

|BF S.p.A.

**|ANNUAL FINANCIAL REPORT
|AT 31 DECEMBER 2022**

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CORPORATE BODIES

Board of Directors

In office until the shareholders' meeting to approve the financial statements at 31.12.2024

Chair	Michele Pisante*
Chief Executive Officer	Federico Vecchioni
Directors	Giuseppe Andreano Maria Teresa Bianchi* Andrea Bignami* Emilio Giorgi* Gabriella Fantolino* Gianluca Lelli Rossella Locatelli Claudia Sorlini Stefania Quintavalla*

** Independent directors*

Control and Risks Committee	Andrea Bignami (Chair) Giuseppe Andreano Emilio Giorgi Gabriella Fantolino Michele Pisante
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Appointments and Remuneration Committee	Emilio Giorgi (Chair) Rossella Locatelli Maria Teresa Bianchi
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Related Party Transactions Committee	Maria Teresa Bianchi (Chair) Gabriella Fantolino Stefania Quintavalla
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Board of Statutory Auditors

In office until the shareholders' meeting to approve the financial statements at 31.12.2022

Standing Auditors	Roberto Capone (Chair) Giovanni Frattini Silvia Passilongo
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Alternate Auditors	Federico Mariscalco Inturreta Paola Ginevri Latoni
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Financial Reporting Manager	Simone Galbignani
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Independent Auditors

Deloitte & Touche SpA

Until the shareholders' meeting to approve the financial statements at 31.12.2025

REPORT ON OPERATIONS

i. SIGNIFICANT EVENTS IN 2022

The following significant events occurred during 2022:

- i. Sale in several tranches of an 11.93% shareholding in the company Bonifiche Ferraresi S.p.A. Società Agricola;
- ii. Results of the rights offering and pre-emption of shares for which the right of withdrawal had been exercised;
- iii. Resolution to approve a dividend of Euro 0.030 per share;
- iv. Appointment of the Board of Directors for the three-year period 2022 - 2024 and determination of the relevant remuneration;
- v. Investment in the Agritech & Food Fund;
- vi. Supply chain integration of BF S.p.A. and development and growth of Consorzi Agrari d'Italia S.p.A. (CAI);
- vii. Acquisition of control of BIA S.p.A. as of 1 October 2022;
- viii. Acquisition of control of Pastificio Fabianelli S.p.A. as of 31 December 2022;
- ix. Vertical Group Integration: Seed Hub.

The following is a summary of the operations indicated.

- i. Sale in several tranches of an 11.93% shareholding in the company Bonifiche Ferraresi S.p.A. Società Agricola; During 2022, as part of the process of strengthening and enhancing the value of the subsidiary Bonifiche Ferraresi already started in 2021, through the entry of one or more parties interested in sharing in the group's development in the agri-tech & food sector, BF S.p.A. sold a total of 11.93% of the share capital held in the subsidiary, whose shareholding therefore decreased from 90.25% at 31 December 2021 to 78.33% at 31 December 2022. In total, the following minority shareholding disposals were carried out sequentially during 2022:
 - On 1 June 2022, BF S.p.A. sold 0.625% of the share capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to LEB S.r.l. (Loacker Group). The consideration recognised for the transaction amounted to Euro 2.5 million;
 - On 17 June 2022, BF S.p.A. sold 1.50% of the capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to Fondazione Sardegna. The consideration recognised for the transaction amounted to Euro 6 million;
 - On 13 October 2022, BF S.p.A. sold 1.25% of the capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to Finsipo S.r.l. (Salvi Group). The consideration recognised for the transaction amounted to Euro 5 million;
 - On 22 December 2022, BF S.p.A. sold 0.55% of the capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to Fondazione Banca del Monte di Lombardia. The consideration recognised for the transaction amounted to Euro 2.2 million;
 - On 23 December 2022, BF S.p.A. sold 3% of the capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to Compagnia Valdostana delle Acque - Compagnie Valdotaïne des Eaux S.p.A. The consideration recognised for the transaction amounted to Euro 12 million;

- On 29 December 2022, BF S.p.A. sold 5% of the capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola to Eni Natural Energies S.p.A. The consideration recognised for the transaction amounted to Euro 20 million.

As part of the above transactions, BF S.p.A. sold a total of 11.93% of the share capital of its subsidiary Bonifiche Ferraresi S.p.A. Società Agricola for a total countervalue of Euro 47.7 million and realising a total capital gain of approximately Euro 16 million.

The above transactions were carried out in implementation of the plan to enhance the value of the subsidiary Bonifiche Ferraresi through the entry of one or more parties (provided that BF S.p.A. retained control) interested in sharing in the BF Group's development in the Agri-tech & Food sector and, more generally, in consolidating and strengthening the BF Group's network in the Italian agri-food industry, initiatives in which BF intends to invest the proceeds from said disposals.

ii. Results of the rights offering and pre-emption of shares for which the right of withdrawal had been exercised;

In connection with the amendments to the articles of association approved by the extraordinary shareholders' meeting of B.F. S.p.A. on 21 December 2021 and, in particular, to the amendment of the corporate purpose, pursuant to Article 6, and the insertion of a new Article 5 entitled "Purpose of the Company", as well as, following the exercise of the right of withdrawal for 12,400 shares of BF, representing approximately 0.0066% of the share capital (the "Shares"), on 16 February 2022, the acceptance period ended for the option and pre-emption offer pursuant to Article 2437-quater, paragraph 2, of the Italian Civil Code (the "Offer") addressed to the shareholders who did not exercise, in whole or in part, their withdrawal right to purchase the Shares at the Liquidation Value. In the context of said Offer, all 12,400 Shares were allotted, both as a result of the exercise of option rights and as a result of the exercise of option rights, pursuant to Article 2437-quater of the Italian Civil Code, second and third paragraphs.

BF proceeded to liquidation with a value date of 23 February 2022.

iii. Resolution to approve a dividend of Euro 0.0030 per share.

The Shareholders' Meeting, which met on 10 May 2022 and approved the company's financial statements at 31 December 2021, simultaneously resolved to distribute a total dividend of Euro 0.030 per share.

In detail, the Shareholders' Meeting resolved to allocate the year's profit of Euro 9,100,066.66 as follows:

- Euro 3,149,086.98, to "Non-distributable profit reserve", unavailable pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005;
- Euro 297,548.98 to the "Legal Reserve";
- Euro 5,611,786.95 to the Shareholders as dividend, equal to Euro 0.030 per share;
- Euro 41,643.75 to "Profits available for distribution reserve".

The dividend was paid with an ex-dividend date of 23 May 2022 (coupon number 6), record date 24 May 2022 and payment date 25 May 2022.

- iv. Appointment of the Board of Directors for the three-year period 2022 - 2024 and determination of the relevant remuneration;

The Shareholders' Meeting, which met on 10 May 2022 and approved the company's financial statements at 31 December 2021, simultaneously appointed as directors for the three-year period 2022-2024, and therefore until the Meeting convened for the approval of the financial statements at 31 December 2024, the following:

1. Giuseppe Andreano*;
2. Maria Teresa Bianchi*;
3. Michele Pisante*;
4. Federico Vecchioni**;
5. Rossella Locatelli**;
6. Gianluca Lelli**;
7. Stefania Quintavalla**;
8. Emilio Giorgi**;
9. Gabriella Fantolino**;
10. Claudia Sorlini***;
11. Andrea Bignami***.

* drawn from the list presented by the shareholder Dompé Holdings s.r.l., owner of 20.04% of the BF share capital, which obtained 26.92% of the votes cast at the Shareholders' Meeting.

** taken from the list presented by the shareholder ARUM S.p.A., owner of 19.67% of the BF share capital, which obtained 50.18% of the votes cast at the Shareholders' Meeting and was therefore the list voted by the majority.

*** taken from the list presented by the shareholder Fondazione Cariplo, owner of 19.29% of the BF share capital, which obtained 22.90% of the votes cast at the Shareholders' Meeting.

The Shareholders' Meeting resolved to approve a total emolument of Euro 220,000, gross of withholding taxes and accessories required by law, where applicable, pro rata temporis and during the term of office, for each financial year, in addition to the reimbursement of expenses, delegating the Board of Directors to allocate the relative amount pursuant to Article 2389, paragraph 3 of the Italian Civil Code, without prejudice to any remuneration for Directors holding special offices that may be assigned by the Board of Directors pursuant to Article 2389, paragraph 3 of the Italian Civil Code.

- v. Investment in the Agritech & Food Fund

With a view to the further development and growth of the group in the food industry, on 21 July 2021, the Board of Directors of B.F. S.p.A. approved the BF investment in Fondo Italiano Agritech & Food, a closed-end Italian alternative investment fund reserved for professional investors, established and managed by Fondo Italiano d'Investimento SGR S.p.A. ("FII SGR").

On 30 March 2022, the Board of Directors confirmed the investment transaction under the new terms defined by Fondo Italiano d'Investimento SGR in the Italian agro-industrial sector, through the Fondo Italiano Agritech & Food.

The investment consists in the BF subscription to the Fund units for an amount of Euro 60,000,000, which will make BF S.p.A. a cornerstone investor of the Fund and will allow it to subscribe to categories of Fund units to which specific economic rights (reduced commission profile) and governance oversight (with regard to the composition of the Investment Committee and Advisory Board) are associated.

The Fund aims to support and develop the agri-food sector in an organic and integrated manner, providing capital for the growth of the agri-food chain in the medium to long term. BF, through its investment in the Fund, will contribute capital, know-how and leadership, promoting its role as a major national player in the agri-food chain.

The investment amount of Euro 60,000,000 will be financially covered by the resources from the measurement of the investee company Bonifiche Ferraresi S.p.A. Società Agricola.

Pursuant to Annex 1 of the "Regulation containing provisions on related party transactions" adopted by Consob with resolution no. 17221 of 12 March 2010 (the "RPT Regulation") and to International Accounting Standard no. 24 and Article 2 of the BF Procedure for Related Party Transactions, available on the BF website, the Transaction has been qualified as a "related party transaction". Since the Fund has no legal personality, the relationship between FII SGR, the Fund management company, and BF was taken into account for the purposes of qualifying the Transaction as a related party transaction.

In particular, emphasis was placed on the fact that FII SGR is a subsidiary of CDP Equity S.p.A., which held a 6.04% shareholding in BF until 30 June 2022 (thus, as of today, it has left the shareholding structure) and has been qualified as a "related party" of the Company, pursuant to the aforementioned provisions, as it is deemed capable of exercising significant influence over the Company.

The Transaction also qualifies as a "transaction of greater significance" within the meaning of Article 1.1 of Annex 3 of the RPT Regulation, since the amount of the BF investment in the Fund, equal to Euro 60,000,000, exceeds the threshold of 5% of the countervalue relevance index, i.e. the ratio between the countervalue of such investment and the BF capitalisation recorded at the close of the last trading day included in the reference period of the financial statements at 30 June 2022.

The approval by the BF Board of Directors took place after obtaining a supplement to the reasoned and binding favourable opinion issued by the BF Related Party Transactions Committee, which, in turn, used an independent expert to assess the fairness of the Transaction terms and conditions. In December 2022, the first call for Euro 531 thousand was paid.

vi. Supply chain integration of BF S.p.A. and development and growth of Consorzi Agrari d'Italia S.p.A. (CAI)

Furthermore, on 13 April 2022, the Board of Directors of B.F. S.p.A. approved: (a) the overall transaction (the "Transaction") involving: (i) the transfer by Consorzio Agrario Nordest Società Cooperativa ("Consorzio Nordest") to CAI of the business unit consisting of the company assets instrumental to the marketing, production and supply of agricultural services and products (i.e. all the assets, tangible and intangible, relative to the core business carried out by Consorzio Nordest) together with certain real estate instrumental to the core business, plant and equipment (with the exception of machinery relating to the mechanisation sector), intangible assets, working capital, personnel and related liabilities, and a portion of the financial debt, to release the share capital increase reserved for the same (the "Consorzio Nordest Capital Increase") and (ii) the subscription by BF of a Euro 25 million cash capital increase reserved for the same (the "BF Capital Increase"); and (iii) the signing of the investment agreement between BF, the other current shareholders of CAI (Società Consortile Consorzi Agrari D'Italia S.c.p.A., Consorzio Agrario dell'Emilia Società Cooperativa, Consorzio Agrario Del Tirreno Società Cooperativa, Consorzio Agrario Centro Sud Società Cooperativa and Consorzio Agrario Adriatico Società Cooperativa, the "Current Shareholders' Consortia"), CAI and Consorzio Nordest (the "Agreement") containing the terms and conditions of the Transaction.

On 28 July 2022, Consorzio Agrario Nordest Società Cooperativa, following the reorganisation process aimed at integrating into CAI the activities developed by the agrarian consortia started during the year 2020, transferred its Operating Business Unit to CAI, with legal effectiveness postdated at 00.01 on 1 September 2022.

As a result of this transaction, the controlling shareholding in CAI S.p.A. is currently 35.89%. For a more in-depth examination of the transaction, please refer to the specific section later in this Financial Report.

vii. Acquisition of control of the company BIA S.p.A.;

On 14 July 2022, the Parent Company B.F. S.p.A. signed a contract for the purchase of a shareholding equal to the entire share capital of BIA S.p.A. from Alto Partners SGR S.p.A. (owner of 95% of BIA capital) and GESCAD S.p.A. (owner of 5% of BIA capital). The transaction was closed on 14 October 2022 for an 81.5% shareholding and is part of the Group's broader cereal cluster development project. BIA S.p.A. is active in the production and marketing of couscous from the Italian supply chain. Following the acquisition, BF S.p.A. sold 10% of the subsidiary's share capital. At the closing date of this report, therefore, the investee company was 71.5% owned.

viii. Acquisition of control of the company Pastificio Fabianelli S.p.A.;

On 28 December 2022, the subsidiary CAI S.p.A. acquired for a consideration of Euro 3 million, 30% of the share capital of the company Pastificio Fabianelli S.p.A., formerly an associate company following the BF purchase of 30% of the share capital for a consideration also of Euro 3 million in April 2022. The investment is therefore held by the Parent Company with an interest of 40.77% (30% direct and 30% indirect through the subsidiary CAI).

x. Vertical group integration: Seed Hub

On 22 December 2022, the Board of Directors of BF Spa resolved to call an Extraordinary Shareholders' Meeting whose agenda included a proposal for (1) a paid share capital increase, divisible, with the exclusion of option rights, to be paid in cash and to be offered to shareholders in proportion to the number of shares held, for a total of Euro 23.4 million and a proposal for (2) a paid share capital increase, divisible, to be paid in cash and offered to shareholders in proportion to the number of shares held for a total of Euro 4 million.

