec.	Use of provision	Other changes in accumulated depreciation	Original cost at 31/12/2023	Accumulated depreciation at 31/12/2023	Carrying amount at 31/12/2023
Land and buildings	7,546,211	(1,278,876)	6,267,334	45,984	(16,842)	(143,866)	0	0	7,575,353	(1,422,743)	6,152,611
Plant and machinery	17,975,046	(11,069,254)	6,905,793	200,000	(2,644,110)	(1,047,635)	1,548,393	0	15,530,936	(10,568,496)	4,962,440
Industrial and commercial equipment	3,453,335	(2,163,837)	1,289,498	0	0	(346,132)	238,272	(238,272)	3,453,335	(2,509,968)	943,367
Other assets	2,166,736	(1,722,879)	443,857	563,318	(578,443)	(204,540)	0	238,272	2,151,611	(1,689,147)	462,463
Assets under construction and payments on account			0					0			0
TOTAL	**31,141,327**	**(16,234,845)**	**14,906,482**	**809,302**	**(3,239,394)**	**(1,742,173)**	**1,786,665**	**0**	**28,711,235**	**(16,190,354)**	**12,520,881**

The item Land and Buildings refers to the land and buildings in Via Larga in the locality of Pievesestina (Forlì-Cesena), adjacent to the manufacturing facility of Soilmec S.p.A. The aggregate mainly recorded increases for approximately Euro 809 thousand and depreciation of Euro 1,742 thousand, the decreases net of the related provisions, totalling Euro 1,452 thousand, relate to the sale of equipment to subsidiaries; no financial expense was capitalised in the year under review and in the previous one.

(2) Intangible assets

Intangible assets at 31 December 2023 amounted to Euro 7,142 thousand, down by Euro 998 thousand compared to 31 December 2022.

Changes relating to 2023 are summarised in the table below:

Description	Original cost at 31/12/2022	Accumulated amortisation at 31/12/2022	Carrying amount at 31/12/2022	Increases	Decreases	Amortisation	Other changes in original cost	Other changes in accumulated amortisation	Original cost at 31/12/2023	Accumulated amortisation at 31/12/2023	Carrying amount at 31/12/2023
Concessions, licences and trademarks	11,454,838	(3,314,438)	8,140,400	991,398	(173,155)	(1,989,285)		172,230	12,273,081	(5,131,492)	7,141,589
TOTAL	**11,454,838**	**(3,314,438)**	**8,140,400**	**991,398**	**(173,155)**	**(1,989,285)**	**0**	**172,230**	**12,273,081**	**(5,131,492)**	**7,141,589**

The increases of Euro 991 thousand refer to the acquisition of IT licences, application software and to the consultancy, received for the implementation of the new Group ERP.

(3) Equity investments

Equity investments totalled Euro 212,165 thousand at 31 December 2023, marking an increase of Euro 19,000 thousand compared to the 31 December 2022.

The following table shows the breakdown of equity investments between subsidiaries and other companies:

DESCRIPTION	Balance at 31/12/2022	Increases/(Decreases)	Impairment losses	Balance at 31/12/2023
Subsidiaries	192,989,567	19,000,000		211,989,567
Other companies	175,594	-		175,594
TOTAL	**193,165,161**	**19,000,000**	**-**	**212,165,161**

The breakdown of equity investments in subsidiaries and their changes is shown below:

SUBSIDIARIES	Balance at 31/12/2022	Increases/(Decreases)	Impairment losses	Balance at 31/12/2023
TREVI S.p.A.	158,145,817	-	-	158,145,817
SOILMEC S.p.A.	34,821,872	19,000,000	-	53,821,872
INTERNATIONAL DRILLING TECHNOLOGIES FZCO	21,877	-	-	21,877
TOTAL SUBSIDIARIES	**192,989,567**	**19,000,000**	**-**	**211,989,567**

The increase of Euro 19,000 thousand refer to the debt-to-equity swap of Soilmec S.p.A. debt as capital injections made for future share capital increases.

The impairment test carried out did not reveal any impairment loss, for further details in this regard reference should be made to the dedicated paragraph “Impairment test on controlling equity investments and measurement of financial assets”.

The balance of other equity investments is Euro 176 thousand, as detailed below, unchanged compared to the previous year end.

OTHER COMPANIES	Balance at 31/12/2022	Increases	Decreases	Balance at 31/12/2023
COMEX SPA	69	-	-	69
BANCA DI CESENA S.P.A.	1,136	-	-	1,136
DRILLMEC INDIA PRIVATE LTD	24,390	-	-	24,390
SVILUPPO IMPRESE ROMAGNA S.P.A.	150,000	-	-	150,000
OTHER COMPANIES	**175,594**	**-**	**-**	**175,594**

The list and the main figures of the equity investments in subsidiaries at 31 December 2023 are shown below:

SUBSIDIARIES	Registered office	Share/quota capital (1)	Total equity/(deficit) at 31/12/2023 (1)	Profit/(Loss) for the year 2023 (1)	%	Our portion of equity (2)	Our portion of equity (2)
Trevi S.p.A.	Italy	32,300,000	73,309,606	35,676,317	99.78%	158,145,817	73,123,380
SOILMEC S.p.A.	Italy	25,155,000	18,658,361	-3,479,973	99.92%	53,821,872	18,643,434
PILOTES TREVI S.a.c.i.m.s.	Argentina	1,217,355,055	-763,641,440	-2,044,139,389	1.88%	0	(16,078)
INTERNATIONAL DRILLING TECHNOLOGIES FZCO	UAE	1,000,000	36,735,766	3,443,772	10.00%	21,877	905,245
TOTAL SUBSIDIARIES						**211,989,567**	

(1) Figures are in Euro for Trevi S.p.A., Soilmec S.p.A.; in Argentine Peso for Pilotes Trevi S.a.c.i.m.s, in United Arab Emirates Dirham for International Drilling Technologies FZCO.
(2) Figures in Euro
The figures shown for 2023 regarding the companies listed in the table have not yet been approved by the respective Shareholders' Meetings at the date of these Separate Financial Statements.

The equivalent amount in Euro was obtained by applying the exchange rate at the end of the year for equity or deficit and the average exchange rate of the year for the profit or loss for the year, as shown in the following table. (Source: Bank of Italy)

Average exchange rate for the year		
Euro	Euro	1.0000
US Dollar	US$	1.0813
Saudi Riyal	SAR	4.0548
Argentine Peso	ARS	314.1127
United Arab Emirates Dirham	AED	3.9710

Exchange rate at the reporting date		
Euro	Euro	1.0000
US Dollar	US$	1.1050
Saudi Riyal	SAR	4.1438
Argentine Peso	ARS	892.9239
United Arab Emirates Dirham	AED	4.0581

For the details of the investees and direct and indirect subsidiaries and associates, reference should be made to the Notes to the Consolidated Financial Statements.

(4) Deferred tax assets

There were no Deferred tax assets.

(5) Other non-current financial assets from subsidiaries and other companies

At 31 December 2023, non-current financial assets from subsidiaries and other companies amounted to approximately Euro 21 thousand, in line with the previous year.

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Changes
Other financial assets			
Guarantee deposits and other	20,793	22,971	(2,178)
Total financial assets	**20,793**	**22,971**	**(2,178)**

CURRENT ASSETS

(6) Trade receivables and other current assets

Trade receivables and other current assets were Euro 4,927 thousand at 31 December 2023, marking a decrease of Euro 4,395 thousand compared to Euro 9,322 thousand at the previous year end. The decrease was mainly attributable to the item of prepayments, totalling Euro 4,948,000, which in the previous year included costs incurred by the Company for transactions strictly related to the New Restructuring Agreement and the Capital Increase and which were suspended in the Statement of Financial Position assets until they actually occurred, that is to say at the beginning of 2023.

The table below shows the details relating to this item:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Changes
Trade receivables	2,369,532	2,315,154	54,378
Prepayments	976,829	5,924,887	(4,948,058)
VAT assets	1,501,387	1,082,323	419,063
Sundry current assets	79,320	0	79,320
			-
TOTAL	**4,927,069**	**9,322,365**	**(4,395,296)**

(7) Trade receivables and other current assets from subsidiaries

Trade receivables and other current assets from subsidiaries amounted to Euro 29,410 thousand at 31 December 2023, a decrease of approximately Euro 7,570 thousand compared to the previous year; this decrease is mainly attributable to the collections made and offsets made during the year with the subsidiaries directly or indirectly towards foreign companies.

Below are the details relating to this item:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Changes
Trade receivables	18,357,258	25,878,565	(7,521,308)
Group tax consolidation assets	11,053,055	11,101,580	(48,525)
TOTAL	**29,410,313**	**36,980,146**	**(7,569,833)**

Trade receivables due from companies belonging to the Trevi Group mainly derived from the operating leases of property, plant and equipment and services provided to companies using these services.
The tax consolidation assets relate to amounts due from some Italian companies of the Group because of their adherence to the tax consolidation agreements.

The amounts of trade receivables due from subsidiaries and third parties, which are detailed under paragraph "Other information - Related Parties", are net of the corresponding loss allowance, amounting to approximately Euro 3,535 thousand at 31 December 2023 (Euro 3,506 thousand in the previous year).

Description	Balance at 31/12/2022	Accruals	Releases	Other changes	Balance at 31/12/2023
Loss allowance	3,505,911	28,749			3,534,660
TOTAL	**3,505,911**	**28,749**	**0**	**0**	**3,534,660**

(8) Current tax assets

Current tax assets at 31 December 2023 were Euro 467 thousand, with a decrease of Euro 79 thousand compared to the previous year end, mainly due to tax credits, the breakdown of which is shown below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Tax credits	89,934	208,048	(118,114)
IRAP advance payment	200,000	200,000	-
Tax requested for reimbursement	139,389	112,721	26,668
Consolidated IRES assets	33,029	20,374	12,655
Other assets	4,573	4,711	(138)
TOTAL	**466,925**	**545,854**	**(78,929)**

(9) Other current financial assets

Other current financial assets amounted to Euro 79,307 thousand at 31 December 2023; the increase of approximately Euro 11,897 thousand compared to 31 December 2022 mainly refers to loans granted to companies of the Group, as shown in the table below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Trevi S.p.A.	29,951,771	17,383,037	12,568,734
Soilmec S.p.A.	39,219,020	40,247,782	(1,028,762)
Other financial assets	9,576,550	9,626,550	(50,000)
Trevi Cimentaciones y Consolidaciones SA	153,216	153,216	-
Trevi Cimentaciones CA (Venezuela)	407,395	-	407,395
TOTAL	**79,307,951**	**67,410,585**	**11,897,366**

(10) Cash and cash equivalents

Cash and cash equivalents amounted to Euro 3,939 thousand at 31 December 2023, marking a decrease of Euro 5,779 thousand compared to the previous year end, exclusively attributable to the usual operational dynamics of the Company.

The table below shows the details relating to this item:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Changes
Bank deposits	3,860,885	9,648,403	(5,787,518)
Cash and cash equivalents	78,818	70,772	8,046
TOTAL	**3,939,704**	**9,719,175**	**(5,779,472)**

With reference to cash and cash equivalents, there were no pledges nor restricted cash.

(11) EQUITY

Changes in the Company's equity are shown in the relevant statement and in the following table:

DESCRIPTION	Share Capital (net of treasury share reduction)	Share premium reserve	Legal reserve	Reserve for treasury shares	Extraordinary reserve	IFRS transition reserve	Fair value reserve	IAS 19 reserve	IFRS 9 reserve	Losses carried forward	Profit/(Loss) for the year	Total Equity
Balance at 01/01/2022	**97,373,554**	**13,053,151**	**19,474,711**	**(736,078)**	**-**	**693,901**	**1,697,767**	**(5,437)**	**(3,051,157)**	**(0)**	**(23,293,569)**	**105,206,843**
Loss allocation	-	(13,053,151)	(10,240,418)	-	-	-	-	-	-	-	23,293,569	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive expense	-	-	-	-	-	-	-	815	-	-	(13,340,242)	(13,339,427)
Balance at 31/12/2022	**97,373,554**	**-**	**9,234,293**	**(736,078)**	**-**	**693,901**	**1,697,767**	**(4,622)**	**(3,051,157)**	**(0)**	**(13,340,242)**	**91,867,416**
Balance at 01/01/2023	**97,373,554**	**-**	**9,234,293**	**(736,078)**	**-**	**693,901**	**1,697,767**	**(4,622)**	**(3,051,157)**	**(0)**	**(13,340,242)**	**91,867,416**
Loss allocation	-	-	-	-	-	-	-	-	-	(13,340,242)	13,340,242	-
Capital increase	25,568,786	23,094,666	-	-	-	-	2,720,947	-	-	-	-	51,384,399
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	20,094	-	-	1,454,833	1,474,927
Balance at 31/12/2023	**122,942,340**	**23,094,666**	**9,234,293**	**(736,078)**	**-**	**693,901**	**4,418,714**	**15,472**	**(3,051,157)**	**(13,340,242)**	**1,454,833**	**144,726,742**

- Share capital

The Company issued 312,172,952 shares of which 20 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 31 December 2023, the Company's fully subscribed and paid-up share capital amounted to Euro 122,942 thousand.

- Share premium reserve:

At 31 December 2023, this reserve amounted to Euro 23,095 thousand, following the above-mentioned capital increase (reduced to zero at 31 December 2022); the item includes a decrease of Euro 2,474 thousand related to costs associated with the capital increase.

- 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 31 December 2023, this reserve amounted to Euro 9,234 thousand, unchanged compared to 31 December 2022.

- Reserve for treasury shares:

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

- Extraordinary reserve:

This reserve is substantially reduced to zero and there were no changes with respect to the previous year.

- IFRS transition reserve:

The reserve amounted to Euro 694 thousand at 31 December 2023 and did not change during the year.

- *Fair value reserve:*

This reserve at 31 December 2023 totalled Euro 4,419 thousand, with an increase of Euro 2,721 thousand compared to 31 December 2022.

- *IAS 19 reserve:*

At 31 December 2023, the reserve amounted to Euro 15 thousand (compared to negative Euro 5 thousand at 31 December 2022).

- *IFRS 9 reserve:*

The reserve was negative for Euro 3,051 thousand at 31 December 2023 and did not change with respect to the previous year end.

- *Losses carried forward:*

This item at 31 December 2023 takes into account the loss of the previous year.

- *Profit for the year:*

The profit for the year was Euro 1,455 thousand, against the loss for the previous year amounting to Euro 13,340 thousand; reference should be made to the dedicated paragraph "Performance of the year" in the Consolidated Financial Statements.

In accordance with Art. 2727, paragraph 1 No. 7-*bis*, the equity items are detailed below by origin, possibility of distribution and use:

Share capital	**Balance at 31/12/2023**	**Possibility of use**	**Possibility of distribution**	**Use**
Share capital	122,942,340			
Share premium reserve	23,094,666	B		23,094,666
Legal reserve	9,234,293	B		9,234,293
Extraordinary reserve	-	B		-
Translation reserve	-	B		-
Other reserves	2,061,458	B		2,061,458
IAS 19 reserve	15,472	D		
Losses carried forward:	(13,340,242)			
Reserve for treasury shares	(736,078)			
Profit for the year	1,454,833			
TOTAL	**144,726,742**			

Possibility of use

A) For share capital increase B) For covering losses C) For distribution to shareholders D) N/A

LIABILITIES

NON-CURRENT LIABILITIES

(12) Non-current loans and borrowings

Non-current bank loans and borrowings totalled Euro 37,390 thousand at 31 December 2023, marking an increase with respect to the previous year end.

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Non-current loans and borrowings	37,390,145	4,949,189	32,440,956
TOTAL	**37,390,145**	**4,949,189**	**32,440,956**

Reference should the breakdown shown in the table below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
			-
Due to UBAE	1,757,770		1,757,770
Due to Banca IFIS	1,149,651		1,149,651
Due to BNL	2,323,907		2,323,907
Due to Deutsche Bank	1,620,255		1,620,255
Due to Unicredit	7,371,610		7,371,610
Due to Illimity	17,750,879		17,750,879
Due to Industrial and Commercial Bank of China	4,660,235	4,949,189	(288,954)
Accrued expenses	5,378,118		5,378,118
IFRS 9 debt discount	(4,622,281)		(4,622,281)
TOTAL	**37,390,145**	**4,949,189**	**32,440,956**

The increase is due to the fact that up to 31 December 2022 the debts arising from the Restructuring Agreement had been shown as maturing in the short term as a result of the failure to meet the financial covenants set out in the said Restructuring Agreement at 31 December 2020, whereas at 31 December 2023 they are shown according to their maturity date (31 December 2026) following the new Restructuring Agreement.

(13) Non-current loans and borrowings from other financial backers

Non-current loans and borrowings from other financial backers at 31 December 2023 amounted to Euro 99,159 thousand, with an increase of Euro 34,525 thousand compared to the same date of the previous year, when they amounted to Euro 58,866 thousand, as detailed below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Due to Caterpillar Financial S.A.		7,694,241	(7,694,241)
Due to SC Lowy Financial	18,634,736		18,634,736
Bond	50,000,000	50,000,000	
Due to Kerdos	23,159,818		

Due to Amco Asset Mgmt. Co. S.p.A.	8,987,823		8,987,823
Due to Sace S.p.A.	15,493,680		15,493,680
Lease liabilities	275,172	1,171,831	(896,659)
IFRS 9 debt discount	(17,392,288)		
TOTAL	**99,158,941**	**58,866,072**	**34,525,339**

Reference should be made to note (12) concerning the Restructuring Agreement.

At 31 December 2023, the financial covenants provided for in the "Trevi Finanziaria Industriale 2023-2027" Bond Issue regulations were met.

The terms and conditions of bank loans and borrowings were as follows:

in thousands of Euro	Currency	Spread	Indexing	Year due	31/12/2023 Nominal amount	31/12/2023 Carrying amount
Unsecured bond	Euro	2.00%	-	2026	**50,000**	**50,000**
Unsecured bank loan	Euro	5.93%	-	2026	**37,390**	**37,390**
Unsecured bank loans from other financial backers	Euro	5.93%	-	2026	**99,158**	**99,158**
Non-current unsecured bank loan	Euro	2.00%	-	2025	**4,660**	**4,660**
Non-current unsecured bank loans	Euro	0.00%	-	2025	**289**	**289**
Total liabilities					**191,497**	**191,497**

(14) Non-current derivatives

At 31 December 2023, in line with the previous year, the Company did not have non-current derivatives.

(15) Deferred tax liabilities

Deferred tax liabilities totalled Euro 498 thousand at 31 December 2023, marking an increase of Euro 86 thousand compared to the previous year end when they were approximately Euro 412 thousand.

The following is the detail of the items making up the balance:

DESCRIPTION	31/12/2023	31/12/2022	Change
Unrealised exchange gains	487,624	401,424	86,200
Others	10,261	10,261	-
TOTAL	**497,885**	**411,685**	**86,200**

(16) Post-employment benefits

The item includes the estimate of the liability, determined based on actuarial techniques, relating to the benefits to be paid to employees upon termination of the employment relationship.

At 31 December 2023, post-employment benefits amounted to Euro 619 thousand, with an increase of approximately Euro 24 thousand compared to the previous year end.

The following table details the changes in this item at 31 December 2023:

DESCRIPTION	Balance at 31/12/2022	Portion accrued and allocated in the statement of profit or loss	Portion transferred to other companies and advances paid	Changes in favour of supplementary pension funds and other changes	Actuarial gains/(losses)	Balance at 31/12/2023
Post-employment benefits	**593,881**	10,708	-46,143	80,500	-20,094	**618,852**

The main assumptions used to determine the obligation relating to the post-employment benefits, as previously described under the section covering the accounting policies used, are illustrated below:

	31/12/2023	31/12/2022
Annual technical discount rate	3.17%- 3.08%- 3.15%	3.77%-3.63%
Inflation rate	2.00%	5.9% for 2023, 2.3% for 2024, 2.0% since 2025
Annual rate of Post-employment benefits	3.00%	5.9% for 2023, 3.2% for 2024, 3.0% since 2025
Turnover	15.00%	15.00%

(17) Provisions for risks and charges

The provision amounted to Euro 10,205 thousand, decreasing by Euro 2,086 thousand compared to the previous year end.

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Provisions for risks and charges	10,204,903	12,290,961	-2,086,058
TOTAL	**10,204,903**	**12,290,961**	**-2,086,058**

The balance mainly consisted of a provision for risks equal to Euro 4,670 thousand related to contractual risks, from future charges linked to the assumption of positions attributable to the Water Division arising from the sale of the Oil & Gas Division occurred in 2020 for Euro 2,823 thousand, from accruals to provisions for guarantees granted to group companies made in accordance with IFRS 9 for Euro 1,072 thousand and from bonuses and charges related to the long-term incentive plan for Euro 1,293 thousand; reference should be made to note (34) Adjustment to financial assets.

(17.1) Other non-current liabilities

The item includes the measurement at fair value of the loyalty warrant at 31 December 2023 of Euro 2 thousand, while the remaining part of Euro 1,200 thousand is attributable to the compensation granted to some former Directors of the Company, under the agreements reached with the former ultimate parent Trevi Holding SE (THSE).

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Warrant	2,229	30,980	-28,751
THSE agreement non-current share	1,200,000	1,800,000	-600,000
	1,202,229	**1,830,980**	**-628,751**

CURRENT LIABILITIES

(18) Trade payables and other current liabilities

Trade payables and other current liabilities amounted to Euro 6,548 thousand at 31 December 2023, a decrease of Euro 12,277 thousand compared to the previous year; the change was mainly due to the payable to CDPE Investimenti S.p.A., subscribed and paid for Euro 6,446 thousand in the previous year and the payments made to suppliers over the year.