The purpose of the overall transaction is to transfer to SIS the ownership of the industrial business unit held by CAI, organised to carry out seed multiplication and processing activities. This group reorganisation was put in place with a view to strengthening the Group's presence in the seed market, a sector that is considered strategic and whose marketing activities in the territory remained with CAI. The commercial relations between CAI and SIS have been defined in a commercial agreement between the two companies, which defines their operating methods, fees and mutual commitments and rights.

The transaction was formalised on 23 January 2023.

2. OPERATING PERFORMANCE IN THE YEAR 2022

BF S.p.A. (hereinafter also the "**Parent Company**", "**Parent**", "**BF**" or the "**Company**"), incorporated on 30 May 2014 (originally under the name of BF Holding S.p.A) for the acquisition of Società per la Bonifica dei Terreni Ferraresi e per Imprese Agricole S.p.A. Società Agricola, is the operating holding company which, at 31 December 2022, exercises control within the meaning of IFRS 10 over the companies listed below and, together with them, forms the B.F. Group. (hereinafter also referred to as the "**Group**").

- **Bonifiche Ferraresi SpA Società Agricola ("Bonifiche Ferraresi")**: a historical player in the Italian agricultural sector, Bonifiche Ferraresi transferred most of its historical business to BF Agricola with effect from 1 January 2021. As a result of this transfer, Bonifiche Ferraresi currently fully manages the farm of the estate located in Sardinia (municipality of Marrubio) and, through a 20-year concession, the farm unit "Le Piane" (located in the municipalities of Massa Marittima and Monterotondo Marittimo). In addition to carrying out this activity, Bonifiche Ferraresi owns the bare ownership of land granted in usufruct to the company BF Agricola and owns full ownership of real estate not instrumental to farming activities, thus holding the Group's land and real estate. During 2022, as part of the process of strengthening and enhancing the value of the subsidiary Bonifiche Ferraresi started in 2021, BF S.p.A. sold a total of 11.93% (of which 2.125% during the first half of 2022) of the share capital held in the subsidiary, whose shareholding therefore decreased from 90.25% at 31 December 2021 to 78.325% at 31 December 2022.

- BF Agricola Srl ("BF Agricola"):** a company formally incorporated at the end of 2020, it received, effective 1 January 2021, the transfer of assets that had previously belonged to Bonifiche Ferraresi and is therefore active in the cultivation of vegetables and fruit marketed directly to the end customer, in cattle fattening and in the production of agricultural raw materials, also transferred to BF Agro-Industriale Srl for the production of packaged food products of its own chain. The purpose of the transferred business unit was to carry out agricultural and livestock breeding activities, as well as related activities consisting in the processing and valorisation of agricultural products and agri-tourism activities, organised and located in the five agricultural estates located in Jolanda di Savoia, in Poggio Renatico, in Terre del Reno, in Cortona and Castiglione Fiorentino, and in Massa Marittima. The agricultural activity is carried out by virtue of the 20-year usufruct right held by Bonifiche Ferraresi, while the full ownership of the transferred assets allows for the processing and valorisation of agricultural products. On 30 December 2022, the company sold its shareholding in IBF Servizi Spa through a complex transaction. On 23 December 2022, Nextalia SGR, on behalf of the Nextalia Private Equity Fund, signed a binding agreement to purchase from BF Agricola, a company of the Group headed by B.F., and other minority shareholders, the entire share capital of IBF Servizi S.p.A. ("IBF"), Italy's leading operator in precision farming services, technological innovation and professional software solutions for the agri-food sector. The transaction was executed on 30 December 2022 following the fulfilment of the conditions precedent stipulated in the aforementioned agreement.

The transaction carried out on 30 December 2022, in execution of the binding agreement signed on 23 December 2022, provided for the incorporation of the company Agri-Holding S.p.A., which owns 100% of the company Agri S.p.A., which acquired the entire shareholding in IBF Servizi S.p.A. (51% by BF Agricola and the remaining 49% by the other minority shareholders). As a result, BF Agricola derecognised the investment in IBF Servizi, recognising a capital gain on the separate income statement of Euro 19.2 million (gross of the expenses incurred to realise the transaction). Also on 30 December 2022, in a logic consistent with the strategic development plan of the digitalisation activity in the agribusiness area, BF Agricola reinvested part of the consideration received for the sale in Agri-Holding S.p.A. for the amount of Euro 8.4 million, corresponding to a 20% shareholding.

Alongside the described corporate transactions, agreements were made to initiate a multi-year business partnership whereby, among other things, IBF Servizi S.p.A. will provide content and services in digitalisation and precision farming for the BF Group.
- BF Agro-Industriale Srl ("BF Agro"):** incorporated on 13 December 2017, it is active in the purchase, production and marketing of packaged food products under the Group's proprietary and private label brands, mainly to large-scale distribution (GDO) and primary foreign channels;
- Società Italiana Sementi SpA ("SIS"):** SIS is a leading seed company in Italy and plays a key role in the growth of productivity and quality in the national cereal industry. SIS activities cover all stages of the seed cycle and are expressed in the establishment of new varieties, seed multiplication and seed processing and marketing. The acquisition transaction involved a total investment representing 41.19% of the share capital of SIS, and the acquisition of control by BF pursuant to IFRS 10 was implemented through the adoption by SIS itself of appropriate governance guidelines. Pursuant to control, the acquisition was completed on 27 November 2017. During the 2018 financial year, an additional 1% was acquired, which increased the shareholding to the current 42.18%. In addition to this direct shareholding, the indirect shareholding in SIS through CAI of 37.16% will be added in the course of 2021 and in particular as of October 2021 following the takeover in CAI. This indirect shareholding increased during the year 2022 following the transfer of the Consorzio Agrario del Nord Est business unit to CAI S.p.A., which includes a 3.44% shareholding in SIS. Therefore, at 31 December 2022, the CAI shareholding in SIS (indirect) was 40.59% and the BF spa share, considering direct and indirect shares, was 56.75%. The paragraph on events after 31 December 2022 provides an account of the transaction involving the investee SIS, namely the creation of the Group's Seed Hub.
- CAI S.p.A. ("CAI"):** in July 2020, B.F. SpA, Consorzi Agrari d'Italia Srl ("CAI"), Società Consortile Consorzi Agrari d'Italia ScpA ("SCCA"), Consorzio Agrario Adriatico Società Cooperativa ("Consorzio Adriatico"), Consorzio Agrario Centro Sud Società Cooperativa ("Consorzio Centro Sud"), Consorzio Agrario dell'Emilia Società Cooperativa ("Consorzio Emilia"), Consorzio Agrario del Tirreno Società Cooperativa ("Consorzio Tirreno" and, jointly, the "Agrarian Consortia") entered into the investment agreement (the "Agreement") setting forth the terms and conditions of an overall transaction (the "Transaction") concerning: (x) the transfer by the Consorzi Agrari to CAI of their respective business units instrumental to the marketing, production, and provision of services and agricultural products, consisting in particular of a series of properties instrumental to their typical activities, plant and equipment, intangible assets, working capital, personnel and related liabilities, cash and cash equivalents, and financial debt (the "Business Units"), to be paid for by an equal number of capital increases (the "Consortia Capital Increases") and (y) the subscription by BF of a cash capital increase reserved to it (the "Capital Increase" and,

jointly with the Consortia Capital Increases, the "Capital Increases"). The total amount of the Capital Increase carried out in July 2020 therefore amounted to Euro 169,463,000, of which Euro 146,192,000 was the nominal component and Euro 23,271,000. As a result of the subscription of these Capital Increases, the shareholdings in CAI were, as of the date of the transfer, equal to: BF 36.79% Consorzio Adriatico 1.84% Consorzio Centro Sud 6.29% Consorzio Emilia 31.10% Consorzio Tirreno 20.02% SCCA 3.96%.

The Agreement provided that the share premium reserves created by the Consorzi Agrari as a result of the Transfers were subject to adjustment to account for any differences that might arise between the value of the equity of the relevant Business Unit as resulting from the reference statement of financial position for the Transfer and the value of the equity of the relevant Business Unit at the date of the Transfers.

As a result of these targeted reserve adjustment mechanisms and the agreement reached with the transferring Agrarian Consortia, following the actual adjustments resulting from the transfer transactions, the shareholding held by the shareholder BF S.p.A. went from 36.79% to 38.58% in 2021.

Following the transactions in 2022, the shareholding at 31 December 2022 was 35.89%

Please refer to the section of the Notes dedicated to Investments for the analysis conducted by the Company on the actual power and control held by the CEO appointed by BF and the analysis of 2022 operations.

- **BIA S.p.A. ("BIA"):** on 14 July 2022, the Parent Company B.F. S.p.A. signed a contract for the purchase of a shareholding equal to the entire share capital of BIA S.p.A. from Alto Partners SGR S.p.A. (owner of 95% of BIA capital) and GESCAD S.p.A. (owner of 5% of BIA capital). The transaction was closed on 14 October 2022 for an 81.5% shareholding and is part of the Group's broader cereal cluster development project. BIA S.p.A. is active in the production and marketing of couscous from the Italian supply chain. Following the acquisition, BF S.p.A. sold 10% of the subsidiary's share capital. At the closing date of this report, therefore, the investee company was 71.5% owned.
- **Pastificio Fabianelli S.p.A. ("Fabianelli"):** on 28 December 2022, the subsidiary CAI S.p.A. acquired for a consideration of Euro 3 million, 30% of the share capital of the company Pastificio Fabianelli S.p.A., formerly an associate company following the BF purchase of 30% of the share capital for a consideration of Euro 3 million in April 2022. The investment is therefore held by the Group with an interest of 40.77% (30% direct and 30% indirect through the subsidiary CAI). The investee company has been consolidated using the line-by-line method as of 31 December 2022, also as a result of shareholders' agreements that give BF control over it pursuant to IFRS 10.

The company also holds jointly controlled shareholdings, pursuant to and for the purposes of IFRS 11. Below are the details:

- **Leopoldine S.p.A. ("Leopoldine"):** company incorporated on 17 April 2018 as a result of the completion of the partial proportional demerger of Bonifiche Ferraresi and, in particular, of 21 properties owned by the same, located in Tuscany, of the type of typical Tuscan farmhouses; the company's purpose is to develop a real estate project aimed at the recovery and valorisation of these properties, which will be sold to be used for residential or tourist purposes. As already highlighted, on 28 June 2019, BF entered into with Lingotto Hotels S.r.l. and its parent company IPI S.p.A., a binding framework agreement concerning: i) the sale to Lingotto Hotels S.r.l. of a shareholding representing 20% of the Leopoldine share capital, consisting of a total of 222,220 ordinary shares; ii) the redefinition of Leopoldine governance lines in order to ensure to BF and IPI S.p.A., directly and indirectly through its subsidiary Lingotto Hotels S.r.l., to exercise joint control over Leopoldine S.p.A., pursuant to and for the purposes of IFRS 11.
- **Milling Hub S.p.A. ("Milling Hub")** is a company in which BF has a 51% shareholding, which aims to become a milling hub also serving third parties. The company, due to its governance arrangements, is considered a Joint Venture whose control is jointly held by BF and the project's industrial partner, Ocrim S.p.A.
- **GHIGI 1870 S.p.A. ("Ghigi"):** leading Italian industrial pasta factory located in the province of Rimini, which processes semolina and produces different qualities of pasta. The investment was acquired by the company in

the last period of 2019. Although the shareholding exceeds 50% (including the shares held by other BF subsidiaries), the investee was not consolidated because, according to current shareholders' agreements, there is joint control with a minority shareholder.

- **Cerea S.r.l.:** in 2021, BF Spa acquired 60% of the share capital of **Cerea S.r.l.** for a countervalue of Euro 1.5 million: a company active and specialised in the creation of digital platforms for the presentation, development and marketing of products and/or services and, more specifically, in the trading of products in the food chain (e-commerce) through said platforms. Although the shareholding exceeds 50%, the investee was not consolidated because, according to current shareholders' agreements, there is joint control with a minority shareholder.

Finally, the Company holds strategically important associated investments in the following company:

- **Progetto Benessere S.r.l.:** Newco resulting from the contribution of the company Master Investment S.r.l., as the holding company of the group leader in the production and sale of food supplements, functional and organic foods and cosmetics for wellness, through which BF S.p.A. acquired 35% of the share capital of Master Investment from the Sacchi family in June 2020.
- **Rurall S.p.A.:** in 2021, BF spa subscribed for a capital increase in the amount of Euro 1,500 thousand, thus acquiring 25%. The company's corporate purpose is the creation of a digital infrastructure for rural areas, exploiting digital technologies to increase yield and land management on a large scale and/or provide consultancy services dedicated to the digitalisation of the agricultural sector.

BF, as of 23 June 2017, is listed on the Italian Stock Exchange, following the completion of the public purchase and exchange offer ("OPAS") launched on the shares of Bonifiche Ferraresi then belonging to the market.

In addition to the operational management of its subsidiaries, the company provides administrative and business consultancy services to group companies and third parties.

3. ECONOMIC AND FINANCIAL RESULTS FOR THE YEAR 2022

The table below shows the results achieved by BF during 2022, compared with those achieved in the previous year.