Details of this item are given in the following table:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Trade payables	4,391,626	9,520,255	(5,128,629)
Due to social security institutions	476,013	406,388	69,626
Other amounts due	1,680,064	8,898,435	(7,218,372)
TOTAL	**6,547,703**	**18,825,078**	**(12,277,375)**

The breakdown of trade payables by maturity is shown in the following table:

Description	Balance at 31/12/2023	Balance at 31/12/2022	Change
Not past due	2,835,868	6,639,666	(3,803,798)
Past due for 1 to 3 months	337,024	1,108,438	(771,414)
Past due for 3 to 6 months	49,015	243,520	(194,505)
Past due for more than 6 months	1,169,719	1,528,630	(358,911)
Total	**4,391,626**	**9,520,255**	**(5,128,629)**

Details of Other amounts due are shown below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Changes
Due to employees for holidays accrued and not used	824,446	1,683,344	(858,897)
Due to shareholders subscription account	0	6,445,820	(6,445,820)
Other	855,617	769,272	86,346
TOTAL	**1,680,064**	**8,898,435**	**(7,218,372)**

The item includes Euro 600 thousand linked to the compensation granted to some former Directors of the Company, under the agreements reached with the former ultimate parent THSE.

At the reporting date, no payment orders were received.

(19) Trade payables and other current liabilities to subsidiaries

At 31 December 2023, trade payables and other current liabilities to subsidiaries amounted to Euro 19,108 thousand, increasing by approximately Euro 1,145 thousand compared to the previous year end mainly attributable to trade payables to subsidiaries.

Details of this item are given in the following table:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Trade payables to subsidiaries and payments on account	2,357,137	1,159,719	1,197,418

Liabilities attributable to the share of the profit/loss of UTE TREVI S.p.A. TREVI – Finanziaria Industriale S.p.A. Sembenelli S.r.l. for the "Borde Seco" contract	2,343,039	2,374,393	(31,354)
Other liabilities to related parties	75,000	75,000	
Group tax consolidation liabilities	14,332,818	14,354,051	(21,233)
TOTAL	**19,107,994**	**17,963,165**	**1,144,831**

Trade payables to subsidiaries refer mainly to current payables to Trevi S.p.A. and Soilmec S.p.A., in addition to tax consolidation liabilities. The analytical list is available under paragraph "Other Information - Related Parties".

(20) Current tax liabilities

Current tax liabilities totalled Euro 439 thousand at 31 December 2023 (Euro 673 at 31 December 2022).

(21) Current loans and borrowings

At 31 December 2023, current loans and borrowings amounted to Euro 522 thousand, with a decrease of Euro 43,599 thousand compared to the previous year end when they amounted to Euro 44,121 thousand.

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Current loans and borrowings	522,059	44,121,374	(43,599,315)
TOTAL	**522,059**	**44,121,374**	**(43,599,315)**

As for change, reference should be made to note (12) concerning the Restructuring Agreement.

(22) Current loans and borrowings from other financial backers

Current loans and borrowings from other financial backers were Euro 28,595 thousand at 31 December 2023, with a decrease of approximately Euro 59,225 thousand compared to the previous financial year end.

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Current loans and borrowings from other financial backers	28,595,409	87,820,659	(59,225,250)
TOTAL	**28,595,409**	**87,820,659**	**(59,225,250)**

Below are the details of this item with the related changes:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Due to Trevi Icos. Corp.	4,343,891	4,500,281	(156,390)
Due to Trevi Construction Hong Kong Co Ltd	300,000		300,000
Due to Trevi Arabian Soil Contractor	14,776,816		14,776,816
Due to Caterpillar Financial S.A.	7,694,241		7,694,241
Lease liabilities	1,249,297	1,967,706	(718,409)

Caterpillar financing		920,813	(920,813)
Due to SC Lowy Financial		22,828,524	(22,828,524)
Due to Amco Asset Mgmt. Co. S.p.A.	231,163	12,010,342	(11,779,179)
Due to Sace S.p.A.		14,515,741	(14,515,741)
Due to Kerdos		31,077,253	(31,077,253)
TOTAL	**28,595,409**	**87,820,659**	**(59,225,250)**

Reference should be made to note (12) concerning the Restructuring Agreement.

(23) Current provisions

Current provisions amounted to approximately Euro 888 thousand (Euro 0 at 31 December 2022) and refer to the current portion of bonuses and charges related to the long-term incentive plan.

(24) Current derivatives

There were no liabilities linked to current derivatives.

The following is a breakdown of net financial debt:

(amounts expressed in Euro)

	Description	31/12/2023	31/12/2022	Change
A	Cash and cash equivalents	3,939,704	3,273,355	666,349
B	Other cash equivalents		6,445,820	(6,445,820)
C	Other current financial assets	79,307,951	67,410,585	11,897,366
D	**Cash and cash equivalents (A+B+C)**	**83,247,655**	**77,129,760**	**6,117,895**
E	Current financial liabilities (including debt instruments)	19,929,368	129,376,033	(109,446,665)
F	Current portion of non-current debt	9,188,100	2,566,000	6,622,100
G	**Net financial debt (E+F)**	**29,117,468**	**131,942,033**	**(102,824,565)**
H	**Net current financial debt (G-D)**	**(54,130,187)**	**54,812,273**	**(108,942,460)**
I	Non-current financial liabilities	86,549,086	13,815,261	72,733,826
J	Debt instruments	50,000,000	50,000,000	0
K	Trade payables and other non-current liabilities			0
L	**Non-current financial debt (I+ J+ K)**	**136,549,086**	**63,815,261**	**72,733,826**
M	**Total financial debt (H+L) (as provided for by Consob warning notice No. 5/21 of 29 April 2021)**	**82,418,899**	**118,627,533**	**(36,208,634)**

Below is the reconciliation with the debt table shown in the Directors' Report.

M	**Total financial debt (H+L) (as provided for by Consob warning notice No. 5/21 of 29 April 2021)**	**82,418,899**	**118,627,533**	**(36,208,634)**
N	Other non-current financial assets	(1,710)	(2,682)	972
O	**Total net financial debt (M-N)**	**82,420,609**	**118,630,215**	**(36,209,606)**

The warrant was not classified as financial debt in the net financial position since:

- the Company has no contractual obligation to deliver cash to the holder of Warrants;

- no interest of any kind accrues on this type of liabilities;

- this liability derives from an instrument that will provide the Company with a capital increase at the time of its possible future exercise.

GUARANTEES AND COMMITMENTS

In accordance with the provisions of Article 2427, paragraph 1, No. 9) of Italian Civil Code, there are no commitments, guarantees and contingent liabilities not shown in the statement of financial position other than those commented on below.

Corporate guarantees/Bank guarantees for Euro 284,024,971.65 and refer in particular to:

- Corporate sureties for Euro 48,914,951.75 issued by Trevi Finanziaria Industriale S.p.A to guarantee performance obligations of its subsidiaries following the signing of tender/supply contracts.

- Corporate sureties to guarantee cash and unsecured lines of credit for Euro 27,186,567.52, issued by Trevi-Finanziaria Industriale S.p.A. and made available for its subsidiaries.

- Corporate sureties to guarantee lease contracts for Euro 9,226,694.00, issued by Trevi-Finanziaria Industriale S.p.A. and made available for its subsidiaries.

- Corporate sureties to guarantee cash and unsecured lines of credit for Euro 61,994,059.84, issued by Trevi-Finanziaria Industriale S.p.A. and made available for its subsidiaries.

- Corporate sureties in favour of US Sureties for Euro 136,702,698.53, namely sureties issued by Trevi Finanziaria Industriale S.p.A. 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 12,431,169.33. These refer to the issuance of sureties for VAT reimbursements of the Company and the main Italian subsidiaries and to 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 Trevi Galante SA.

Bank commercial guarantees for Euro 107,051,558.13, which are mainly issued to take part in tenders, to cover performance bonds and for contractual advances.

ANALYSIS OF THE STATEMENT OF PROFIT OR LOSS ITEMS

Below are some details and information relating to the statement of profit or loss for the year ended 31 December 2023.

(25) Revenue from sales and services

Revenue from sales and services amounted to Euro 15,198 thousand compared to Euro 13,735 thousand in 2022, with an increase of Euro 1,464 thousand; the increase is mainly attributable to higher recharges for services rendered to subsidiaries and, to a lesser extent, to revenue from equipment hire and commission on guarantees; the breakdown of revenue by nature is as follows:

DESCRIPTION	2023	2022	Changes
Revenue from equipment hire	2,166,403	1,758,324	408,079
Revenue from commission on guarantees	2,641,893	2,434,134	207,760
Revenue for services provided to subsidiaries	10,390,044	9,542,139	847,905
TOTAL	**15,198,340**	**13,734,597**	**1,463,743**

The following is a breakdown by geographical segment of revenue from sales and services:

GEOGRAPHICAL SEGMENT	2023	%	2022	%
Italy	6,916,075	45.51%	6,675,383	48.60%
Europe (excluding Italy)	288,439	1.90%	260,970	1.90%
U.S.A. and Canada	916,617	6.03%	757,004	5.51%
Latin America	464,323	3.06%	619,432	4.51%
Africa	351,356	2.31%	278,168	2.03%
Middle East and Asia	3,517,064	23.14%	3,491,928	25.42%
Far East and Rest of the World	2,744,466	18.06%	1,651,712	12.03%
TOTAL	**15,198,340**	**100%**	**13,734,597**	**100%**

Revenue was almost exclusively generated with group companies and, as shown in the table above, concerned equipment hire, management and administrative and management support, HR and staff management service, IT management service and integrated corporate management software and management of the Group's communications service.

(26) Other operating revenue

The item Other operating revenue amounted to Euro 1,339 thousand compared to Euro 4,743 thousand in 2022, with a decrease of Euro 3,404 thousand, as shown in the table below:

DESCRIPTION	2023	2022	Change
Lease income	17,798	16,407	1,390
Recovery of expenses	1,019,991	2,404,772	(1,384,781)
Gains on disposal of non-current assets	207,283	729,851	(522,568)
Prior year income	82,760	1,517,680	(1,434,920)
Insurance repayments	0	62,819	(62,819)
Other	10,891	11,628	(738)
TOTAL	**1,338,722**	**4,743,158**	**(3,404,435)**

The decrease was mainly due to the item Recovery of expenses, which mainly refers to the recovery of costs incurred for various reasons by the Company in favour of its direct and indirect subsidiaries, and to Prior year income, which mainly includes Euro 417 thousand related to the waiver of the tax consolidation debt towards Trevi Energy S.p.A., Euro 354 thousand related to the tax credit for process innovation and Euro 150 thousand related to the use of the super ACE.