	31/12/2022	31/12/2021	Change
(Euro/000)	value	value	value
REVENUES FROM SALES	307	1,378	(1,071)
OTHER REVENUES	24,231	16,118	8,113
PRODUCTION VALUE	24,538	17,496	7,042
GROSS OPERATING RESULT (EBITDA)	10,397	10,192	205
OPERATING RESULT (EBIT)	9,884	9,775	108
PRE-TAX RESULT	8,205	9,120	(915)
RESULT FOR THE YEAR	8,919	9,100	(181)

During 2022, the Company's activities were mainly affected by transactions concerning the operational management of investee companies, as well as extraordinary transactions involving the acquisition and sale of investments.

The item Revenues from sales includes activities in the assets cycle related to services rendered by BF S.p.A. The business is conducted both towards group companies and third parties, although the activities and services rendered towards the group account for the most significant share.

The item Other revenues includes:

- 1) In the amount of Euro 16 million, the overall capital gain realised by the company following the sale of the minority interests in the subsidiary Bonifiche Ferraresi S.p.A., as already fully described in the section on significant events in 2022;
- 2) As to Euro 2.1 million for the interest recognised at 31 December 2022 in respect of equity-accounted investees. In detail:
 - a. Euro 47 thousand relative to the investment in Leopoldine S.p.A.;
 - b. Euro 1,288 thousand relative to the investment in Progetto Benessere Italia S.r.l.;
 - c. Euro 746 thousand relative to the investment in BIA Spa for the period between 30 June 2022 and 30 September 2022, i.e., the period in which BF spa only held the investment in the company and the period preparatory to the definition of the acquisition of control subsequently finalised on 14 October 2022.

As a better description of the Company's earnings situation, the table below shows the calculation of ROE (Return on Equity), which measures the profitability of equity, compared to the year ended 31 December 2021. Below is a reconciliation of earnings before taxes with EBITDA.

	31/12/2022	31/12/2021	Change
(Euro/000)	value	value	value
Result for the year	8,919	9,100	(181)
Equity	481,826	479,566	2,260
ROE (Return on equity) (%)	1.85%	1.90%	(0.05%)

DETAIL EBIT - EBITDA CALCULATION	31/12/2022	31/12/2021	Change
(Euro/000)	value	value	value
PRE-TAX RESULT	8,205	9,120	(915)
FINANCIAL INCOME AND EXPENSES	(1,679)	(655)	(1,023)
OPERATING RESULT (EBIT)	9,884	9,775	108
AMORTISATION/DEPRECIATION	513	417	97
GROSS OPERATING RESULT (EBITDA)	10,397	10,192	205

Lastly, the Company's net financial position at 31 December 2022 is shown.

NET FINANCIAL DEBT	31/12/2022	31/12/2021	Change
CASH	-	-	-
OTHER CASH EQUIVALENTS	(50,302)	(59,132)	8,829
SECURITIES HELD FOR TRADING			
LIQUIDITY	(50,302)	(59,132)	8,829
SHORT-TERM PORTION FOR LEASE PAYABLES	425	355	69
CURRENT BANK PAYABLES	2,626	14	2,612
CURRENT PART OF NON-CURRENT DEBT	-	-	-
OTHER CURRENT FINANCIAL PAYABLES			
CURRENT FINANCIAL DEBT	3,051	370	2,681
PAYABLES FOR RENTAL CONTRACTS	704	713	(9)
NON-CURRENT BANK PAYABLES	19,641	-	19,641
BONDS ISSUED			
OTHER NON-CURRENT PAYABLES			
NON-CURRENT FINANCIAL DEBT	20,345	713	19,632
NET FINANCIAL DEBT	(26,907)	(58,049)	31,143

Net financial debt was a negative Euro 27 million at 31 December 2022, compared to a negative Euro 58 million at 31 December 2021, counting an increase of about Euro 31 million mainly as a result of the investments made in the subsidiaries CAI, BIA and Pastificio Fabianelli, net of the sale of minority interests in Bonifiche Ferraresi.

Below is the table of changes:

NET FIN. DEBT	31/12/2021	NEW LOANS	REPAYMENTS	31/12/2022
ST DEBT				
CURRENT BANK PAYABLES	14	2,614	(3)	2,626
CURRENT PART OF NON-CURRENT DEBT	-	-		-
SHORT-TERM PORTION FOR LEASE PAYABLES	355	69		425
Total	370	2,685	(3)	3,051
LT DEBT				
NON-CURRENT BANK PAYABLES	-	19,641		19,641
PAYABLES FOR RENTAL CONTRACTS	713	73	(82)	704
BONDS ISSUED	-			-
OTHER NON-CURRENT PAYABLES	-			-
Total	713	19,714	(82)	20,345
Cash	(59,132)	(6,000)	14,830	(50,302)
NET FIN. DEBT	(58,049)	16,398	14,745	(26,907)

4. COMPANY INFORMATION

4.1. SHARE CAPITAL INFORMATION

Share capital at 31 December 2022

Number of Ordinary Shares at 31 December 2022 187,059,565 without nominal value
Share Capital fully paid-up Euro 187,059,565

Shareholders with significant shareholdings at 31 December 2022

Shareholder	%
Dompè Holdings S.r.l.	24.58%
Federico Vecchioni (directly and indirectly)	20.31%
Fondazione Cariplo	15.29%
ISMEA - Istituto di Servizi per il Mercato Agricolo Alimentare	6.04%
TOTAL	66.21%

5. OTHER INFORMATION

5.1. HEALTH, SAFETY AND ENVIRONMENT

ACTIVITIES RELATED TO OCCUPATIONAL HEALTH AND SAFETY

Below are the main activities carried out or started during 2022 by the Company.

The company has an anti-contagion protocol from Covid-19 that has been scrupulously observed by the workers, who have shown to be attentive and participative in respecting the rules. Despite these efforts, there were cases of contagion, which the Group's companies promptly dealt with in accordance with the law. Covid Committees were established in all local units of all companies.

The work of reviewing and updating the Risk Assessment Documents continued in 2022. The results of the assessments were discussed at the periodic safety meetings required by current legislation (Article 35 Legislative Decree no. 81/80) during which the progress of the training processes and the results of the health surveillance carried out on employees were also examined.

Training activities continued in 2022 while complying with anti-contagion rules and with particular reference to compulsory training on health and safety in the workplace by replacing, where permitted by the regulations, in-person courses with video conference or e-learning courses.

The audit programme required by the application of the organisational model continued during the period, with no significant exceptions noted.

ACTIVITIES RELATED TO THE ENVIRONMENT

In 2022 as in 2021, there were no incidents with significant impacts on environmental aspects (soil, subsoil, surface water and biodiversity).

During 2022, the annual audit programme required by the application of the organisational model was carried out with no major exceptions noted.

5.2. RISKS AND UNCERTAINTIES

RISK MANAGEMENT

Currently, BF essentially bears the risks associated with the activities of its subsidiaries, which, in any case, have developed a risk management model inspired by the principles of Enterprise Risk Management (ERM), the main purpose of which is to adopt a systematic approach to identifying the company's main risks, assessing their potential negative effects and taking appropriate action to mitigate them.

The Enterprise Risk Management process is carried out in parallel with the development of Management's plans through a risk assessment process and the subsequent identification of risk responses, all in line with the definition of the risk attitude that the BF Board of Directors is called upon to define annually and monitor periodically.

In the course of each year, periodic updates by Management of the risk profiles, risk responses and remediation plan are foreseen, of which analytical evidence is provided to the Control and Risks Committee and reported to the BF Board of Directors.

The outcomes of the ERM process and related update activities are taken into account in the preparation of the Group's integrated risk-based audit plan, in which the periodic activities that are carried out by the Internal Audit function are indicated.

IFRS 7 requires companies to provide information in their financial statements that enables users to evaluate:

- a) the relevance of the financial instruments with reference to the financial position and performance of the companies themselves;
- b) the nature and extent of risks arising from financial instruments to which companies are exposed during the year and at the reporting date, and how these are managed.

The criteria contained in this standard complement the criteria for the recognition, measurement and disclosure of financial assets and financial liabilities contained in IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement".

This section therefore includes the additional disclosures required by IFRS 7.

The main risk factors, most of which relate to BF subsidiaries, are summarised below.

RISK FACTORS

- **Interest rate risk (fair value and cash flow)**

The Group is subject to the risk of fluctuations in the interest rate on its debt. Changes in interest rates (EURIBOR) could have an effect on the increase or decrease of financing costs. In order to mitigate this risk, the Group has entered into interest rate hedging derivatives related to existing loan agreements.

- **Credit risk**

The Company and the entire Group diversifies the credit quality of the counterparty on the basis of internal or external ratings and sets regularly monitored credit limits.

- **Liquidity and cash flow risk**

In view of the ability to generate positive cash flows from the Company's core business activities, understood as both the sale of shares and dividends received, the risk arising from changes in cash flows is relatively limited.

- **Volume risks**

The production volumes of the operating companies held by the Company are subject to variability mainly due to weather conditions. Climatic phenomena that are able to influence the agricultural cycle can in fact lead to significant reductions in production.

The Directors of BF believe that they have adopted safeguards to mitigate these risks, thanks in part to crop diversification, the use of specific cultivation techniques in agronomic operations, such as interventions aimed at reducing the varying structure and composition of soils, and practices aimed at reducing the impact of extraordinary weather events that mitigate natural variability.

The Group's operating companies have also taken out insurance coverage to protect itself against operational risks, in particular the risk of damage caused by adverse weather conditions on all crops grown on the estates, verifying for each crop the type of adverse event that can be insured and taking into account the cultivation and ripening period and the type of soil.

The aforementioned measures and the continuous focus on volume risks, which are also impacted by macroeconomic factors and volatility in commodity markets, allow the Company to monitor the use values of the capital invested in individual investee entities and thus verify their value against the carrying amount of the investment.

- **Climate change risks**

The agricultural and livestock sectors in which the Group operates are exposed to risks arising from climate change. Downstream product processing activities are less directly affected by this change. However, the activity of selling goods and services to the agricultural market is also affected by this risk.

In particular, transitional risks and physical risks can be identified.

The former include political/regulatory, technological, market and reputational risks; in this specific case, the risks mainly related to the Group's activities refer to the possibility that market conditions may change due to the increased attention of consumers and legislators to the pollution produced by certain production activities or the inefficient use of resources. To guard against these risks, the Group has long been committed to developing more soil-friendly and less invasive methods of growing agricultural products through the practices of geo-referencing and precision farming.

The physical risks associated with climate change, on the other hand, take the form of the increasingly frequent occurrence of acute climatic adversities (such as flood storms, heat waves, hailstorms) and chronic climatic adversities (such as prolonged periods of drought, loss of biodiversity or reduced water availability for irrigation purposes). On these aspects, the Group's attention is maximised and the measures undertaken have led to a greater geographical diversification of the farms managed, a diversification of crops and an expansion of water systems to irrigate new land.

In the area of covering energy needs, the Group continues to pursue a policy of progressive energy autonomy from renewable sources, through the construction of photovoltaic plants and their valorisation through partnerships with a major operator specialised in the sector.

In the agri-food sector - which is one of the main areas in the battle against global warming - the reduction of the impacts of agricultural activity can be achieved through a variety of plans, programmes and actions. The intervention strategies identified by the Group to address and solve climate change problems can be grouped into two main strands:

- 1) Mitigation strategies: capable of acting on the causes of the phenomenon by seeking a reduction or stabilisation of greenhouse gas emissions. Examples of this are the use of organic fertilisers, improved cattle breeding and manure management techniques. This is accompanied by agronomic sustainability practices, such as the cultivation of plants (cover crops) that improve soil fertility and optimise soil management techniques, improving fertility and CO₂ storage.
- 2) Adaptation strategies: capable of acting on the effects through plans, programmes and actions that minimise the impacts of climate change. Examples are the redefinition of the sowing calendar and the varieties sown, the relocation of crops to other areas, and the improvement of land management techniques.

The effects related to the potential negative impacts of climate change have also been addressed by the Group in the planning of economic activities for the financial year 2022, expressed in numerical synthesis in the formulation and approval of the 2023 Budget document and in the multi-year programme plan, for the description of which please refer to the continuation of this document.

On the other hand, with regard to the agricultural division (Agro-industrial and Seed), whose impacts are estimated to be more marked, the Group has put in place a mix of actions envisaged in the 2023 crop plan, in its relative budget and in the multi-year programmatic plan, the data of which have been used for the purpose of preparing the impairment tests, for the discussion of which reference should be made to a specific section of the notes to the financial statements, in the following areas:

- search for the best crop rotations aimed at limiting climate risk (e.g. extension of sunflower hectares at the expense of tomatoes);
- caution in estimating second harvests in view of the potential risk of climate change (e.g. drought);
- planned rotation to improve fertility (legumes) as part of a multi-year programme;
- reduction in the use of chemicals in favour of organic substances (barn) and plant extracts;
- more conservative tillage techniques (limited ploughing and soil tillage), resulting in less use of mechanical means in favour also of containing costs and environmental impacts (approach towards sustainable agriculture);
- valorisation of land assets not only for purely agricultural activities but linked to the agri-business and agri-voltaic world;
- strengthening, in specific development areas such as the division in Sardinia, of local integration: the area is not only an organic plan but also fits into a purely livestock local context. With the start-up of the livestock asset, the cultivation plan was consequently remodelled (strengthening of alfalfa) with a potential further upside through the drying process, again with a view to containing the risk of climate change, by making specific investments;
- specific agricultural insurance coverage to compensate for potential crop damage caused by climatic events, specifically providing for the estimated burden of any deductibles;
- estimation of crop yields considering both the historical trend of the most recent years and also forecasting potential yield reductions to account for drought impacts;
- strengthening investments in irrigation and plant engineering aimed at reducing the dependence of crops on drought events.

During the second half of 2022, the Group further strengthened its focus on possible risks/opportunities related to the impact of climate change through the preparation and definition of a qualitative sustainability and climate risk assessment.

- **Price and market risks**

The Company is exposed, indirectly and through its holdings, to the risk arising from changes in the price of commodities to the production of which part of the Group's business is dedicated (wheat, corn, soy, etc.). Commodity prices fluctuate continuously depending on the following main factors: product availability, weather events, current weather conditions at production locations, reports and news on future production estimates, geo-political tensions, government choices such as incentives, embargoes, tariffs and other tariff policies. Prices are not regulated in any way, nor are there any constraints imposed on their determination.