(27) Raw materials and consumables

The cost of raw materials and consumables amounted to approximately Euro 96 thousand, compared to Euro 73 thousand in 2022 with a decrease of Euro 23 thousand.

(28) Personnel expense

Personnel expense amounted to Euro 6,843 thousand compared to Euro 6,535 thousand in 2022, with an increase of approximately Euro 308 thousand. The breakdown of the item is shown below:

DESCRIPTION	2023	2022	Changes
Wages and salaries	5,442,944	4,936,797	506,147
Social security charges	1,389,636	1,509,704	(120,067)
Post-employment benefits	10,708	88,830	(78,122)
			-
TOTAL	**6,843,288**	**6,535,331**	**307,957**

The changes recorded during the year are shown below:

DESCRIPTION	2023	Increases	Decreases	2022
Executives	16			16
Middle managers and White-collar workers	45		1	46
TOTAL	**61**	**0**	**1**	**62**

(29) Other operating expenses

Other operating expenses amounted to Euro 11,855 thousand compared to Euro 10,105 thousand in 2022, increasing by Euro 1,750 thousand.

This item includes:

DESCRIPTION	2023	2022	Changes
Costs for third-party services	9,843,416	8,396,159	1,447,257
Use of third-party assets	1,116,680	587,814	528,866
Other operating costs	895,021	1,121,267	(226,246)
TOTAL	**11,855,117**	**10,105,239**	**1,749,877**

The costs for third-party services are as follows:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Directors' remuneration	598,816	689,106	(90,290)
Statutory auditors' remuneration	135,086	135,371	(284)
Utilities, post and telecommunications	223,515	560,311	(336,796)
Third-party services, legal, administrative and technical consultancy	4,913,475	3,254,153	1,659,322
Fees and maintenance	2,770,490	2,518,114	252,376
Food, accommodation and travel	167,384	101,223	66,162
Insurance companies	714,934	625,163	89,771
Advertising insertions and communications	21,821	25,562	(3,742)
Membership contributions	133,589	89,950	43,639
Bank services	63,349	56,491	6,859
Other	100,956	340,715	(239,759)
TOTAL	**9,843,416**	**8,396,159**	**1,447,257**

The Costs for third-party services amounted to approximately 9,843 thousand (Euro 8,396 thousand in the previous year) with an increase of approximately Euro 1,447 thousand, mainly linked to Third-party services and consultancy. The item Directors' remuneration also includes remunerations paid to Directors as members of the Appointment and Remuneration Committee, the Risk Control Committee and the Related Party Committee.

For more details, see the paragraph "Other Information" on the remuneration paid to Directors and Statutory Auditors.

The expense for Fees and maintenance relates to the work performed by suppliers with regard to the maintenance and development of the Group's IT Service that is centralised at TREVI - Finanziaria Industriale S.p.A. and that is one of the services that the Company provides and charges to its subsidiaries.

The Costs for use of third-party assets are broken down as follows:

DESCRIPTION	2023	2022	Changes
Equipment leases	60,158	60,158	-
License fees	1,026,945	498,078	528,866
Lease expense	29,577	29,577	-
TOTAL	**1,116,680**	**587,814**	**528,866**

The items Equipment leases, License fees and Lease expense are attributable to short-term fees that can be excluded from the accounting provided for by IFRS 16.

Details of other operating expenses are shown in the following table:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Taxes other than income tax	585,553	370,437	215,116
Other sundry expenses	9,965	3,428	6,537
Non-deductible miscellaneous prior year expense	299,503	747,402	(447,899)
TOTAL	**895,021**	**1,121,267**	**(226,246)**

(30) Depreciation and amortisation

Depreciation and amortisation amounted to Euro 3,731 thousand compared to Euro 4,143 thousand in 2022 with a decrease of Euro 411 thousand, as detailed below:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Amortisation of intangible assets	1,989,285	1,767,184	222,100
Depreciation of property, plant and equipment	1,742,173	2,375,573	(633,400)
TOTAL	**3,731,458**	**4,142,758**	**(411,300)**

This item includes the amortisation relating to the acquisition of IT licences and application software and to the consultancy received for the implementation of the new Group ERP, capitalised among intangible assets, as well as the depreciation of property, plant and equipment.

(30.1) Provisions, impairment losses and uses

At 31 December 2023, net impairment losses of about Euro 1,144 thousand were recognised, mainly attributable to the long-term incentive plan and bonuses for personnel; the change from the previous financial year is shown in the table below:

DESCRIPTION	Balance at 31/12/2023	Balance at 31/12/2022	Change
Release for other risks	(47,765)	(2,746,458)	2,698,693
Accruals for loss allowance	28,749	3,085,800	(3,057,051)
Other provisions	1,163,569	1,660,566	(496,997)
TOTAL	**1,144,553**	**1,999,908**	**(855,355)**

The change of Euro 855 thousand is attributable to long-term incentive plan and bonuses for personnel; the remaining part is attributable to the evolution of the risk relating to the recognition of a liability for the enforcement of guarantees.

(31) Financial income

Financial income amounted to Euro 34,957 thousand compared to Euro 7,560 thousand in 2022, with an increase of Euro 27,397 thousand.

The details of this item are shown below:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Financial income from non-current financial assets	3,862,642	1,547,951	2,314,691
Dividends from subsidiaries	1,004,781		1,004,781
Capital gains from equity investments	654,805		654,805
Financial income from fair value measurement (IFRS9)	28,561,459		28,561,459
Other financial income	873,644	6,012,149	(5,138,505)
TOTAL	**34,957,331**	**7,560,100**	**27,397,231**

The increase over the previous year was mainly due to the effect of the financial restructuring and, in particular, to the positive effects of IFRS 9 accounting, while the change in other financial income was mainly due to the effect of the fair value measurement of the Warrant, which had a positive effect of about Euro 3.6 million in the previous year.

(32) Financial expense

Financial expense amounted to Euro 27,648 thousand compared to Euro 15,047 thousand in 2022, details of which are shown in the following table:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Interest expense with banks	5,581,621	4,937,327	644,294
Financial expense from fair value measurement (IFRS 9)	17,907,462	6,800,113	11,107,350
Fees and commissions on securities	1,756,126	1,729,085	27,040
Interest expense with lease companies	81,628	145,079	(63,451)
Other financial expense	2,321,841	1,435,648	886,193
TOTAL	**27,648,678**	**15,047,252**	**12,601,426**

Interest expense with banks represents the costs associated with raising financial resources necessary to carry out the Company and Group's business; the overall increase from the previous year is mainly due to the effect of the financial restructuring and in particular the effects of IFRS 9 accounting.

(33) Exchange gains/(losses)

Foreign currency transactions for 2023 led to net exchange gains of Euro 422 thousand, mostly unrealised, compared to net exchange losses of Euro 304 thousand in 2022, with an increase equal to Euro 726 thousand.

Description	31/12/2023	31/12/2022	Changes
Net exchange gains/(losses)	421,957	(304,024)	725,981
TOTAL	**421,957**	**(304,024)**	**725,981**

(34) Adjustments to financial assets

During the year, the Company made adjustments to financial assets for a total of Euro 959 thousand (negative in the previous year for Euro 1,242 thousand), mainly due to the release of the provision for financial guarantees due to the performance of both Credit Default Swaps (CDS) and Probability of Default (PD) applied by the counterparties on the credits to which they refer.

DESCRIPTION	31/12/2023	31/12/2022	Change
		-	-
Impairment of financial fixed assets which are not equity investments	701	(278,212)	278,913
Adjustments	958,071	(963,541)	1,921,612
TOTAL	**958,772**	**(1,241,753)**	**2,200,525**

(35) Income tax benefit/expense

The income taxes of the year were calculated taking into account the expected taxable income. Income tax expense amounted to Euro 101 thousand compared to a benefit of Euro 71 thousand in 2022, with a decrease of approximately Euro 172 thousand. The breakdown of the item is shown below:

DESCRIPTION	31/12/2023	31/12/2022	Change
Regional Business Tax (IRES)	-	(117,613)	117,613
Taxes for previous years	14,784	284,643	(269,859)
Deferred tax expense	86,200	(237,939)	324,139
TOTAL	**100,984**	**(70,909)**	**171,893**

Current taxes were calculated using the tax rates of 24% for IRES and 4.82% for IRAP; the table below reconciles the actual tax expense with the theoretical one:

Reconciliation theoretical/actual tax expense				
	31/12/2023	%	**31/12/2022**	%
Profit/(loss) before taxes	**1,555,817**		**(13,411,151)**	
Taxes calculated at the tax rate in force	**373,396**	**24.00%**	**(3,218,676)**	**24.00%**
Permanent differences	(359,312)	(23.09%)	3,385,706	(25.25%)
Temporary differences	86,900	5.59%	(237,939)	1.77%
Total Income Tax benefit/expense recognised in the Statement of Profit of Loss	**(100,984)**	**(6.49%)**	**70,909**	**(0.53%)**

(36) Profit/(Loss) for the year

Profit for the year

The profit for the year ended 31 December 2023 amounted to Euro 1,455 thousand (against a loss of Euro 13,340 thousand in 2022), the equity at 31 December 2023 amounted to Euro 144,727 thousand (Euro 91,867 at 31 December 2022), thanks to the complex capital increase transaction carried out as part of the broader capital strengthening and financial debt restructuring transaction aimed at rebalancing the financial position and financial performance of the Trevi Group. The year 2023 showed a decrease of the operating loss of 7,133 thousand (compared with the operating loss for the previous year of Euro 4,378 thousand); the profit from continuing operations amounted to Euro 1,455 thousand (compared to a loss of Euro 13,340 thousand in 2022), thanks to the increase in financial income as described above.

The Company chose to provide information on earnings per share only in the Group's Consolidated Financial Statements in accordance with IAS 33.

Related party transactions

The following table shows the total amounts of the transactions that took place during the year with related parties:

Amounts expressed in thousands of Euro

Current financial assets from subsidiaries	31/12/2023	31/12/2022	Change
Trevi S.p.A.	29,952	17,383	12,569
Soilmec S.p.A.	39,219	40,248	(1,029)
Other	10,137	9,780	357
TOTAL	**79,308**	**67,411**	**11,897**

Trade receivables and other current assets from subsidiaries	31/12/2023	31/12/2022	Change
Trevi S.p.A.	11,224	16,267	(5,043)
Soilmec S.p.A.	5,944	4,354	1,589
Other	12,243	16,359	(4,116)
TOTAL	**29,410**	**36,980**	**(7,570)**

Financial liabilities and other current liabilities to subsidiaries	31/12/2023	31/12/2022	Changes
Trevi Icos Corporation	4,344	4,500	(156)
Trevi Construction Co. Ltd (Hong Kong)	300		300
Trevi Arabian Soil Contractor	14,777		14,777
Other	(46)	(20)	(25)
TOTAL	**19,375**	**4,480**	**14,895**

Trade payables and other current liabilities to subsidiaries	31/12/2023	31/12/2022	Change
Trevi S.p.A.	9,770	9,703	67
Soilmec S.p.A.	5,849	4,439	1,410
Other	3,488	3,821	(332)
TOTAL	**19,108**	**17,963**	**1,145**

Revenue from sales and services	31/12/2023	31/12/2022	Change
Trevi S.p.A.	4,663	3,846	817
Soilmec S.p.A.	1,903	2,529	(625)
Other	8,433	7,210	1,223
TOTAL	**15,000**	**13,584**	**1,415**

Consumption of raw materials and external services	31/12/2023	31/12/2022	Change
Trevi S.p.A.	533	293	240
Soilmec S.p.A.	1,374	359	1,015
Other	63	542	(478)
TOTAL	**1,970**	**1,194**	**777**

Financial income	31/12/2023	31/12/2022	Change
Trevi S.p.A.	1,275	370	905
Soilmec S.p.A.	2,487	936	1,552
Other	100	39	61
TOTAL	**3,863**	**1,345**	**2,517**

Transactions with related parties are carried out at normal market conditions.

Remuneration of Directors and Statutory Auditors

The Board of Directors of Trevi – Finanziaria Industriale S.p.A. in office at the date of the 2023 Separate Financial Statements was appointed at the Shareholders' Meeting of 11 August 2022 for the years 2022- 2024. Pursuant to the Consob regulation, the remunerations settled and/or paid to the Directors and Statutory Auditors of the Company are detailed below:

(amounts expressed in Euro)

Name	Office	Remuneration for the office	Other remuneration
Anna Zanardi - until 31 July 2023	Chairperson of the Board of Directors	23,100	
Paolo Besozzi – as of 1 August 2023	Non-executive Board Director and Chairman of the Board of Directors	65,000	
Giuseppe Caselli	Non-executive Board Director	-	531,200
Davide Contini	Non-executive and independent Board Director	40,000	
	Member of Related Party Committee	9,500	
Bartolomeo Cozzoli	Non-executive and independent Board Director	40,000	
	Member of Appointments and Remuneration Committee	17,000	
Cristina De Benedetti	Non-executive and independent Board Director	40,000	
	Chairperson of Related Party Committee	12,800	
Manuela Franchi;	Non-executive and independent Board Director	40,000	
	Chairperson of Control, Risks and Sustainability Committee	29,300	
Sara Kraus	Non-executive and independent Board Director	40,000	
	Member of Related Party Committee	9,500	
Davide Manunta	Non-executive Board Director	40,000	
	Member of Control, Risks and Sustainability Committee	23,300	
Elisabetta Oliveri	Non-executive and independent Board Director	40,000	
	Member of Control, Risks and Sustainability Committee	23,300	
	Member of Appointments and Remuneration Committee	17,000	
Alessandro Piccioni	Non-executive and independent Board Director	40,000	
	Chairman of Appointments and Remuneration Committee	23,000	

Other remuneration refers, for Directors, to the amounts of salaries paid as employees of the Company.

A total cost of Euro 150 thousand was recorded for the Statutory Auditors, divided as follows:

Name	Office	Term of office (in months)	Company remuneration	Other remuneration	Total
Marco Vicini	Chairman	12	50,000	20,000	70,000
Francesca Parente	Standing Auditor	12	40,000	-	40,000
Mara Pierini	Standing Auditor	12	40,000	-	40,000
Total			**130,000**	**20,000**	**150,000**

The following table includes the total fees paid by the Company to the Independent Auditors and the network of the Independent Auditors, pursuant to Art. 160 paragraph 1-*bis* No. 303 of Italian Law 262 of 28 December 2005 integrated by Italian Legislative Decree of 29 December 2006.

(In Euro)	**Service Provider**	**Consideration for 2023**	**Total**
Audit	KPMG	332,774	332,774
Total		**332,774**	**332,774**

Significant events after the reporting period

During the first two months of 2024, the Group acquired orders for approximately Euro 125 million, compared to approximately Euro 80 million acquired in the same period of 2023. The Trevi Division, in particular, acquired orders for approximately Euro 106 million (Euro 76 million in 2023), while the Soilmec Division acquired orders for Euro 25 million (Euro 16 million in the first two months of 2023). The order backlog at 29 February 2024 amounted to Euro 791 million, compared to Euro 557 million at 28 February 2023 (it was Euro 587 million at 31 December 2022 and Euro 720 million at 31 December 2023).

The Group's performance in the first months of the year in terms of order intake, production revenue and backlog was in line with the forecasts for the year 2024.

The Group's Net Financial Debt at 31 January 2024 was Euro 198.9 million compared to Euro 202 million at 31 December 2023.

On 13 February 2024, the 2023-2027 Business Plan, an update to the 2023-2026 Business Plan, was presented to the financial community, examined and approved by the Board of Directors of Trevi - Finanziaria Industriale S.p.A. on 22 December 2024.

For the third year running, the Trevi Group is among "The most climate-conscious companies 2024", according to the survey conducted among over 600 companies by Corriere della Sera and Statista. The survey will appear in the monthly magazine "Pianeta2030" of the Corriere della Sera and on the website www.corriere.it.

As was the case last year, Trevi - Finanziaria Industriale S.p.A. is one of the "Sustainability Leaders 2024" companies. The survey, which is based on the assessment of the environmental, social and governance performance of leading Italian companies and will be officially presented on 16 May 2024, was conducted by the newspaper "Il Sole 24 Ore" in collaboration with Statista, a German company specialising in statistical analysis.

The subsidiary Trevi Foundation Philippines received an award (Safety Award) for 1 million accident-free hours worked for the Candaba Viaduct Project. Furthermore, in the first months of the year, the ISO 45001, ISO 9001 and ISO14001 certifications were renewed for Trevi S.p.A.

PROPOSAL FOR THE ALLOCATION OF THE PROFIT FOR THE YEAR

The profit for the year resulting from the Separate Financial Statements of Trevi Finanziaria Industriale S.p.A. was Euro 1,454,833 and what follows is proposed to the Shareholders' Meeting:

1) allocate 5% of the profit, equal to Euro 72,742, to the Legal Reserve pursuant to Article 2430 of Italian Civil Code;
2) carry forward Euro 1,382,091, corresponding to the portion of the year's profit remaining after allocation to the Legal Reserve as per the previous point.

OUTLOOK

During the financial year, the Group revenue is expected to increase compared to 2023 at a rate of between 5 and 11%, confirming the forecasts for 2024.

Cesena, 28 March 2024

The Chairman of the Board of Directors
Paolo Besozzi

Statement on the Separate Financial Statements pursuant to Art. 154-*bis* of Italian Legislative Decree No. 58/98

1. The undersigned Giuseppe Caselli, Chief Executive Officer, and Massimo Sala, Director of Administration, Finance and Control as Manager in charge of financial reporting of Trevi Finanziaria Industriale S.p.A., hereby state, also taking into account the provisions of Art. 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree 24 February 1998, No. 58:
   - the adequacy in relation to the characteristics of the group; and
   - the effective application

   of the administrative and accounting procedures for drafting the separate financial statements during the 2023 financial year.

2. It is also stated that:

2.1 The Separate Financial Statements at and for the year ended 31 December 2023:

a) have been drafted in compliance with the applicable International Financial Reporting Standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) match the results of the ledgers and accounting records;

c) are suitable for providing a true and fair view of the financial situation, financial performance and cash flows of TREVI - Finanziaria Industriale S.p.A.

2.2 The Directors' report contains references to important events that occurred during the year and their impact on the consolidated financial statements, together with a description of the main risks and uncertainties of the year as well as information on significant transactions with related parties.

Cesena, 28 March 2024

Giuseppe Caselli
Chief Executive Officer

Massimo Sala
Manager in charge of financial reporting

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

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

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

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Trevi Finanziaria Industriale S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

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

Basis for opinion

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

Key audit matters

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

Recapitalisation and debt restructuring transaction

Notes to the separate financial statements: *"Main risks and uncertainties to which the Trevi Group is exposed and assessment of the going concern assumption" section*

Key audit matter	Audit procedures addressing the key audit matter
Trevi Finanziaria Industriale S.p.A. and its subsidiaries (the "group") commenced a recapitalisation and debt restructuring process in 2017, which resulted in the restructuring agreement with the lending banks signed in 2019. In 2021, the company started negotiations with the lending banks aimed at identifying the necessary amendments to the existing arrangements in order for it to be able to achieve the original business plan's objectives. In November 2022, the company's board of directors approved a new restructuring agreement pursuant to articles 56 and 284 of the Italian Code of Corporate Crisis and Insolvency (the "new agreement"), based on the 2022-2026 consolidated business plan approved by the board of directors on 29 September 2022. The new agreement envisaged, inter alia, a capital increase, the subordination and postponement of a portion of the bank debt and the extension of the maturity of the non-current bank debts and bonds to 2026. It took effect on 11 January 2023. On 22 December 2023, the company's board of directors approved the consolidated plan's the update and extension for the 2023-2027 period. The directors assessed the company's ability to continue as a going concern on the basis of its past performance, the new debt structure and capitalisation and the projections included in the 2023-2027 consolidated plan (the "consolidated plan"). Assessing the appropriateness of the use of the going concern assumption entails important judgements, which are inherent in any forecast, about the existence of risks to which the company and the group are exposed and that may, inter alia, affect the materialisation of the assumptions underlying the consolidated plan. For the above reasons, we believe that the use of the going concern assumption is a key audit matter.	Our audit procedures, which also involved our own specialists, included: • analysing the process and models used by the directors to assess the group's ability to continue as a going concern; • understanding and assessing the reasonableness of the main assumptions underlying the consolidated plan; • comparing the above main assumptions to the company's and group's historical data and external information, where available; • checking the directors' assessments of the consolidated plan's adequacy to enable the company's and the group's capital and financial rebalancing; • analysing the actions implemented by the directors to successfully reach an agreement with the lending banks and reset the parameters provided for by the covenants; • analysing the correspondence with the competent supervisory authorities; • analysing the minutes of the board of directors' meetings; • analysing the events after the reporting date that provide information useful for an assessment of the company's ability to continue as a going concern; • checking the accuracy and completeness of the disclosures provided in the notes.