This means that the price can be considered highly volatile and characterised by potentially significant fluctuations, even in the order of 70%. Given the current geopolitical context, these issues represent further aspects of significance.

To mitigate the exposure to price risk, the Parent Company has developed, within the Group's procedures, a strategy to stabilise margins by using contractualisation spread over the year, based on continuous price monitoring, in addition to production diversification.

With reference to the risks related to fluctuations in market prices and fair values used for the measurement of certain assets recognised in the financial statements, the items of the financial statements for the measurement of which a fair value is used are listed below, together with the qualification of the type of fair value used, according to the definitions provided by FRS 13:

- the fair value of property investments falls under level 2;
- the fair value of current crop advances falls within level 2;
- the fair value of financial instruments falls within level 3 in respect of other investments held in unlisted companies.

• **Cyber security risk**

With a view to continuous innovation, which is the hallmark of BF spa and therefore of the Group, new security systems have also been implemented in the area of IT security, further improving on the measures implemented last year. Specifically, BF spa or the Group completed the migration of the entire server farm to a state-of-the-art hyper-converged solution. The backup system was replaced and real-time replication was introduced with a third "server node" on the cloud. With this type of technology, even in the event of a potentially disastrous event (disaster recovery), the company's operations are still guaranteed without any downtime for users (business continuity). Special attention was paid to the preservation of "critical" company files. The storage system allows up to 15 different versions of each file to be kept online at all times. This makes it possible to instantly retrieve a previous version (e.g. if the user has mistakenly saved changes). Using the same mechanism, the risk of a crypto-locker attack is also minimised, as all files rendered inaccessible by the virus can be recovered instantly.

Finally, with regard to perimeter security, the migration project to Sophos Central technology was completed. Each network device is then monitored through one central console. In the event of an attack on a PC, the system immediately isolates the machine, access point or switch so that the potential risk is isolated and thus cannot "spread" to the company level.

5.3. DISCLOSURE OF INDEPENDENT AUDITORS' FEES

According to the provisions of Article 149-duodecies of the Issuers' Regulations, implementing Legislative Decree no. 58 of 24 February 1998, it is hereby notified that the amount accrued for the audit of the consolidated and separate financial statements of BF and the other Group companies included in the scope of consolidation totalled Euro 510 thousand, considering only fees net of expenses, of which Euro 176 thousand referred to BF alone.

The following statement, prepared pursuant to Article 149-duodecies of the CONSOB Issuers' Regulations, shows the fees for the year 2022 for audit and non-audit services rendered by the independent auditors Deloitte & Touche S.p.A. and entities belonging to its network.

Company	Service	Company	Fees
BF Spa	Audit	Deloitte & Touche S.p.A.	176
Bonifiche Ferraresi	Audit	Deloitte & Touche S.p.A.	13
BF Agricola	Audit	Deloitte & Touche S.p.A.	43
BF Agroindustriale	Audit	Deloitte & Touche S.p.A.	23
SIS	Audit	Deloitte & Touche S.p.A.	27
Cai Group	Audit	Deloitte & Touche S.p.A.	184
lbf	Audit	Deloitte & Touche S.p.A.	44
Cai Group	Other	Deloitte & Touche S.p.A.	3
SIS	Other	Deloitte & Touche S.p.A.	4
Total			517

5.4 ATYPICAL AND/OR UNUSUAL TRANSACTIONS, SIGNIFICANT NON-RECURRING EVENTS AND OPERATIONS

In the year 2022, there were no atypical and/or unusual transactions and no significant non-recurring events and transactions, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

5.7 OTHER INFORMATION

Pursuant to Article 2428 of the Italian Civil Code it is noted that:

- BF did not carry out any research and development activities in 2022;
- at 31 December 2022, there were no treasury shares in the BF portfolio. On this point, it is specified that the subsidiary SIS holds a minority shareholding in BF;
- during the year, BF engaged in related party transactions, a description of which can be found in the section "Related Party Transactions";
- no secondary offices were established in 2022.

Information on the ownership structure and corporate governance is contained in the 2022 Corporate Governance Report; data on shareholdings and remuneration of directors and auditors are contained in the Remuneration Report. Both reports are available on the website www.bfspa.it, "Governance" section.

6. BUSINESS OUTLOOK

At the end of February 2022, the outbreak of the Russia-Ukraine conflict certainly generated turbulence in the real and financial markets throughout the year; although BF spa and the Group have no direct exposure to these countries, as they do not retain any kind of commercial relationship, there is certainly an exposure to a risk of volatility in macroeconomic fundamentals.

On the other hand, the Directors believe that the financial conditions in which the Group currently finds itself, which also benefited from capital increases at the end of 2021, do not call into question its solvency in the short term and, on the contrary, guarantee greater autonomy to take the measures deemed necessary to preserve the achievement of its objectives. The Directors' expectation is therefore to proceed with the development and growth phases envisaged in the business plan, which sees the parent company BF spa as the driving entity in operating the operational levers outlined for each Group entity, thus pursuing the Group's mission.

Therefore, despite the complexity and uncertainty associated with fluctuating macroeconomic factors, the Company and the Group, also due to the business context in which it operates, expresses resilience and the ability to raise the financial resources necessary to achieve its strategic objectives.

7. ALTERNATIVE PERFORMANCE INDICATORS

In this Annual Financial Report at 31 December 2022, in addition to the conventional IFRS financial indicators, a number of alternative performance indicators are presented, in order to allow for a better assessment of the Company's economic performance and financial position. These indicators should not be regarded as substitutes for the conventional indicators codified by IFRS. In the presence of non-recurring transactions, these indicators may also be "adjusted" to eliminate the effects of such transactions.

The alternative performance indicators used are as follows:

EBITDA

This indicator is used by the Company as a financial target and is a useful unit of measurement for assessing the Company's operating performance in addition to EBIT (or Operating Result).

It is determined as follows:

PRE-TAX RESULT

+ FINANCIAL EXPENSES

- FINANCIAL INCOME

EBIT or OPERATING RESULT

+ AMORTISATION/DEPRECIATION

EBITDA

Net financial debt

This indicator shows the Group's ability to meet its financial obligations, represented by gross financial debt, reduced by the balance of cash and other financial assets as reported in the Notes to this Financial Report. Net Financial Debt is determined in accordance with the provisions of paragraph 175 of the recommendations contained in document ESMA32-382-1138 of 4 March 2021 (hereinafter also "ESMA Guidance"), on which Consob issued the Attention Notice 5/21 on 29 April 2021.

R.O.E.

The ROE measures the return on equity and is calculated by comparing the RESULT FOR THE YEAR to EQUITY

BF S.p.A.

**STATEMENT OF FINANCIAL POSITION AND INCOME
STATEMENT AT 31 DECEMBER 2022**

STATEMENT OF FINANCIAL POSITION (in thousands of Euro)		31/12/2022	31/12/2021
ASSETS			
NON-CURRENT ASSETS	Notes		
Tangible assets	(1)	137	135
Intangible assets	(2)	4,174	2,654
Investments	(3)	546,355	506,090
Receivables	(4)	13,051	8,013
- of which related parties		9,016	5,216
TOTAL NON-CURRENT ASSETS		563,718	516,892
CURRENT ASSET			
Receivables from customers	(5)	6,706	7,247
- of which related parties		6,370	6,951
Other current assets	(6)	12,437	27,068
- of which related parties		11,297	24,566
Cash	(7)	50,302	59,132
TOTAL CURRENT ASSETS		69,445	93,447
TOTAL ASSETS		633,163	610,339
LIABILITY			
EQUITY			
Share Capital	(8)	187,060	187,060
Other reserves	(9)	281,585	281,630
Retained profits	(10)	4,263	1,776
Profit (loss) for the year		8,919	9,100
EQUITY		481,826	479,566
NON-CURRENT LIABILITIES			
Employee benefits	(11)	258	279
Provision for taxes and deferred taxes	(12)	135	137
Other provisions	(13)	250	250
Other non-current payables	(14)	111,252	120,651
- of which related parties		109,550	118,940
Non-current financial payables	(14)	19,641	-
TOTAL NON-CURRENT LIABILITIES		131,537	121,316
CURRENT LIABILITIES			
Payables to suppliers	(15)	8,106	5,215
- of which related parties		-	43
Other payables	(16)	9,069	4,242
- of which related parties		7,349	3,241
Current financial payables	(16)	2,626	-
TOTAL CURRENT LIABILITIES		19,800	9,457
TOTAL LIABILITIES AND EQUITY		633,163	610,339

INCOME STATEMENT (in thousands of Euro)		31/12/2022	31/12/2021
PRODUCTION VALUE			
Revenues from sales	(17)	307	1,378
- of which related parties		307	1,378
Other revenues	(18)	24,231	16,118
- of which related parties		8,127	3,188
TOTAL PRODUCTION VALUE		24,538	17,496
OPERATING COSTS			
Costs for raw and ancillary materials, consumables and goods	(20)	7	3
- of which related parties			
Costs for services and use of third-party assets	(20)	6,960	4,800
- of which related parties		1,194	887
Personnel costs	(21)	3,099	1,839
Amortisation/depreciation and write-downs	(22)	558	417
Other costs and expenses	(23)	4,030	663
TOTAL OPERATING COSTS		14,654	7,721
-			
OPERATING RESULT		9,884	9,775
Financial income	(24)	225	0
Financial expenses	(24)	(1,904)	(655)
- of which related parties		(1,538)	(626)
PRE-TAX RESULT		8,205	9,120
Income taxes of the year	(25)	714	(20)
- of which related parties		713	0
RESULT FOR THE YEAR		8,919	9,100

STATEMENT OF COMPREHENSIVE INCOME		31/12/2022	31/12/2021
RESULT FOR THE YEAR		8,919	9,100
<i>Actuarial gain (loss) on defined benefit plans</i>		72	27
COMPREHENSIVE RESULT FOR THE YEAR		8,991	9,127

STATEMENT OF CHANGES IN EQUITY
(in thousands of Euro)

	Share Capital	Other reserves					Retained profits				Profit (loss) for the year	Total equity
		Share premium reserve	Long-term incentive plan reserve	Non-distributable profit reserve	IAS transition reserve	Other reserves	Legal reserve	Profits available for distribution reserve	Shareholders' dividend reserve	Profits carried forward		
Balances at 31/12/2020	174,656	249,548	(0)	5,304	(751)	(48)	102	351	0	0	6,350	435,511
Allocation of 2020 result				3,913			122	45			(4,079)	
ENI Capital Increase	6,202	13,798										20,000
Intesa Capital Increase	6,202	13,798										20,000
Expenses incurred for AUCAP Leopoldine, CAI and PB dividend collection		(2,453)		(1,505)			75	1,429				(2,453)
Dividend distribution								(349)	1		(2,271)	(2,619)
Result for the year											9,100	9,100
- Result at 31 December 2021											9,100	9,100
- Overall profitability at 31 December 2021						27						27
Balances at 31/12/2021	187,059	274,691	(0)	7,712	(751)	(21)	299	1,476	1	0	9,100	479,566
Allocation of 2021 result				3,149			298	42			(3,488)	0
Share capital transactions:										0		0
Expenses incurred for AUCAP		(1,121)										(1,121)
CAI and PBI dividend collection				(2,146)			107	2,038				0
Dividend distribution									2		(5,612)	(5,610)
Result for the year											8,919	8,919
- Result at 31 December 2022											8,919	8,919
- Overall profitability at 31 December 2022						72						72
Balances at 31/12/2022	187,059	273,570	(0)	8,715	(751)	51	704	3,556	3		8,919	481,826

CASH FLOW STATEMENT (in thousands of Euro)		
	31/12/2022	31/12/2021
OPERATING ACTIVITIES		
Pre-tax result	8,205	9,120
Adjustments for:		
- Depreciation of tangible assets, Amortisation of intangible assets and assets for right of use	513	417
- Provisions for employee benefits	80	71
- Write-downs (revaluations) of investments accounted for using the equity method	(2,081)	(2,843)
- (Gains)/Losses from disposal of assets	(15,862)	(12,968)
- Other write-downs and adjustments	119	0
- Interest and financial expenses (net of financial income)	1,679	655
Cash flows from operating activities before changes in working capital	(7,347)	(5,547)
- Net change in trade receivables	541	(662)
- Change in closing inventories	0	0
- Change in other current assets	12,344	2,576
- Change in trade payables	2,891	1,836
- Change in other current liabilities	4,771	(3,039)
Cash flows generated by changes in working capital	20,547	710
- Income taxes paid		
- Financial expenses paid	(1,679)	(655)
- Change in provisions	(101)	38
- Dividends collected	2,172	1,523
A. CASH FLOW GENERATED BY OPERATING ACTIVITIES	13,592	(3,931)
- (Investments) / Disinvestments in non-current receivables from Group companies	(5,037)	(28,825)
- (Investments) / Disinvestments property investments	0	0
- (Investments) / Disinvestments in intangible assets and assets for right of use	(1,989)	(1,319)
- (Investments) / Disinvestments in tangible assets	(92)	(39)
- (Investments) / Disinvestments in shareholdings	(69,195)	(2,351)
- Changes security deposits	0	15
B. CHANGES GENERATED BY INVESTMENT ACTIVITIES	(76,313)	(32,519)
- Share capital increase		40,000
- Costs for share capital increase	(1,121)	(2,453)
- Changes in interests in subsidiaries not involving loss of control	47,700	39,000
- New loans	19,641	0
- Repayment of loans and other current financial payables	(6,778)	(3,116)
- Change in payables for rental contracts	61	0
- Dividends	(5,612)	(2,619)
C. CASH FLOW GENERATED BY FINANCING ACTIVITIES	53,890	70,812
D. NET INCREASE (DECREASE) IN CASH (A+B+C)	(8,831)	34,361
E. CASH AT THE BEGINNING OF THE YEAR	59,134	24,773
F. CLOSING CASH (E-D)	50,303	59,134

NOTES TO THE ANNUAL FINANCIAL REPORT

ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

The Annual Financial Report at 31 December 2022 has been prepared in accordance with the provisions of Article 154-ter of Legislative Decree no. 58/1998 as amended and supplemented.