Trevi Finanziaria Industriale S.p.A.
Independent auditors' report
31 December 2023

Recoverability of investments in subsidiaries and loans to subsidiaries

Notes to the separate financial statements: "Impairment of assets", "Use of estimates" and "Impairment test on controlling equity investments and measurement of financial assets" sections

Key audit matter	Audit procedures addressing the key audit matter
Given the situation of the market in which the company operates, assisted by an external advisor, the directors tested investments in subsidiaries for impairment. They also assessed the recoverability of the loans granted to subsidiaries. The directors determined the recoverable amount of the company's investments in the subsidiaries heading the cash-generating units (CGUs) identified at group level (Trevi and Soilmec) based on their value in use calculated by subsidiary using the discounted cash flow model. These expected cash flows are set out in the 2023-2027 consolidated business plan approved by the board of directors on 22 December 2023 (the "consolidated plan"). Moreover, the directors determined the recoverable amount of the loans with those subsidiaries based on the expected cash flows set out in the consolidated plan. Impairment testing and assessing the recoverability of loans require a high level of judgement, especially in relation to: • the expected cash flows, calculated by taking into account the general economic performance and that of the company's sector and the actual cash flows generated by the subsidiaries' businesses in recent years; • the financial parameters to be used to discount the above cash flows. For the above reasons, we believe that the recoverability of the carrying amount of investments in subsidiaries and loans granted thereto is a key audit matter.	Our audit procedures, which also involved our own specialists, included: • understanding the process adopted to prepare the impairment tests of the investments in subsidiaries and to assess the recoverability of loans granted to subsidiaries; • understanding the process adopted for preparing the consolidated plan from which the expected cash flows used for impairment testing have been derived; • analysing the reasonableness of the assumptions used by the directors to prepare the consolidated plan; • comparing the cash flows used for impairment testing to the cash flows forecast in the consolidated plan; • assessing the reasonableness of the impairment testing model and related assumptions, including by means of a comparison with external data and information; • checking any discrepancies between the most recent actual figures and the consolidated plan forecasts and understanding the underlying reasons; • assessing the appropriateness of the disclosures provided in the notes about investments in subsidiaries, loans to subsidiaries and the related impairment test.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the separate financial statements

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

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

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

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

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

Trevi Finanziaria Industriale S.p.A.
Independent auditors' report
31 December 2023

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

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

On 15 May 2017, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2017 to 31 December 2025.

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

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

Report on other legal and regulatory requirements

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

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

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

In our opinion, the separate financial statements at 31 December 2023 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

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

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

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

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

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

Bologna, 16 April 2024

KPMG S.p.A.

(signed on the original)

Gianluca Geminiani
Director of Audit

TREVI - Finanziaria Industriale S.p.A.

Sede in Cesena (FC), Via Larga n° 201

Capitale Sociale € 123.044.339,55 interamente versato

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Sito internet: www.trevifin.com

Relazione del Collegio Sindacale per l'Assemblea degli Azionisti di approvazione del Bilancio d'esercizio separato al 31 dicembre 2023 e per il Bilancio consolidato al 31 dicembre 2023

Signori Azionisti,

la presente relazione, che riferisce sull'attività svolta dal Collegio Sindacale nel corso dell'esercizio chiuso al 31 dicembre 2023, viene redatta nei termini di Legge avendo il Consiglio di Amministrazione della Società approvato la Bozza di Bilancio in data 28 marzo 2024 e convocato l'Assemblea della Società per l'approvazione del bilancio d'esercizio 2023 in prima convocazione in data 08 maggio 2024 ed in seconda convocazione in data 09 maggio 2024.

Tenuto conto che l'approvazione del Bilancio dell'esercizio 2022 è avvenuta in data 10 Maggio 2023 ed alcune informazioni riportate nella precedente Relazione tengono conto di fatti intervenuti successivamente al termine ordinario previsto dalla normativa applicabile per la redazione della relazione del Collegio Sindacale, si rimanda per completezza informativa, alla Relazione del Collegio Sindacale relativa al Bilancio dell'esercizio 2022, rilasciata il 19 aprile 2023.

La presente relazione è redatta sia per il Bilancio d'esercizio separato al 31 dicembre 2023 che per il Bilancio consolidato al 31 dicembre 2023.

Il Collegio Sindacale ha assolto i compiti di vigilanza prescritti dall' art. 149 del D. Lgs. 58/1998 tenendo altresì conto delle previsioni contenute nell'art. 19 del D. Lgs. 39/2010 e successive modifiche.

L'attuale Collegio Sindacale, nominato dall'Assemblea degli azionisti del 11 Agosto 2022, è composto dal Dott. Marco Vicini (Presidente), dalla Dott.ssa Francesca Parente (Sindaco Effettivo) e dalla Dott.ssa Mara Pierini (Sindaco Effettivo), nonché dalla Dott.ssa Barbara

Cavalieri (Sindaco Supplente) e dal dott. Dott. Massimo Giondi (Sindaco Supplente). Il Collegio Sindacale così composto sarà in carica per un triennio, vale a dire fino all'Assemblea di approvazione del bilancio di esercizio 2024.

Quanto di seguito descritto va collocato nel quadro della complessa situazione nella quale la Società si è trovata negli ultimi quattro anni, durante i quali l'Organo Amministrativo ed il management della Società hanno lavorato per assicurare la continuità aziendale attraverso un piano di ristrutturazione ed una manovra finanziaria concordata con il ceto bancario, all'interno della procedura di cui all'art. 182bis L.F., per poi proseguire le negoziazioni con il ceto bancario a seguito del mancato rispetto di uno dei parametri finanziari previsti al 31.12.2020 dall'Accordo di Ristrutturazione.

La Società ha dunque avviato negoziazioni con le principali Istituzioni Finanziatrici al fine di presentare un "**Nuovo Piano Consolidato**" che tenesse conto anche dei nuovi scenari ipotizzabili nel mutato contesto macro-economico. Tale piano è stato oggetto di *independent business review* ("**IBR**") da parte della società Alvarez & Marsal.

Il *management*, con l'ausilio dei propri *advisor*, ha quindi portato avanti le trattative sia con le Banche Finanziatrici che con i principali azionisti volte a definire la nuova manovra finanziaria. A tale riguardo, in data 26 aprile 2022 il Consiglio di Amministrazione ha approvato una proposta di manovra finanziaria, parzialmente diversa da quella approvata nel dicembre 2021. Tale proposta di manovra è stata successivamente ulteriormente modificata al fine di tenere conto delle interlocuzioni nel frattempo intercorse con le Banche Finanziatrici. La versione definitiva della manovra finanziaria è stata approvata dal Consiglio di Amministrazione in data 17 novembre 2022 (la "**Nuova Manovra Finanziaria**"), e ha previsto, in estrema sintesi:

(a) che la stessa fosse posta in essere in esecuzione di un accordo basato su un piano attestato di risanamento ai sensi dell'art. 56 del codice della crisi d'impresa e dell'insolvenza ("CCII") (corrispondente al precedente art. 67, comma III, lett.(d) della l.fall.) (il "Nuovo Accordo");

(b) un aumento di capitale a pagamento, da offrirsi in opzione ai soci esistenti ai sensi dell'art. 2441, comma primo, cod. civ., per un importo complessivo massimo pari ad Euro 25.106.155,28, inscindibile fino all'importo di Euro 24.999.999,90 – importo integralmente garantito dagli impegni di sottoscrizione assunti dai soci CDPE Investimenti S.p.A. ("CDPE") e Polaris Capital Management LLC ("Polaris" e, congiuntamente a CDPE, i "Soci Istituzionali") – e scindibile per l'eccedenza, comprensivo di sovrapprezzo, mediante emissione di complessive massime n. 79.199.228 nuove azioni ordinarie, prive di valore nominale, aventi le medesime caratteristiche di quelle in circolazione (da emettersi con godimento regolare), ad un prezzo di emissione per azione di Euro 0,3170, dei quali Euro 0,1585 da imputarsi a capitale ed Euro 0,1585 da imputarsi a sovrapprezzo (l'"Aumento di Capitale in Opzione");

(c) un aumento di capitale inscindibile a pagamento, di importo massimo pari ad Euro 26.137.571,21, mediante emissione di n. 82.452.906 azioni ordinarie, prive di valore nominale, aventi le medesime caratteristiche di quelle in circolazione (da emettersi con godimento regolare), ad un prezzo di emissione per azione di Euro 0,3170, da offrire, con esclusione del diritto di opzione ai sensi dell'art. 2441, comma 5, cod. civ., ad alcuni dei creditori finanziari individuati nel Nuovo Accordo, con liberazione mediante compensazione volontaria, nei modi e nella misura previsti nel Nuovo Accordo, in relazione alla sottoscrizione dell'aumento di capitale con esclusione del diritto di opzione, di crediti certi, liquidi ed esigibili, secondo un rapporto di conversione del credito in capitale di 1,25 a 1 (l'"Aumento di Capitale per Conversione" e, congiuntamente all'Aumento di Capitale in Opzione, l'"Aumento di Capitale");

(d) la subordinazione e postergazione di una porzione del debito bancario per Euro 6,5 milioni;

(e) l'estensione della scadenza finale dell'indebitamento a medio-lungo termine sino al 31 dicembre 2026, con introduzione di un piano di ammortamento a partire dal 2023;

(f) la concessione/conferma di linee di credito per firma a supporto dell'esecuzione del Nuovo Piano Consolidato (come infra definito);

(g) l'estensione al 2026 della scadenza del Prestito Obbligazionario (come infra definito).

Sempre in data 17 novembre 2022, il Consiglio di Amministrazione della Società ha approvato: (i) la versione finale del piano di risanamento ai sensi degli articoli 56 e 284 CCII, basato sul Nuovo Piano Consolidato e sulla Nuova Manovra Finanziaria, relativo a Trevifin nonché al Gruppo Trevi; (ii) in attuazione della delega conferita dall'assemblea dei soci del 11 agosto 2022, ha approvato l'operazione di rafforzamento patrimoniale di Trevifin prevista dalla Nuova Manovra Finanziaria poi adeguata con successiva delibera del 28 novembre 2022; (iii) la sottoscrizione del Nuovo Accordo; e (iv) la sottoscrizione degli ulteriori accordi previsti nel contesto dell'operazione di ristrutturazione del debito e di rafforzamento patrimoniale in attuazione del suddetto piano attestato, ivi incluso l'accordo con il quale i Soci di Riferimento hanno assunto l'impegno di sottoscrivere l'intera quota di loro spettanza dell'Aumento di Capitale in Opzione, nonché le eventuali azioni che resteranno inoptate in proporzione alle partecipazioni detenute (la "Lettera di Impegno").

Successivamente, in data 29-30 novembre 2022, la Società ha sottoscritto i contratti relativi all'attuazione della Nuova Manovra Finanziaria, quali in particolare il Nuovo Accordo e la Lettera di Impegno, i quali sono divenuti efficaci in data 16 dicembre 2022 a seguito del verificarsi delle relative condizioni sospensive, ivi incluso l'ottenimento avvenuto in tale data dell'autorizzazione da parte di CONSOB alla pubblicazione del prospetto informativo relativo all'offerta in opzione di azioni Trevifin nell'ambito dell'Aumento di Capitale in Opzione.