The Report has been prepared on a going concern basis and in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRS also includes all valid International Accounting Standards ("IAS"), all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

As of the financial year 2017, following the listing of the shares on the MTA market, the Company adopted the International Accounting Standards for the preparation of its financial statements.

These financial statements at 31 December 2022 comprise the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and these Notes.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED FROM 1 JANUARY 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Company as of 1 January 2022:

- On 14 May 2020, the IASB published the following amendments entitled:
 - **Amendments to IFRS 3 Business Combinations:** the amendments are intended to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without entailing amendments to the provisions of the standard.
 - **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is to disallow the deduction from the cost of property, plant and equipment of the amount received from the sale of goods produced in the test phase of the asset itself. These revenues from sales and the related costs will therefore be recognised in the income statement.
 - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in estimating whether a contract is onerous, all costs directly attributable to the contract should be considered. Consequently, the evaluation of the possible onerousness of a contract includes not only the incremental costs (such as, for example, the cost of the direct material used in the processing), but also all the costs that the company cannot avoid as it has stipulated the contract (such as, for example, the share of the depreciation of the machinery used to fulfil the contract).
 - **Annual Improvements 2018-2020:** the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All amendments became effective as of 1 January 2022. The adoption of these amendments had no impact on the Company's financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET OBLIGATORILY APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE COMPANY AT 31 DECEMBER 2022

- On 18 May 2017, the IASB published IFRS 17 – Insurance Contracts intended to replace IFRS 4 – Insurance Contracts. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from the insurance contracts issued. The IASB has developed the standard to eliminate inconsistencies and weaknesses in existing accounting standards by providing a single principle-based framework to account for all types of insurance contracts, including the reinsurance contracts that an insurer holds. The new standard also provides for presentation and disclosure requirements to improve comparability between entities belonging to this sector.

The new standard measures an insurance contract based on a General Model or a simplified version of this, called the Premium Allocation Approach ("PAA").

The main features of the General Model are:

- the estimates and assumptions of future cash flows are always the current ones;
- the measurement reflects the time value of money;
- the estimates envisage extensive use of information observable on the market;
- there is a current and explicit measurement of risk;
- the expected profit is deferred and aggregated into groups of insurance contracts at the time of initial recognition; and
- the expected profit is recognised in the contractual coverage period, taking into account the adjustments deriving from changes in the assumptions relating to the cash flows relating to each group of contracts.

The PAA approach provides for the measurement of the liability for the residual coverage of a group of insurance contracts provided that, at the time of initial recognition, the entity expects that such liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications deriving from the application of the PAA method do not apply to the measurement of liabilities for outstanding claims, which are measured with the General Model. However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or collected will occur within one year of the date on which the claim occurred.

The entity shall apply the new standard to insurance contracts issued, including reinsurance contracts issued, to reinsurance contracts held and also to investment contracts with a discretionary participation feature (DPF).

The standard applies from 1 January 2023; however, early application is permitted, only for entities that apply IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers. The directors do not expect a significant impact on the Company's financial statements from the adoption of said standard.

- On 9 December 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is aimed at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, and therefore at improving the usefulness of comparative information for readers of the financial statements. The amendments will apply from 1 January 2023, in conjunction with the application of IFRS 17. The directors do not expect a significant impact on the Company's financial statements from the adoption of said amendment.
- On 12 February 2021, the IASB published two amendments called "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8". The amendments are aimed at improving disclosure on accounting policies in order to provide more useful information to investors and other primary users of the financial statements and to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments will apply from 1 January 2023. However, earlier application is permitted. The directors do not expect a significant impact on the Company's financial statements from the adoption of said amendments.
- On 7 May 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes are to be accounted for on certain transactions that may generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will apply from 1 January 2023. However, earlier application is permitted. The directors are currently assessing the possible effects of the introduction of said amendment on the Company's financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

As of the date of this document, the competent bodies of the European Union have not yet concluded the approval process necessary for the adoption of the amendments and standards described below.

- On 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". The documents aim to clarify how to classify payables and other short-term or long-term liabilities. The amendments take effect on 1 January 2024. However, earlier application is permitted. The directors do not expect a significant impact on the Company's financial statements from the adoption of said amendment;
- On 22 September 2022, the IASB published an amendment called "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The amendments will apply from 1 January 2024. However, earlier application is permitted. The directors are currently assessing the possible effects of the introduction of said amendment on the Company's financial statements;
- On 30 January 2014, the IASB published the standard IFRS 14 – Regulatory Deferral Accounts that allows only those that adopt IFRS for the first time to continue to recognise the amounts related to activities subject to regulated tariffs ("Rate Regulation Activities") under previous accounting standards adopted. As the Company is not a first-time adopter, said standard is not applicable.

AUDIT

The financial statements are audited by Deloitte & Touche pursuant to the audit assignment for the period 2017-2025 granted by the Shareholders' Meeting of 8 May 2017.

FINANCIAL STATEMENTS

The statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement are prepared in expanded form and are the same as those adopted for the separate financial statements at 31 December 2021.

The results for 2022 are presented in comparison with the previous year ended 31 December 2021.

The Company's financial statements have the following characteristics:

- in the Statement of Financial Position, assets and liabilities are analysed by maturity, separating current and non-current items due within and beyond 12 months from the reporting date, respectively;
- the Income Statement, in view of the specific activity performed, is scaled with the individual items analysed by nature; the Statement of comprehensive income shows the components of the result suspended in equity and is presented as a separate statement;
- the Statement of Changes in Equity shows the changes in reserves and results for the year;
- the Cash Flow Statement is prepared reporting the cash flows in accordance with the "indirect method", as permitted by IAS 7.

The functional and presentation currency of the Company is the Euro.

Values are expressed in thousands of Euro, unless otherwise indicated.

POSITIONS OR TRANSACTIONS ARISING FROM ATYPICAL AND/OR UNUSUAL TRANSACTIONS, SIGNIFICANT NON-RECURRING EVENTS AND OPERATIONS

During 2022, there were no atypical and/or unusual transactions as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

RELATED PARTY TRANSACTIONS

PARTI CORRELATE	CREDITI V/CLIENTI	DEBITI V/FORNIT	ALTRI CREDITI	ALTRI DEBITI	RICAVI VENDITA PRODOTTI	ALTRI PROVENTI	COSTI PER SERVIZI	ALTRI COSTI OPERATIVI	IMMOBILIZZ AZIONI
B.F Agricola S.r.l.	309	229	9.043	0	0	319	76	0	
Bonifiche Ferraresi SpA	55	676	591	115.810		-	600	21	
B.F Agro-Industriale Srl	178	339	2	1		1	339		
IBF Servizi Spa	64	100		0	10	56	100		190
CONSORZI AGRARI D'ITALIA SPA	1.953	0			231	276	-		
S.I.S. SOCIETA' ITALIANA SEMENTI S.P.A.	1.247	2			2	69	51		
BIA SpA	24					20			
Agronica Group Srl	15				6	6			
Eurocap Petroli SpA		1					28	5	
Italian Tractor									
LA PIOPPA SRL SOC. AGRICOLA	1.386		1.900		68	1.020			
GHIGI 1870 SpA	190		1.250		7	78			
L'erba del Persico Srl	-								
Terra del Persico Srl	-								
BF Energy Srl	465					465			
Leopoldine Srl	215		656		1	84			
Agri-Energy Srl	61					50			
A&D SpA	-								
Milling Hub SpA	-								
Cerea Srl	2		300			2			
Pastificio Fabianelli SpA	205								
Progetto Benessere Italia Srl	-								
Rurall Srl	0			1.088					
Agricorporatefinance Srl	-	-		-					
	6.370	1.348	13.743	116.899	324	2.446	1.194	26	190

The following is a description of the main transactions and the relative nature of the relations entered into with related parties:

Revenues from services/Receivables from customers

The main transactions relate to the invoicing by the parent company of fees due in respect of management/administrative support activities and group planning and scheduling activities.

Payables to suppliers/Other payables

The main transactions mainly relate to the reallocation and charge-back of costs pertaining to the subsidiaries and subsequently reallocated to the individual ones by the parent company on the basis of the activities performed, in addition to the payable related to the purchase of the BF Agricola shareholding from Bonifiche Ferraresi.

Other receivables

The amounts indicated refer mainly to financial support activities by the Parent Company to its subsidiaries.

RECOGNITION, CLASSIFICATION AND MEASUREMENT CRITERIA

Taking into account the soundness of the statement of financial position and operating profitability, the Directors have assessed that there are no material uncertainties, as defined in paragraph 25 of IAS 1, concerning the company's ability to operate as a going concern in the foreseeable future.

a) Intangible assets

Intangible assets are recognised at acquisition or development cost. The acquisition cost is the price paid to acquire the asset and any direct costs incurred in preparing the asset for its use. The cost, thus defined, is the equivalent cash price upon recognition; therefore, if the payment of the price is deferred beyond the normal extension terms of the receivable, the difference with respect to the equivalent cash price is recognised as interest over the extension period.

The measurement is made net of accumulated amortisation, determined on a straight-line basis over the expected period of use, on average 3/10 years, unless specific cases arise, and of any impairment losses. The amortisation criteria used, the useful lives and residual values are reviewed and restated at least at the end of each accounting period to take into account any significant changes.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the fixed assets, with the exception of intangible assets with indefinite life, which, if any, are not amortised and are systematically assessed for impairment at 31 December of each year. Intangible assets are amortised from the moment they are usable.

The useful life for the only category recorded in the financial statements is detailed below:

Description	Useful life
Concessions and licences	3/10 years
Software	5 years
Rights of use	Residual duration of individual contracts

Rights of use (IFRS 16)

Assets held by the Company under leases, including operating leases, in accordance with IFRS 16, effective as of 1 January 2019, are recognised as assets with a balancing entry of a financial payable. Specifically, assets are recognised at a value equal to the present value of future payments at the date the contract is entered into, discounted using the applicable incremental borrowing rate for each contract, and amortised over the term of the underlying contract, taking into account the effects of any extension or early termination clauses, the exercise of which has been deemed reasonably certain. In compliance with IFRS 16, as of 1 January 2019, the Company identifies contracts under which it obtains the right to use an identifiable asset for a period of time in exchange for consideration as leases.

With respect to each lease contract, as of its commencement date, the Company recognises an asset (right of use of the asset) as a balancing entry to a corresponding financial liability (lease payable), except in the following cases: (i) short term leases; (ii) low value leases applied to situations where the leased asset has a value not exceeding Euro 25 thousand (value as new).

For short-term, low-value contracts, the financial liability of the lease and the associated right of use are therefore not recognised, but the lease payments are charged to the income statement on a straight-line basis over the term of the respective contracts. In the case of a complex contract that includes a lease component, the latter is always handled separately from the other services included in the contract.

Rights of use are shown under intangible assets. Upon initial recognition of the lease contract, the right of use is recognised at a value corresponding to the lease payable, determined as described above, increased by prepaid lease instalments and accessory charges and net of any incentives received. Where applicable, the initial value of the right of use also includes the associated costs of dismantling and restoration of the area.

Situations involving the restatement of lease obligations imply a corresponding change in the value of the right of use. After initial recognition, the right of use is amortised on a straight-line basis, starting on the commencement date of the lease, and subject to impairment losses. Amortisation is provided over the shorter of the lease term and the useful life of the underlying asset; however, where the lease contract provides for the transfer of ownership, possibly also as a result of the use of redemption options included in the value of the right of use, amortisation is provided over the useful life of the asset.

Lease payables are shown in the financial statements under financial liabilities, current and non-current, together with the Company's other financial payables. At initial recognition, the lease payable is recognised at the present value of the lease payments to be paid determined using the interest rate implicit in the contract (i.e. the interest rate that makes the present value of the sum of the payments and the residual value equal to the sum of the fair value of the underlying asset and the initial direct costs incurred by the Company); where this rate is not stated in the contract or easily determinable, the present value is determined using the "incremental borrowing rate", i.e. the incremental interest rate that, in a similar economic context and in order to obtain an amount equal to the value of the right of use, the Company would have recognised for a loan with a similar duration and guarantees.

Lease payments subject to discounting include fixed lease fees; variable lease fees due to an index or rate; the redemption price, if any and where the Company is reasonably certain to use it; the amount of the payment expected to be made

against any release of guarantees on the residual value of the asset; and the amount of penalties to be paid in the event of the exercise of early extinguishment options on the contract, where the Company is reasonably certain to exercise them. After initial recognition, the lease liability is increased to account for accrued interest, determined on the basis of amortised cost, and decreased for lease payments.

In addition, the lease liability is subject to restatement, either upwards or downwards, in the event of changes in contracts or other situations envisaged by IFRS 16 that result in a change in the amount of the lease payments and/or the lease term. In particular, in the presence of situations involving a change in the estimate of the likelihood of exercising (or not exercising) the options to renew or terminate the contract early or in the expectation of redeeming (or not redeeming) the asset at the end of the contract, the lease liability is redetermined by discounting the new value of the lease payments to be made at a new discount rate.

b) Tangible assets

Plant and machinery, equipment, furniture and furnishings

They are recorded at cost and depreciated over their useful life. In the course of the transition, no obvious situations emerged where cost and useful life were not acceptable even under IFRS. After initial recognition, tangible assets are recognised at cost, less 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.

Depreciation is calculated on the basis of the difference between carrying amount and residual value and is recorded in the income statement on a straight-line basis over the estimated useful life:

Other assets	3 - 5 years
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The depreciation criteria used, the useful lives and residual values are reviewed and restated at least at the end of each accounting period to take into account any significant changes.

A tangible asset is derecognised when it is sold or when there is no expected future economic benefit from its use or disposal. Gains and losses on disposal are determined by comparing the consideration with the net carrying amount. The amount determined in this way is entered in the income statement for the relevant year. Costs associated with any financing for the acquisition of fixed assets are recognised in the income statement.