In data 11 gennaio 2023, la Società ha, quindi, informato il mercato circa il positivo completamento dell'Aumento di Capitale, nel contesto del quale sono state sottoscritte n. 161.317.259 azioni ordinarie di nuova emissione della Società, per un controvalore complessivo pari a Euro 51.137.571,10 (di cui Euro 25.568.785,55 a titolo di capitale e Euro 25.568.785,55 a titolo di sovrapprezzo). A seguito dell'esecuzione dell'Aumento di Capitale, il nuovo capitale sociale di Trevifin è risultato, quindi, pari a Euro 123.044.339,55, suddiviso in n. 312.172.952 azioni ordinarie. In particolare: (i) l'Aumento di Capitale in Opzione è stato sottoscritto in denaro per Euro 24.999.999,90, di cui complessivi Euro 17.006.707 versati per la sottoscrizione di complessive n. 53.648.918 azioni da parte dei Soci di Riferimento, e i rimanenti Euro 7.993.292,90 sono stati versati per la sottoscrizione di complessive n. 25.215.435 azioni da parte di altri azionisti sottoscrittori; e (ii) l'Aumento di Capitale per Conversione è stato sottoscritto integralmente per Euro 26.137.571,21, mediante emissione di n. 82.452.906 azioni ordinarie.

Si rammenta infine che il Consiglio di Amministrazione della società in data 22 dicembre 2023 ha approvato un aggiornamento del Piano Consolidato 2022-2026, estendendone la durata di un anno sino al 2027, in continuità funzionale con l'originario Piano Consolidato già approvato dal Consiglio in data 17 novembre 2022. Il Piano Industriale 2023-2027 è stato poi presentato alla Comunità Finanziaria in data 13 febbraio 2024.

Gli Amministratori hanno espresso le proprie considerazioni in merito al presupposto della continuità aziendale, sulla base del quale è stato redatto il progetto di bilancio d'esercizio 2023, in un apposito paragrafo della "Relazione sulla gestione del Consiglio di Amministrazione al bilancio consolidato e al bilancio di esercizio chiuso al 31 dicembre 2023" denominato "Valutazioni circa l'esistenza del presupposto della continuità aziendale" al quale si rimanda integralmente per tutte le notizie e informazioni ivi riportate in modo dettagliato.

Si riportano le conclusioni finali degli Amministratori (le stesse considerazioni valgono per il bilancio d'esercizio): *" In conclusione, alla luce delle considerazioni sopra esposte e dopo aver analizzato i rischi e le incertezze a cui la Società e il Gruppo sono esposti, pur essendo presenti i fisiologici fattori di incertezza legati alla realizzazione del Piano Consolidato 2022-2026 (come aggiornato e confermato nelle originarie linee strategiche con l'approvazione del Piano Consolidato 2023-2027), gli Amministratori ritengono appropriato l'utilizzo del presupposto della continuità aziendale nella preparazione del bilancio della Società Trevi - Finanziaria Industriale S.p.A. e del Gruppo Trevi al 31 dicembre 2023.".*

Ad esito di tali considerazioni, gli Amministratori, hanno pertanto ritenuto superate le

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incertezze relative alla sussistenza del presupposto della continuità aziendale; il progetto di bilancio dell'esercizio 2023 è stato dunque redatto dagli Amministratori sul presupposto della continuità aziendale.

La Società di Revisione KPMG S.p.A. ha rilasciato in data 16 aprile 2024 la propria Relazione nella forma "clean", vale a dire un giudizio positivo e senza rilievi. KPMG ha confermato che non sono emerse particolari aree di attenzione in sede di revisione, né carenze significative nel sistema di controllo interno con riferimento al processo di informativa finanziaria.

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Nello svolgimento della propria funzione, il Collegio Sindacale:

- ha tenuto nell'esercizio 2023 n. 23 specifici e separati incontri di verifica della durata media di circa 2 ore e ha partecipato a tutte le riunioni dell'Assemblea e del Consiglio di Amministrazione (n. 11 riunioni del Consiglio di Amministrazione e n. 1 Assemblea ordinaria degli Azionisti) e, tramite il Presidente del Collegio e/o dei Sindaci, ha partecipato a n. 11 riunioni del Comitato Controllo Rischi e Sostenibilità, a n. 7 del Comitato Remunerazione e Nomine e n. 3 del Comitato Parti Correlate per un complessivo numero di adunanze pari a 56;
- ha ricevuto periodicamente dagli Amministratori l'informativa sull'andamento della gestione e sulla sua prevedibile evoluzione, sull'attività svolta e sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società o dalle sue Società controllate, nonché sull'andamento delle attività e dei progetti strategici avviati.
- nello svolgimento della propria attività, si è coordinato con il Comitato Controllo Rischi e Sostenibilità e con la Funzione di *Internal Audit*; con questi ha mantenuto un costante scambio di informazioni sia mediante la partecipazione alle riunioni di detto Comitato, sia mediante riunioni congiunte quando i temi trattati e le funzioni aziendali coinvolte erano di comune interesse, ancorché nell'ottica delle rispettive competenze. Parimenti ha mantenuto un costante scambio di informazioni con il Dirigente Preposto *pro tempore* in carica alla redazione dei documenti contabili societari e con l'Organismo di Vigilanza.

Ai sensi dell'art. 153 del D. Lgs. 58/1998 e tenuto conto delle raccomandazioni fornite da CONSOB, Vi riferiamo quanto segue:

1. L'attività svolta dal Collegio Sindacale è stata improntata ad un costante monitoraggio delle problematiche finanziarie della Società.
2. Sulla base delle informazioni disponibili, il Collegio Sindacale non ha rilevato violazioni della legge o dello Statuto, né operazioni manifestatamente imprudenti o azzardate, in potenziale conflitto di interessi o in contrasto con le delibere assembleari assunte, tali da compromettere l'integrità del patrimonio aziendale.

Amministrazione in base ai principi contabili internazionali (IAS/IFRS) applicabili in presenza di continuità aziendale e sono accompagnati dai documenti prescritti dal Codice Civile e dal TUF. Il Collegio Sindacale ha vigilato che gli Amministratori abbiano impostato correttamente il processo valutativo che li ha portati a ritenere sussistente il presupposto della continuità aziendale.

4. Il Consiglio di Amministrazione ha approvato i risultati dell'*impairment*, effettuato anche con l'ausilio di un esperto esterno, nella seduta del 28 marzo 2024, prima dell'approvazione del progetto di Bilancio avvenuta in pari data.

5. Tra le attività societarie di maggior rilievo, oltre a quelle già citate, che hanno avuto, tra l'altro, impatto sull'assetto organizzativo del Gruppo, segnaliamo che:

   - alla data dell'Assemblea ordinaria del 11 agosto 2022 è stato nominato un nuovo Consiglio di Amministrazione che rimarrà in carica fino all'approvazione del bilancio dell'esercizio 2024; il nuovo Consiglio di Amministrazione è composto da 11 membri, nel rispetto delle quote di genere, dei quali n. 8 indipendenti e 8 non esecutivi; n. 8 componenti del nuovo Consiglio di Amministrazione sono al loro primo mandato nell'Organo amministrativo della Società;

   - alla data dell'Assemblea ordinaria del 11 agosto 2022 è stato nominato un nuovo Collegio Sindacale che rimarrà in carica fino all'approvazione del bilancio dell'esercizio 2024; il nuovo Collegio Sindacale è composto da 3 membri effettivi e 2 supplenti nel rispetto delle quote di genere;

   - il Presidente del Consiglio di Amministrazione Dott. Pierpaolo Di Stefano ha rassegnato le proprie dimissioni dalla carica con efficacia dal 31 dicembre 2022;

   - a far data dal 01 gennaio 2023 il consigliere Dott.ssa Anna Zanardi è stata nominata Presidente del Consiglio di Amministrazione;

   - in data 8 marzo 2023 il CDA della società ha cooptato nella carica di Consigliere non esecutivo ed indipendente l'Ing. Paolo Besozzi;

   - il Presidente del Consiglio di Amministrazione Dott.ssa Anna Zanardi ha rassegnato per motivi personali le proprie dimissioni dalla carica in data 20 luglio 2023;

   - a far data dal 01 agosto 2023 il consigliere Ing. Paolo Besozzi è stato nominato Presidente del Consiglio di Amministrazione.

6. Il Collegio Sindacale ha acquisito conoscenza e vigilato, per quanto di propria competenza, in merito all'assetto organizzativo, che risulta rientrare sostanzialmente nei criteri di adeguatezza, efficacia e funzionamento rispetto alle dimensioni e alla complessità gestionale e operativa della Società e del Gruppo, nonché al funzionamento

del sistema di controllo interno, che si ritiene possa rientrare nei criteri di adeguatezza, efficacia e funzionamento, e quello amministrativo-contabile, ritenuto sostanzialmente adeguato ed affidabile, in quanto consentono di rappresentare correttamente i fatti di gestione, nel rispetto dei principi di corretta amministrazione.

Il Collegio Sindacale ha preso atto che il CFO/Dirigente Preposto ha provveduto alla riorganizzazione della funzione AFC, anche con l'inserimento di nuove professionalità, sia per rafforzare il processo di formazione del Bilancio Consolidato che per una ancora più efficiente gestione dell'area Finanza e Garanzie.

7. Il Collegio Sindacale, inoltre, ha valutato l'adeguatezza delle disposizioni impartite dalla Società alle sue controllate ai sensi dell'art. 114 comma 2 del D.Lgs. 58/1998, nonché l'indipendenza della Società di Revisione. Relativamente alle operazioni infragruppo o con Parti Correlate di natura ordinaria e straordinaria il Collegio Sindacale ha raccomandato di aggiornare il perimetro delle Parti Correlate, anche alla luce del nuovo azionariato e dei nuovi componenti del Consiglio di Amministrazione, nonché di mantenerlo aggiornato con continuità.

8. Alla data del 31 dicembre 2023 e alla data di redazione della presente Relazione, la Società detiene n. 20 azioni proprie, rappresentative, dello 0,00001% del capitale sociale della Società.

9. Nel corso delle verifiche periodiche, il Collegio Sindacale ha incontrato il Dirigente Preposto alla redazione dei documenti contabili societari, il responsabile Internal Audit e i rappresentanti della Società di Revisione, per avere informazioni sull'attività svolta e sui programmi di controllo. Sul punto, gli stessi soggetti non hanno evidenziato dati e informazioni rilevanti che debbano essere qui segnalati. Il Collegio ha, inoltre, scambiato costantemente e tempestivamente le informazioni rilevanti per l'espletamento dei rispettivi compiti con il Comitato Controllo e Rischi e Sostenibilità.

10. Sul processo di informativa finanziaria, il Collegio Sindacale ha verificato la costante attività di aggiornamento a livello di Gruppo del sistema di norme e procedure amministrativo-contabili a presidio del processo di formazione e diffusione delle relazioni ed informazioni finanziarie, che risultano idonee a consentire di riferire all'Assemblea dei Soci ai sensi dell'art. 153 del D.Lgs. 58/1998.

11. Durante le verifiche periodiche, il Collegio Sindacale ha ricevuto costante informativa circa l'andamento della situazione finanziaria e dei finanziamenti ricevuti da istituti bancari.

12. Il Collegio Sindacale ha altresì vigilato per la corretta informativa al mercato. In particolare, si segnala che, a partire da dicembre 2018, alla Società è stato richiesto da parte dell'Autorità di Vigilanza di rilasciare periodiche informazioni ex art. 114 TUF, su base mensile.

13. Il Collegio Sindacale ha vigilato sull'espletamento degli adempimenti correlati alle

normative di "*market abuse*", di "tutela del risparmio", in materia di informativa societaria e di "*internal dealing*", con particolare riferimento alle operazioni compiute su strumenti finanziari della Società dai soggetti rilevanti, al trattamento delle informazioni privilegiate e alla procedura per la diffusione dei comunicati e delle informazioni al pubblico. Il Collegio Sindacale ha preso atto delle principali modifiche scaturenti dal Regolamento (UE) n. 596/2014 (MAR), entrato in vigore nel luglio 2016, che disciplina le misure per prevenire le condotte illecite finalizzate all'abuso o alla manipolazione di informazioni privilegiate (cd *market abuse*), accertando che fosse operata la revisione della procedura sulle informazioni regolamentate. Il Collegio Sindacale ha altresì monitorato il rispetto delle disposizioni contenute nell'art. 115-bis TUF e nel Regolamento Emittenti circa l'aggiornamento del registro delle persone che hanno accesso a informazioni privilegiate. Alla data della presente relazione il responsabile del registro ha confermato che non sono state ricevute segnalazioni.

14. Con riferimento alle disposizioni di cui all'art. 36, comma 1, Regolamento Mercati (Delibera Consob n. 16191 del 20 ottobre 2007), che si applicano alle Società controllate identificate dalla Società come rilevanti ai fini del sistema di controllo sull'informativa finanziaria, il Collegio Sindacale ha accertato che i flussi informativi forniti dalle società controllate, indicate ai sensi della predetta normativa, siano adeguati a far pervenire regolarmente alla Società e al Revisore i dati economici, patrimoniali e finanziari necessari per la redazione del bilancio consolidato e consentono di condurre l'attività di controllo dei conti annuali e infra-annuali.

15. Il Collegio Sindacale ha vigilato sulle modalità di concreta attuazione delle raccomandazioni previste dal Codice di Autodisciplina delle Società Quotate di Borsa Italiana, cui la Società ha aderito, verificando la conformità del sistema di Corporate Governance di TREVI – Finanziaria Industriale S.p.A. alle raccomandazioni espresse dal suddetto codice e di cui è stata fornita una dettagliata informativa nell'annuale Relazione sul Governo Societario e gli Assetti Proprietari.

16. Il Collegio Sindacale ha verificato la corretta applicazione dei criteri e delle procedure di accertamento adottati dal nuovo Consiglio di Amministrazione per valutare la sussistenza e la permanenza dei requisiti di professionalità e indipendenza dei propri membri, prendendo atto delle diverse dichiarazioni rilasciate, i cui esiti sono descritti nella Relazione sul Governo Societario e gli Assetti Proprietari redatta ai sensi dell'art. 123-bis TUF. Ciascun componente del Collegio Sindacale ha certificato il possesso dei requisiti di onorabilità, professionalità e indipendenza richiesti dalle disposizioni normative e regolamentari vigenti, oltre al rispetto del limite al cumulo degli incarichi.

17. Il Collegio Sindacale ha altresì accertato l'adeguatezza delle indicazioni di merito e procedurali adottate dal Comitato Remunerazioni e Nomine (alle cui riunioni hanno partecipato il Presidente del Collegio Sindacale e/o i Sindaci) per la definizione e l'attuazione delle Politiche di remunerazione, nonché delle politiche d'incentivazione monetaria, annuale e triennale, in riferimento agli Amministratori Esecutivi e manager apicali con funzioni strategiche. Si rimanda alla Relazione sulla Remunerazione 2024

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approvata dal Consiglio di Amministrazione il 28 marzo 2024.

18. Il Collegio Sindacale, unitamente al Comitato Controllo e Rischi e Sostenibilità, ciascuno per quanto di propria competenza, ha valutato e vigilato sull'adeguatezza del Sistema di Gestione del Rischio attraverso incontri con il responsabile Internal Audit, al fine di ricevere informazioni in merito ai risultati di audit del 2023 finalizzati all'identificazione e valutazione dei principali rischi, alla verifica del Sistema di Controllo Interno, del rispetto della legge, delle procedure e dei processi aziendali, nonché sulle attività di implementazione dei relativi piani di miglioramento.

19. Dalle verifiche effettuate e dalle informazioni ricevute è emerso che il Sistema di Controllo e Gestione Rischi risulta rientrare, nel suo complesso, nei criteri di adeguatezza, efficacia e funzionamento ed idoneo a perseguire la prevenzione dei rischi, nonché ad assicurare un'efficace applicazione delle norme di comportamento aziendale. Altresì, la struttura organizzativa del Sistema stesso garantisce il coordinamento tra i diversi soggetti e le funzioni coinvolte, anche attraverso un costante flusso informativo tra i vari attori. Riteniamo peraltro che tale Sistema debba essere costantemente adeguato e rafforzato tenuto conto della complessità del Gruppo, nonché delle minacce derivanti dalle sempre più attuali violazioni dei sistemi informatici e dalle truffe perpetrate via internet, specialmente laddove la modalità di lavoro del personale sia svolta da remoto.

20. Il Collegio Sindacale ha incontrato nel corso del 2023 l'Organismo di Vigilanza (OdV) incaricato di verificare costantemente i processi di aggiornamento del Modello di Organizzazione, Gestione e Controllo ai sensi del D.Lgs. 231/2001 (di seguito "Modello 231"), il suo funzionamento, nonché l'idoneità e l'efficacia a prevenire ogni responsabilità della Società in relazione ai c.d. reati presupposto, attraverso l'implementazione delle opportune procedure, misure preventive e formazione del personale.

I risultati di tali attività sono descritti in dettaglio nelle relazioni dell'OdV rese periodicamente al Consiglio di Amministrazione; in via generale l'Organismo di Vigilanza ha confermato la tenuta dell'impianto generale del Modello 231, di cui l'ultimo aggiornamento è stato deliberato dal CDA in data 27 settembre 2023 e ha riguardato l'aggiornamento dei reati presupposto sulla gestione dei reati tributari, di contrabbando doganale e integrazione alla tematica del whistleblowing, anche rispetto alle modifiche legislative intervenute; l'ODV ha confermato inoltre che sono proseguite in modo costante le attività di assurance/monitoraggio svolte da Internal Audit, di Risk Assessment 231 e le azioni di diffusione e di formazione interna alla Società sul Modello 231, invitando a proseguire quanto finora realizzato. Inoltre, ha invitato a proseguire nelle attività di sviluppo e rafforzamento dei protocolli di prevenzione e controllo previsti dal Modello Organizzativo e posti a presidio dei reati presupposto 231/01.

21. L'Organismo di Vigilanza ha inoltre monitorato costantemente il canale predisposto per ricevere segnalazioni su possibili violazioni del Modello 231, del Codice Etico, senza ricevere segnalazioni.

22. Il Collegio Sindacale ha preso atto che la Società ha implementato e resa operativa la procedura *Whistleblowing,* a cura dell'Internal Audit.

23. Il Collegio Sindacale ha preso atto del percorso intrapreso dalla Società nel considerare la Sostenibilità parte integrante del proprio business, a garanzia della crescita di lungo periodo e creazione di valore mediante il coinvolgimento di tutti gli *stakeholder.* Il Collegio ha altresì preso atto dei contenuti della Dichiarazione non Finanziaria (DNF) 2023 predisposta dal management, approvata dal Consiglio di Amministrazione il 28 marzo 2024. In data 17 aprile 2024 PriceWaterhouseCoopers (PWC) in qualità di società di revisione incaricata dell'esame limitato alla DNF, ha espresso una conclusione positiva e senza rilievi sulla Dichiarazione non Finanziaria 2023.

24. Il Collegio Sindacale, visto il Richiamo di Attenzione Consob N. 3/22 del 19 maggio 2022, ha preso atto che la Società ha evidenziato nella propria "*Relazione sulla gestione del Consiglio di Amministrazione al Bilancio Consolidato e al Bilancio d'Esercizio chiuso al 31 Dicembre 2023*" un apposito paragrafo denominato "*Impatti del conflitto Russia-Ucraina*" nel quale ha evidenziato i possibili impatti del conflitto sui conti aziendali, nonché ha analizzato l'evento in termini di rischio residuo.

25. Il Collegio Sindacale ha incontrato con periodicità gli esponenti della Società di Revisione KPMG S.p.A., ricevendo costantemente informativa in merito ai piani di lavoro e di verifica predisposti, al loro stato avanzamento e ai relativi risultati e fornendo da parte propria tutto il supporto richiesto e/o opportuno. In tali incontri non sono emersi dati e/o aspetti rilevanti in relazione a problematiche di competenza del Collegio Sindacale tali da essere evidenziati.

26. Il Collegio Sindacale ha inoltre vigilato sull'indipendenza della Società di Revisione di cui all'art. 19 D.Lgs. 39/2010, verificando la natura e l'entità di tutti gli incarichi ricevuti da TREVI – Finanziaria Industriale S.p.A. e/o dalle Società del Gruppo (italiane ed estere, sia UE che Extra UE) per servizi diversi dalla revisione legale, il cui dettaglio è fornito nelle Note Illustrative al bilancio consolidato, ai sensi dell'art. 149 *duodecies* del Regolamento Emittenti in tema di pubblicità dei corrispettivi.

    Inoltre, non risultano incarichi vietati ai sensi del Regolamento (UE) n. 537/2014 e del decreto legislativo 17 luglio 2016 n. 135. Per quanto riguarda gli incarichi diversi da quelli di revisione e i relativi corrispettivi, il Collegio Sindacale li ha ritenuti adeguati alla dimensione e alla complessità dei lavori effettuati e, quindi, compatibili con l'incarico di revisione legale, non risultando anomalie tali da incidere sui criteri d'indipendenza della Società di Revisione.

27. Il Collegio Sindacale dà atto che non è stata ricevuta alcuna denuncia ex art. 2408 c.c.

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In conclusione, tenuto conto dell'attività svolta, di quanto precede e di quanto esposto dagli Amministratori, il Collegio Sindacale non rileva motivi ostativi all'approvazione del bilancio di TREVI – Finanziaria Industriale S.p.A. e al Bilancio consolidato al 31 dicembre 2023 così come predisposti dagli Amministratori.

Cesena (FC) 17 aprile 2024

IL COLLEGIO SINDACALE

Dott. Marco Vicini (Presidente)

Dott.ssa Francesca Parente (Sindaco Effettivo)

Dott.ssa Mara Pierini (Sindaco Effettivo)

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