Financial expenses incurred on investments in assets for which a specified period of time normally elapses before the asset is ready for use or sale (12 months) are capitalised and amortised over the useful life of the class of assets to which they relate.

c) Investments

Investments in Subsidiaries are recognised at acquisition cost as required by IAS 27. The value recorded is subject to an impairment test prepared by the Company, also with the support of an independent external expert, from the results of which no impairment losses emerged. The purpose of the impairment test is to assess the recoverability of the carrying amounts of major investments by comparing their carrying amount with their recoverable amount, determined using the value in use method.

c.1.) Investments in joint ventures and associates

Investments also include some investments in joint ventures and associates that are deemed functional to the company's business.

A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Investments in joint ventures and associates are measured using the equity method. Under the equity method, investments are recognised in the statement of financial position at cost, adjusted for post-acquisition changes in net assets, net of any impairment of individual investments. Pursuant to paragraph 28 et seq. of IAS 28, gains and losses from transfer or sales made to joint ventures or associates are recognised in the financial statements of the Company only to the extent of the minority interest in the joint venture. The same criterion is adopted in the recognition of gains and losses arising from sales transactions or the provision of services by the joint venture or associate in favour of the Company.

d) Financial assets

IFRS 9 provides for the following types of financial instruments: financial assets at amortised cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. Initially, all financial assets are recognised at fair value, increased, in the case of assets other than those at fair value, by ancillary charges. The company determines the classification of its financial assets upon initial recognition and, where appropriate and permitted, revises this classification at the end of each financial year.

All standardised (regular way) purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the company enters into a commitment to purchase the asset. Standardised purchases and sales are defined as all buying and selling transactions in financial assets that provide for the delivery of assets in the period generally prescribed by the regulations and conventions of the market in which the exchange takes place.

Financial assets at amortised cost

Financial assets that meet both of the following conditions are measured at amortised cost:

- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows;
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

Amortised cost is calculated as the value initially recognised less repayment of principal, plus or minus the accumulated amortisation using the effective interest rate method of any difference between the value initially recognised and the amount at maturity. This calculation includes all commissions or points paid between the parties that are an integral part of the effective interest rate, transaction costs and other premiums or discounts. For investments measured at amortised cost, gains and losses are recognised in the income statement when the investment is derecognised or when an impairment loss occurs, in addition to the amortisation process.

Financial assets at fair value through other comprehensive income

Financial assets that meet the following conditions are measured at fair value through other comprehensive income:

- the financial asset is held as part of a business model whose goal is achieved through both the collection of contractual flows and the sale of financial assets;
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

When the financial asset is disposed of, the amounts that previously flowed into other comprehensive income are reclassified to profit or loss, unless the financial asset in question was an equity instrument not held for trading, in which case there is no provision for recycling upon disposal and the reserves in other comprehensive income accumulated over time are directly reclassified to other available reserves.

Financial assets at fair value through profit or loss

If a financial asset is not measured at amortised cost or at fair value through other comprehensive income, it must be measured at fair value and changes in fair value are recognised in profit or loss in the period in which they arise.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset no longer apply;
- the Company maintains the right to receive cash flows from the asset, but has undertaken the contractual obligation to pay them in full and without delay to a third party;
- the Company has transferred the right to receive cash flows from the asset and (a) has transferred substantially all the risks and rewards of ownership of the financial asset or (b) it has neither retained nor transferred substantially all of the risks and rewards of the asset, but has transferred its control over the same.

If the Company has transferred the right to receive cash flows from an asset while it has neither retained nor transferred substantially all of the risks and rewards or has retained control over the asset, the Company continues to recognise the asset to the extent to which it has a continuing involvement in the asset. The continuing involvement, which consists of a

guarantee on the transferred asset, is measured at the lower between the initial carrying amount of the asset and the maximum amount that the Company could be required to pay.

In cases where the residual involvement takes the form of an issued and/or purchased option on the transferred asset (including cash-settled or similar options), the extent of the Company's involvement corresponds to the amount of the transferred asset that the Company may repurchase; however, in the case of a written put option on an asset measured at fair value (including cash-settled or similar options), the extent of the Company's residual involvement is limited to the lower of the fair value of the transferred asset and the exercise price of the option.

e) Receivables

Receivables, recorded as current assets, the due dates of which fall within normal commercial terms or which accrue interest at market values, are not discounted and are recorded at cost (identified by their nominal value) net of a bad debt provision, shown as a direct deduction from the receivables in order to bring their measurement to fair value. If existing, receivables whose maturity exceeds normal commercial terms are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method, net of any impairment losses.

Provisions for impairment losses are made when there are objective indications (such as the likelihood of insolvency or significant financial difficulties of the debtor) that the Company will not be able to recover the amounts due under the original terms of the contract. The Company also considers the risk associated with expected losses to be related to receivables not yet due and not specifically written down.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank and postal deposits.

g) Equity

Share capital

The item is represented by the subscribed and paid-up capital.

Costs related to the issue of new shares or options are classified, if any, in equity (net of the associated tax benefit) as a decrease of the amounts arising from the issue of these instruments.

Other reserves

They refer to

- earmarked capital reserves;
- reserves arising from the transition to IAS;
- share premium reserve. The costs incurred for the capital increase transaction were deducted from this reserve.

Retained profits

The item includes:

- legal reserve;
- profits carried forward. This last item refers to:
 - the economic results of previous years for the portion not distributed or allocated to specific reserves (in the case of profits) or set aside (in the case of losses);
 - transfers from other asset reserves when the restriction to which they were subject ceases to apply;
 - the effects of the recognition of changes in accounting standards and material errors.

h) Provisions for risks and charges

In cases where the Company has a legal or constructive obligation resulting from a past event and it is probable that a loss of economic benefits will be incurred to fulfil that obligation, a provision for risks and charges is recognised. If the time factor of the expected loss of benefits is significant, the amount of future cash outflows is discounted at a pre-tax interest rate that takes into account market interest rates and the specific risk of the liability to which it relates.

No provision is made for any future operating losses. Provisions are measured at the current value of the best estimate of expenditure made by management to meet the current obligation at the reporting date.

i) Trade payables, other payables and financial payables

Trade and other payables are measured at their nominal value, which is representative of their extinguishment value, as the discount effect is not significant.

They are derecognised when the obligation underlying the related liability is discharged, cancelled or fulfilled.

Loans, if any, are initially recognised at the fair value of the consideration received net of incidental acquisition costs. After initial recognition, loans are measured at amortised cost.

Any gain or loss is recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

A financial liability is derecognised when the underlying obligation is discharged, cancelled or fulfilled. In cases where an existing financial liability is replaced by another financial liability of the same lender, under substantially different terms, or the terms of an existing liability are substantially changed, this transaction is treated as a derecognition of the original liability and the creation of a new liability, with any differences between the carrying amounts recognised in the income statement.

l) Revenues and costs

Revenues from the provision of services are recognised according to the percentage of completion, defined as the ratio between the amount of services provided on the reference date and the total value of services provided. More generally, revenues are recognised in the administrative period in which the services are rendered.

Dividends, if any, are recognised in the income statement on the date on which the right to receive them accrues.

Costs are recorded according to criteria similar to those applied for revenues and however on an accruals basis.

Interest income and expense are recognised on an accruals basis, taking into account the applicable effective rate.

m) Income taxes

Income taxes shown in the income statement include current and deferred taxes.

Income taxes are generally recorded in the income statement, except when they relate to matters recognised directly in equity. In this case, income taxes are also recorded directly in equity.

Current taxes are the taxes that are expected to be paid calculated by applying the tax rate in effect at the reporting date to taxable income and adjustments to prior years' taxes.

The Company adheres to the National Tax Consolidation Scheme pursuant to Article 117 et seq. of the Consolidated Income Tax Act (TUIR) as consolidator.

Deferred taxes are calculated using the liability method on the temporary differences at the reporting date between the tax values for assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only if it is probable that sufficient taxable income will be generated in future years for their recovery. This analysis is performed annually at the reporting date.

Temporary differences, both taxable and deductible, arise when the measurement criteria of assets and liabilities result in differences between financial statements and tax valuations. Differences arising from fair value adjustments, whether at the time of acquisition or subsequently, are treated like all other taxable or deductible differences.

n) Earnings (loss) per share

Since the Company prepares consolidated financial statements, the disclosure of earnings (loss) per share is reported in accordance with IAS 33, directly in the consolidated financial statements.

o) Fair value estimates

IFRS 13 defines a precise fair value hierarchy organised into three levels, which take into account the degree of observability of the inputs used for estimation. As such, the hierarchy establishes the various levels of reliability of fair value.

The inputs represent the assumptions that market operators would make in determining the relative price of the asset or liability, including assumptions about risk.

In general terms, IFRS 13 requires that measurement techniques use the highest and most reliable level of information.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities to which the Company has access at the measurement date. A market is active if transactions take place with sufficient frequency and in sufficient volumes to provide continuous and up-to-date price information.

Level 2 inputs consist of quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than observable quoted prices for assets or liabilities (e.g. interest rates, spreads, etc.), market-corroborated inputs through correlation processing or other means.

Level 3 inputs are those that are unobservable, for which no market data are available, and which reflect the assumptions that a market participant would make in trying to attribute a price to an asset or liability, including assumptions about risk. The fair value of financial instruments falls under level 3 in respect of investments in unlisted companies.

p) Estimates and judgements on accounting items

The preparation of financial statements and notes in application of IFRS require the directors to apply accounting standards and methodologies that may be based on historical experience and assumptions that depend on the circumstances in which the valuations are made.

The use of estimates affects the value of certain items of the financial statements.

The value of investments is the item of the financial statements that requires more subjectivity than others on the part of the directors in making estimates, and for which a change in the conditions underlying the measurement can have an even significant impact on the Company's financial statements.

The current pandemic context and the impact of the Russia-Ukraine conflict was also taken into account in connection with the assessments made on the economic outlook of its subsidiaries, noting in the estimates the negative global repercussions on financial markets of commodity prices, in particular energy commodities, the circulation of goods and the inflationary price dynamics. It should be noted that the Company and its subsidiaries do not operate either directly or indirectly in the Russian and/or Ukrainian markets. Therefore, the effects on economic performance are those solely attributable to the evolution of the global macroeconomic framework.

The Group was and is affected in all sectors of its business by the indirect consequences of the Russian-Ukrainian conflict, such as the increase in the prices of raw materials, the increase in energy costs, the increase in interest rates and other aspects related to the inflationary trend, while the Group's internal supply chain integration has guaranteed and continues to guarantee the procurement of raw materials for the processing and marketing of agro-food products. During 2022, the increase in energy, transport and raw material costs was substantially absorbed by the increase in the sales prices of goods and services produced by the Group without significantly affecting profitability and the results recorded compared to the forecasts made.

In addition to what is described above, the areas of the financial statements that are being monitored most closely at present are those of loans to customers (in order to promptly identify any new bad loans, which, however, have not manifested themselves appreciably at present), and of inventories, in order to observe any reductions in product turnover rates, which again have not occurred, highlighting a rather counter-cyclical dynamic at present.

In addition, the Directors believe that the financial conditions in which the Company and the Group currently find themselves, which have also benefited from recent capital increases, do not call into question their solvency in the short term and, on the contrary, guarantee greater autonomy to take the measures deemed necessary to preserve the achievement of their objectives.

It should be noted, however, that at present, despite the strong fluctuations in world stock market prices resulting from the situation described above, the current stock market value of the shares of B.F. S.p.A. is higher than the corresponding values implied in equity at 31 December 2022.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2022

1. On 01 February 2023, the Seed Hub was created as an integration of functions and competences between CAI and SIS; this operation is part of the Group's corporate structure plans, the rationalisation of which aims to set up entities aimed at enhancing the value of excellence skills.

In summary, the integration of the Industrial Seed BU will allow SIS to become the largest seed business in the country. The effective integration of the CAI Industrial Seed BU into SIS was resolved by the Extraordinary Shareholders' Meeting on 23 January 2023, with legal effect as of 01.02.2023. In particular, a paid capital increase was approved by the SIS shareholders, with the exclusion of option rights in accordance with Article 2441, paragraph four, first sentence, of the

Italian Civil Code, paid up by CAI through the transfer of the aforementioned company BU, and a divisible Cash Capital Increase, to be offered as an option to shareholders, to be realised through the issue of 6,950,123 shares, for a total of Euro 4,000,000.00, with provision for the possibility of offsetting, even partially, the debts deriving from the subscription of the Cash Capital Increase with financial receivables, if any, claimed by the subscribing shareholders.

The share capital increase in kind took place in the following terms:

- (I) capital increase reserved for CAI, through the issue of 21,923,077 shares, for a total of Euro 23,400,000.00, of which Euro 11,400,000.00 was allocated to share capital and Euro 12,000,000.00 to the share premium reserve;
- (II) unit issue price of the new shares equal to Euro 1.0674, of which Euro 0.52 is to be allocated to share capital until the capital increase, as above, set at Euro 11,400,000, is fully covered, and the remainder, up to the total amount of the share premium reserve set, as above, at Euro 12,000,000, as share premium.

The cash capital increase was subscribed by the parent company BF Spa.

PROPOSAL FOR ALLOCATION OF THE RESULT FOR THE YEAR

The Board of Directors shall propose to the Shareholders' Meeting convened at the Marchetti Notary Office, Via Agnello 18, Milan, on 10 May 2023 at 11:00 a.m., in a single call, to allocate the profit for the year amounting to Euro 8,919,062.74 as follows:

- Euro 2,056,102 to the Non-Distributable Profit Reserve, unavailable pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005;
- Euro 343,148.04 to the Legal Reserve;
- Euro 6,519,812.7 to the Shareholders as dividend, equal to Euro 0.03485 per share.

The proposal to distribute an additional dividend in the amount of Euro 962,569.90, through the utilisation of the "Profits available for distribution reserve" in the amount of an additional 0.00515 per share, will also be submitted to the aforementioned Shareholders' Meeting.

Based on the above, the total amount of the dividend is 7,482,382.60 or 0.04 per share.

STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

(1) TANGIBLE ASSETS

Tangible assets mainly comprise cars assigned to employees and office equipment and furniture. The values shown in the table are calculated net of the relevant accumulated depreciation (totalling Euro 201 thousand).

DESCRIPTION	31/12/2022	31/12/2021	Change
Plants and Machinery	8	-	8
Furniture	80	75	5
Electronic machines	46	40	6
Cars	1	0	1
Assets in progress and advances	-	20	(20)
Equipment	2	-	2
TOTAL	137	135	2

CATEGORY	31/12/2022			31/12/2021			Change
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value	
Other assets							
Plants and Machinery	18	(10)	8				8
Equipment	3	(0)	2	1			2
Other	318	(191)	127	274	(159)	115	12
Assets in progress			-	20		20	(20)
TOTAL TANGIBLE ASSETS	339	(201)	137	294	(159)	135	2

(2) INTANGIBLE ASSETS

DESCRIPTION	31/12/2022	31/12/2021	Change
Software	286	140	146
Rights of use lease contracts	1,060	1,049	11
Assets in progress	2,820	1,464	1,356
Other intangible assets	8	-	8
TOTAL	4,174	2,654	1,521

CATEGORY	31/12/2022	31/12/2021	Change
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	Gross value	Accumulated amortisation	Net value	Gross value	Accumulated amortisation	Net value	
SOFTWARE	508	(222)	286	275	(135)	140	146
RIGHTS OF USE LEASE CONTRACTS	1,719	(659)	1,060	1,581	(531)	1,049	11
INTANGIBLE ASSETS IN PROGRESS	2,820	-	2,820	1,464	0	1,464	1,356
OTHER INTANGIBLE ASSETS	12	(4)	8	-	-	-	8
TOTAL INTANGIBLE ASSETS	5,059	(885)	4,174	3,320	(666)	2,654	1,521

The item Rights of use lease contracts mainly relates to lease contracts for the Milan and Rome offices and company cars, recognised in accordance with IFRS 16.

Intangible assets in progress mainly refer to projects under development such as:

- **MRP CUBE:** relates to activities aimed at the development and implementation of ERP, through the integration of front-end and back-end systems and processes, for the management and optimisation of the entire business process;
- **INAZ:** customised software design activities for the management of all HR-related processes;
- **CYBER SECURITY:** activities relating to the project to develop a Group cyber security system, from the procedural and security analysis to the design and implementation of a strategy to protect the network and all company assets;

With regard to assets in progress, it is assumed that from 2023 onwards, these assets will be allocated to the relevant projects and the consequent amortisation period will begin.

(3) INVESTMENTS

Investments mainly comprise the interests held by the Company in the subsidiaries, joint ventures and associates listed below:

Denominazione (Importi in migliaia di euro)	Valore di iscrizione	Patrimonio netto	Capitale sociale	Risultato al 31/12/2022	% Possesso	Pro quota patrimonio netto	Differenziale
<i>Controllate</i>							
Bonifiche Ferraresi S.p.A.	209.125	242.553	8.111	635	78,33%	189.979	(19.146)
BF Agricola S.r.l.	125.203	104.324	5.000	10.898	100,00%	104.324	(20.879)
B.F. Agro-Industriale S.r.l.	15.562	2.372	500	(2.461)	100,00%	2.372	(13.190)
Società Italiana Sementi S.p.A.	8.747	24.433	20.150	223	42,18%	10.306	1.559
CAI SpA**	111.067	271.159	239.606	8.318	35,89%	97.319	(13.748)
BIA S.p.A.	15.743	6.558	120	455	71,50%	4.689	(11.055)
Pastificio Fabianelli SpA	3.679	5.905	121	230	30,00%	1.772	(1.907)
<i>Joint ventures</i>							
Leopoldine S.p.A.	10.642	10.157	1.111	52	90%	9.141	(1.501)
Cerea S.p.A.	1.971	3.127	5.000	(853)	60%	1.876	(95)
Milling Hub S.p.A.	3.086	8.275	8.023	1	51%	4.220	1.134
Ghigi 1870 S.p.A.	9.518	14.714	19.247	(206)	32%	4.688	(4.830)
<i>Collegate</i>							
Progetto Benessere S.r.l.	28.615	11.539	100	2.703	35,00%	4.039	(24.577)
Rural SpA	1.500	5.650	6.000	(318)	25,00%	1.413	(88)
** Patrimonio e Risultato di Gruppo IFRS							

It should be noted that the Company has already provided financial support to the subsidiary BF Agroindustriale in 2022 with payments on account of future capital increase in order to restore the loss within the limits of Article 2482-bis of the Italian Civil Code. The amount of support totalled Euro 4.5 million, of which Euro 1.5 million was in the form of a cash payment and Euro 3 million as a waiver of debt to the same company.

It is also specified that, as at the end of each financial year, the investments that made losses during the year, also showing significant discrepancies between the carrying amount and the value of the pro-rata net equity held by BF, were subject to a specific impairment test with reference to the possibility of maintaining the respective values recorded in the financial statements pursuant to and for the purposes of the provisions of IAS 36, following which it was deemed that the value recorded should not be subject to impairment.

In determining the value in use of net invested capital, cash flow projections based on a 5-year time horizon were used as reported in the Group's strategic guidelines for the period 2023-2027 approved by the Company's Board of Directors.

The strategies referring to the companies in the agricultural, livestock and industrial sectors envisage, first and foremost, benefiting from the technological development that has been worked on in recent years, aimed at increasing efficiency and increasing the production yields of the land with methods that also envisage a reduction in the consumption of fuels, fertilisers and phytopharmaceuticals through the use of data to support strategic-agronomic decisions. The main actions planned relate to: (i) search for the best crop rotations aimed at containing climate risk, (ii) caution in estimating second harvests in view of the potential risk of climate change (e.g. drought), (iii) rotation to improve fertility, (iv) more conservative tillage techniques, (v) valorisation of land assets not only for purely agricultural activities but also linked to the agri-business and agri-voltaic world. Furthermore, the strategies of the industrial companies envisage both the enhancement of Le Stagioni D'Italia branded products, through the growth of sales channels thanks to the integration with the Consortia and the development of exports, and a greater integration of the new companies that have joined the Group, also through a reorganisation and streamlining of the logistics and sales function.

The aim is to create increasingly integrated supply chains and then to be able to replicate the model for as many supply chains as possible.

With reference to as expressed in the paragraph "Climate Change Risks" in the Report on Operations, it is noted that the cash flows used in the estimates incorporate the quantification of the risks identified in this area and included in the 2023 Budget forecasts and in the economic development lines outlined by the Group in the medium-long term. Specifically, in addition to what has been mentioned above with regard to the main actions planned, over the course of the multi-year plan, account has been taken of (i) costs related to insurance coverage in the agricultural field to compensate for potential damage to crops caused by climatic events, specifically foreseeing the estimated burden of any deductibles; (ii) specific estimates of crop yields considering both the historical trend of the most recent years, also foreseeing potential reductions in yields to take into account drought impacts. More broadly, all investment plans were also reviewed in order to optimise yields and strengthen water sustainability with new plants and irrigation systems.

With regard to the test performed to verify the recoverability of the value in use of the invested capital pertaining to the Agro-Industrial Sector CGU (Bonifiche Ferraresi, BF Agro, BF Agricola, BIA and Leopoldine), the cash flows expected from the single entities were used, determined at nominal values and applying a discount rate of 5.71% (last year's rate was 3.05%). The latter, compared to the assumptions made in the impairment test at 31 December 2021, also takes into account the growth in interest rates on the capital market in 2022. The growth rate used to extrapolate cash flow projections beyond the period covered by the plan is equal to the inflation expected by the ECB and IMF (2%) in view of the fact that the recognised flows were determined at nominal values.

The criterion for estimating the value in use of the invested capital and subsequently the equity value led to the recognition of values exceeding the carrying amount of the investments in question at 31 December 2022. Therefore, no impairment losses were recognised in light of the results of the impairment test. In fact, against a total value of the investments pertaining to the Agro-Industrial Sector of Euro 442 million, an equity value of Euro 485 million emerges from the test results.

Alternative scenarios were evaluated, confirming the outcome of the test. In particular, sensitivity tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 25 bps; no scenario shows areas of impairment of investments. While, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 8.61% lower than the current estimates in order to result in a zeroing of the cover described above.

The amounts under the item Investments changed during the year as shown in the table below.

Description	31/12/2022	31/12/2021	Change
Subsidiaries			
Investment in Bonifiche Ferraresi	209,125	240,965	(31,839)
Investment in Società Italiana Sementi	8,747	8,747	0
Investment in BF AGRO - Industriale	15,562	11,062	4,500
Investment in BF Agricola	125,203	125,203	0
Investment in CAI	111,067	69,100	41,967
Investment in BIA	15,743		15,743
Investment in Pastificio Fabianelli	3,679		3,679
Joint control and JV			
Investment in Leopoldine	10,642	10,595	47
Investment in Cerea	1,971	1,502	469
Investment in Milling Hub	3,086	2,586	500
Investment in Ghigi 1870	9,518	6,518	3,000
Associates and other companies			
Investment in Progetto Benessere	28,615	27,952	664
Investment in Rurall	1,500	413	1,088
Investment in Melograno	716	433	283
Other investments in foundations and minor companies	1,180	1,015	165
Total	546,355	506,090	40,265

The investments in BIA and Pastificio Fabianelli were recognised at 31 December 2022 under subsidiary investments following the acquisition of control on 1 October 2022 and 31 December 2022, respectively, as described below.

Below are details of the changes in the individual investments:

Descrizione	31/12/2021	Incremento	Valutazione a PN	Dividendi	Decremento	31/12/2022
Controllate						
Partecipazione in Bonifiche Ferraresi	240.965				(31.839)	209.125
Partecipazione in Società Italia Sementi	8.747					8.747
Partecipazione in BF AGRO - Industriale	11.062	4.500				15.562
Partecipazione in BF Agricola	125.203					125.203
Partecipazione in CAI	69.100	43.439		(1.472)		111.067
Partecipazione in BIA		16.500	746		(1.503)	15.743
Partecipazione Fabianelli		3.679				3.679
Joint Ventures						
Partecipazione in Leopoldine	10.595		47			10.642
Partecipazione Cerea	1.502	469				1.971
Partecipazione in Milling Hub	2.586	500				3.086
Partecipazione Ghigi 1870	6.518	3.000				9.518
Collegate e altre						
Partecipazione Progetto Benessere	27.952	75	1.288	(700)		28.615
Partecipazione Rurall	413	1.088				1.500
Partecipazione Melograno-Barette	433	283				716
Altre partecipazioni in fondazioni e minori	1.015	165				1.180
Totale	506.090	73.697	2.081	(2.172)	(33.342)	546.355

- Investment in Bonifiche Ferraresi

The decrease in the investment refers to the sale of shares as part of the land asset enhancement transaction, amounting in total to 11.93% of the share capital of the subsidiary Bonifiche Ferraresi S.p.A. Società Agricola for a total countervalue of Euro 47.7 million and realising a total capital gain of approximately Euro 16 million, as already set out in the events that characterised the 2022 financial year. As mentioned above, the higher value of the investment with respect to the portion of equity is supported by the results of the impairment tests as well as the values expressed by the sale transactions of minority interests that took place during the year.

- Investment in Società Italiana Sementi

The subsidiary achieved a positive result of Euro 222 thousand in 2022, and the difference between the pro-rata share of equity and the recorded cost of the investment is also positive. Furthermore, the Group expects further positive results in the coming years from the Seed Hub, i.e. in the SIS entity post transfer resolved on 23 January 2023, as per the Business Plan based on a 5-year time horizon (2023-2027).

- Investment in BF Agroindustriale

The increase in the investment refers to capital contributions made by the parent company in favour of the subsidiary. As mentioned above, the higher value of the investment compared to the portion of equity share is supported by the results of the impairment tests.

- Investment in BF Agricola

The purchase of the investment by BF S.p.A. took place on 23 June 2021 for a total consideration of Euro 125,200 thousand for the purchase of 100% of the investee BF Agricola transferred from Società Bonifiche Ferraresi S.p.A.. As contractually agreed, the payment of the consideration is envisaged over a period of 20 (twenty) years and will be divided into 40 equal half-yearly instalments in arrears until 30 June 2041. Half-yearly interest accrues on each of the instalments.

As mentioned above, the higher value of the investment compared to the portion of equity share is supported by the results of the impairment tests.

- Investment in CAI

The change in the investment in CAI, equal to 35.89% at 31 December 2022, emerged from the transactions that took place during 2022, i.e. BF subscription of Euro 25 million as part of the transfer of Nordest and a further Euro 17 million as

a payment in future capital increase. Increases include accessory expenses, of which Euro 512 thousand related to non-deductible 2021 VAT following the Company's adoption of the pro-rata method.

We also recognise the distribution of CAI dividends in the amount of Euro 1,472 thousand in relation to profits for the year 2021 and therefore reversed from the investment, which until 30 September 2021 was an associated investment measured using the equity method and only subsequently consolidated. The higher value of the investment with respect to the share of equity relates to intangible assets not recognised in the CAI consolidated financial statements and measured in the Company's consolidated financial statements with particular reference to the "Consorti Agrari d'Italia" brand and therefore to the value of the sales network.

With regard to the investee company and the control acquired by BF spa, the analysis and verification process by the Parent Company since the date of acquisition and integration into the scope of consolidation is reported. In fact, during the first days of October 2021, the relevant agreements between the shareholders were redefined, providing in particular: (1) the operational reinforcement in management by the Chief Executive Officer (hereinafter also referred to as "CEO"), whose appointment is attributed to the shareholder BF, by means of delegation mechanisms such that the CEO management activities and influence on relevant matters are such as to exert power over the entity to affect the amount of its returns, (2) limited to mere rights of protection preceding exit clauses attributed to consortium members.

In consideration of these aspects, formalised in the underwriting by the consortia of these new shareholders' agreements, the Company carried out a qualitative and quantitative analysis aimed at verifying whether these powers attributed to the Chief Executive Officer appointed by BF gave the latter the ability to direct CAI relevant activities, i.e. those activities that significantly affect the returns of the entity being invested in.

As a result of this review, the Company's Directors have concluded that the actual exercise of power by the BF Appointed Chief Executive Officer is such that the latter has decisive influence over the relevant activities and, therefore, the ability to exercise the relative power over the entity to affect the amount of its returns.

It should also be noted that, by virtue of the provisions of the aforementioned shareholders' agreements and with reference to the distribution of dividends, the Company was and is entitled to variable returns deriving from the relationship with CAI as well as exposed to their variability.

In view of these transitions, as of 1 October 2021, the directors of Bf assessed that Bf had acquired control of CAI, pursuant to the provisions of IFRS 10, having power over the entity being invested in and therefore exposed to its returns as well as entitled to them. Consequently, CAI entered the scope of consolidation of BF and with it all its subsidiaries.

Furthermore, on 13 April 2022, the Board of Directors of B.F. S.p.A. approved: (a) the overall transaction (the "Transaction") involving: (i) the transfer by Consorzio Agrario Nordest Società Cooperativa ("Consorzio Nordest") to CAI of the business unit consisting of the company assets instrumental to the marketing, production and supply of agricultural services and products (i.e. all the assets, tangible and intangible, relative to the core business carried out by Consorzio Nordest) together with certain real estate instrumental to the core business, plant and equipment (with the exception of machinery relating to the mechanisation sector), intangible assets, working capital, personnel and related liabilities, and a portion of the financial debt, to release the share capital increase reserved for the same (the "Consorzio Nordest Capital Increase") and (ii) the subscription by BF of a Euro 25 million cash capital increase reserved for the same (the "BF Capital Increase"); and (iii) the signing of the investment agreement between BF, the other current shareholders of CAI (Società Consortile Consorzi Agrari D'Italia S.c.p.A., Consorzio Agrario dell'Emilia Società Cooperativa, Consorzio Agrario Del Tirreno Società Cooperativa, Consorzio Agrario Centro Sud Società Cooperativa and Consorzio Agrario Adriatico Società Cooperativa, the "Current Shareholders' Consortia"), CAI and Consorzio Nordest (the "Agreement") containing the terms and conditions of the Transaction. The transaction was executed in July 2022.

On 28 July 2022, Consorzio Agrario Nordest Società Cooperativa, following the reorganisation process aimed at integrating into CAI the activities developed by the agrarian consortia started during the year 2020, transferred its Operating Business Unit to CAI, with legal effectiveness postdated at 00.01 on 1 September 2022.

As a result of this transaction, the controlling shareholding in CAI S.p.A. is currently 35.89%.

At the same time as the transaction described above, a new shareholders' agreement was signed between BF and the Shareholders' Consortia (hereinafter the "New Agreement"), whose agreements do not substantially change what was previously signed by the shareholders, and therefore BF control of CAI is confirmed even after the Capital Increase.

Specifically, a new shareholders' agreement was drawn up between CAI current shareholders, which not only confirmed

all the elements previously outlined, but further strengthened the powers to direct relevant activities following certain additions to the powers of the CAI CEO appointed by BF.

The New Shareholders' Agreement, in fact, grants the CAI CEO, appointed by BF, the following additional powers, compared to the Shareholders' Agreement signed in October 2021:

- directing and regulating the activities for the management and implementation of the Business Plan, selecting the consequent investments and monitoring their compliance with the Company's strategic direction;
- developing and promoting actions in agro-industrial development projects, innovation and technological development, supply chain, both upstream and downstream, defining business and corporate opportunities with all potential stakeholders;
- representing the company in ordinary and extraordinary shareholders' meetings of investee companies;
- performing Merger and Acquisition (M&A) and industrial relations transactions.

These additions made it possible to strengthen both qualitatively and quantitatively (as there were no limits on the amount) the power of control over the relevant activities as a result of the integration of existing rights held by the CAI CEO appointed by BF.

In addition, the New Shareholders' Agreement provides for an expansion, compared to the shareholders' agreement signed in October 2021, of the mechanism for adjusting the monetary limits of the powers granted to the Chief Executive Officer, the amounts of which provide for an automatic proportional increase upon the occurrence of an increase in the production value with respect to the value reported in the financial statements for the year ended 31 December 2021.

In consideration of these aspects, formalised in the signing of the New Agreement, at the time of the closing of the consolidated financial statements at 31 December 2022, the Company updated the qualitative and quantitative analysis prepared last year, aimed at verifying whether these powers attributed to the CEO appointed by BF continue to give the latter the ability to direct CAI relevant activities, i.e. those activities that significantly affect the returns of the entity being invested in.

This analysis showed that:

- the Company has the substantial ability to appoint all of CAI top executives, starting with the CEO and then, through the latter, the General Manager;
- the CEO has full autonomy in the definition and execution of the annual Budget without the need for any approval by the Board of Directors and can identify or undertake even significant operations through the flexibility granted to achieve significant deviations of expenditure commitments with respect to the Business Plan without the need for ratification by the Board of Directors;
- the powers granted to the CEO provide that the latter may negotiate and enter into contracts for the purchase, sale and processing of goods of any amount, may enter into contracts for the purchase of services for significant amounts, and may negotiate and finalise numerous other types of contracts below predetermined thresholds, also with regard to the future development of the CAI, including contracts for the purchase of tangible assets, investments and loans;
- CAI key executives with strategic responsibilities, who have the ability to conduct the relevant activities, are also employees of the Company.

As a result of this review, the Company's Directors have again concluded that the power and the actual exercise of power by the BF Appointed Chief Executive Officer is such that the latter has decisive influence over the relevant activities and, therefore, the ability to exercise the relative power over the entity to affect the amount of its returns.

In relation to this last aspect, and specifically with reference to the ability to exercise the power to really affect CAI returns, it is hereby confirmed that no changes have been made in the New Agreement compared to the previous version with regard to the clauses concerning the way in which the Agrarian Consortia members may exercise their options to purchase the shares held by BF (which would take place at market values on the basis of pre-established procedures and with pre-

defined medium-term exercise windows), which are limited to mere protection rights for the Agrarian Consortia members, as indicated above.

Lastly, the Directors point out that the CAI project stems from the desire to integrate the activities of the Agrarian Consortia, which stand out for being a unique reality in the Italian economic panorama, due to their historical heritage, territorial presence, and equipment, with the Parent Company BF, a national reference point in the agro-industrial and livestock sectors, as well as in the field of services to agricultural companies.

The aim of CAI is to contribute to the innovation and improvement of agricultural production through the provision of goods and services for the agricultural world.

- Investment in BIA

As described in the relevant events of the financial year 2022, the investment in BIA was characterised by (i) acquisition of the connection in the period 30 June 2022- 30 September 2022 and subsequent measurement using the equity method for Euro 746 thousand (ii) acquisition of control on 14 October 2022 (conventionally on 30 September 2022) for 81.5% (iii) subsequent sale of 10% to third parties. At 31 December 2022, the investment had a recorded value of Euro 15,743 thousand for 71.5% of the capital. The higher value of the investment compared to the equity share is supported by the results of the impairment tests.

- Investment in Pastificio Fabianelli

In April 2022, the Parent Company BF spa acquired a 30% shareholding in Pastificio Fabianelli and CAI spa a further 30% in December 2022. As a result of these two transactions, the Group's shareholding became controlling for 40.77%. In view of the fact that the acquisition took place at the end of the financial year and was carried out at market value, it was not necessary to prepare a special impairment test on the value of the investment.

- Investment in Leopoldine

The investment increased in 2022 due to the valuation of the company's results for the year under equity in the amount of Euro 47 thousand or the share of the interest.

The higher value of the investment compared to the equity share is supported by the impairment test performed on the Agro-industrial CGU.

- Investment in Cerea

In November 2021, BF S.p.A. acquired 60% of the share capital of Cerea S.r.l. for Euro 1.5 million. The purchase price took into account the projected forecast economic results.

It is a start-up in the area of digitalisation through a digital shop aimed mainly at small traders and small producers on regional territories as part of a process through which traders have the possibility of displaying, selling and delivering their products on a limited territory (city or province) and consumers have the possibility of buying the products from their local shop and receiving them directly where they want.

The project started in the Piedmont region and aims to develop it in other regions of Italy.

The further increase in 2022 relates to additional costs in 2021 incurred for the acquisition of the investment.

- Investment in Milling Hub

The increase of Euro 500 thousand is attributable to a payment in future share capital increase made by BF spa in support of the company.

- Investment in Ghigi 1870

In 2022, BF S.p.A. subscribed to a share capital increase of the investee in the amount of Euro 1,500 thousand and paid in a future capital increase in the amount of a further Euro 1,500 thousand. BF carried out an impairment test to verify that the carrying amount of the investment was in line with the company's equity value, and a positive differential emerged; therefore, no impairment loss was recorded. In fact, against a total value of the investment of Euro 9,518 thousand, the test results showed an equity value of Euro 11,406 thousand. The cash flows used are those estimated by the company over the 2023-2026 horizon together with the extension for the subsequent period of a growth rate of flows equal to the medium- to long-term inflation rate forecast by the ECB and IMF. The WACC used was 7.06%.

Alternative scenarios were evaluated, confirming the outcome of the test. In particular, sensitivity tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 25 bps; no scenario shows areas of impairment of investments. While, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 12.63% lower than the current estimates in order to result in a zeroing of the cover described above.

- Investment in Progetto Benessere

During 2022, the investment distributed dividends in the amount of Euro 700 thousand as the pro-rata share of the interest held by BF.

In addition, during 2022, the investee company recognised its share of the profits at 31 December 2022, as an increase to the carrying amount, in the amount of Euro 1,288 thousand, in application of the equity method.

The higher value of the investment compared to the equity share is supported by the positive results achieved, in line with expectations.

- Investment in Rurall

In June 2021, BF S.p.A. set up the company Rurall S.p.A. with the direct aim of creating (i) a digital infrastructure of rural territories, exploiting digital technologies to increase the yield and management of land on a large scale and/or provide consultancy services dedicated to digitalisation and/or the creation of DSS platforms and software and other systems dedicated to the analysis and dissemination of data, the so-called Agriculture 4.0 (the "Infrastructure Project"); (ii) a digital platform (the "Platform"), which, through the use of emerging technologies such as IOT, AI, Big data, Blockchain, for the end-to-end traceability of agri-food products, from the origin of raw materials, to their path along the supply chain, up to the final consumer, aimed at enabling the introduction of a "talking" label (smart label) capable of certifying authentic "Made in Italy" products and the sustainability of the entire supply chain and processes, production and distribution processes, from a social, economic and environmental point of view (with clear and pre-established criteria on the ingredients used and the main characteristics that the supply chain must have, especially in terms of distribution of value and the use of labour for the purpose of obtaining the "Made in Italy" guarantee) (the "Traceability Project" as well as, together with the Infrastructure Project, the "Project").

The increase in 2022 relates to the commitment made by BF spa to pay the portion of share capital subscribed but not yet paid up. At present, the company is still in a start-up phase, and for this reason, the difference between the value of the investment and the share of equity does not appear to be an indicator of impairment, even on the basis of the plans prepared by this associate.

(4) RECEIVABLES

Below are the relevant details:

DESCRIPTION	31/12/2022	31/12/2021	Change
Interest-bearing Financial Receivables	9,016	5,216	3,800
Deferred Tax Assets	2,797	2,797	
Other Financial Assets	1,238		1,238
TOTAL	13,051	8,013	5,038
<i>of which related parties</i>	7,366	5,216	2,150

The item includes for Euro 2,797 thousand the items connected to deferred tax assets related to (i) the Company's tax losses recorded in the year 2014 and 2015 (Euro 839 thousand), (ii) the tax losses recorded by the Company in the year 2017 (in the amount of Euro 981 thousand), (iii) the tax loss generated in the year 2018 and not utilised within the national tax consolidation (Euro 408 thousand) and (iv) the excess of the ACE (Aid to Economic Growth) benefit, generated in 2017 (Euro 570 thousand). Deferred tax assets are recognised in accordance with the criteria set forth in IAS 12, believing their future recovery to be probable, in consideration of the expected economic results for the next few years as confirmed by the multi-year plan used to support the impairment tests described above.

This item also includes a total of Euro 9,016 thousand related to interest-bearing loans to group companies, as detailed below:

DESCRIPTION	31/12/2022	31/12/2021	Change
Interest-bearing Financial Receivables Vs SIS	1,916	1,916	-
Interest-bearing Financial Receivables Vs BF Agricola	-	1,000	(1,000)
Interest-bearing Financial Receivables Leopoldine	2,000	2,000	-
Interest-bearing Financial Receivables Agrilimentare Piemonte	1,650	300	1,350
Interest-bearing Financial Receivables Cerea	300	-	300
Interest-bearing Financial Receivables Ghigi	1,250	-	1,250
Interest-bearing Financial Receivables La Pioppa	1,900	-	1,900
TOTAL	9,016	5,216	3,800

The item "Other Financial Assets" includes investments made to Fondo Italiano Agri&Food and Nextalia SGR. Both are to be considered strategic investments made by the parent company in order to pursue the Group's development and leadership objectives.

CURRENT ASSET

(5) RECEIVABLES FROM CUSTOMERS

DESCRIPTION	31/12/2022	31/12/2021	Change
Receivables from Customers	6,706	7,247	(541)
<i>of which related parties</i>	6,370	6,951	(580)
TOTAL	6,706	7,247	(541)

Receivables from customers refer to services rendered by the Company in the context of service contracts stipulated with investee companies, relative to activities of an administrative/managerial nature, as well as consultancy services rendered to third-party customers in the technical and agro-economic fields in 2022. It should be noted that these receivables do not present any critical issues with regard to their recoverability.

(6) OTHER CURRENT ASSETS

DESCRIPTION	31/12/2022	31/12/2021	Change
Advances to suppliers	411	317	94
Tax receivables	175	1,780	(1,606)
Other receivables	11,345	24,611	(13,266)
Prepaid expenses	507	360	147
TOTAL	12,437	27,068	(14,631)
<i>of which related parties</i>	11,297	24,566	(13,269)

"Advances to suppliers" refer to sums paid to suppliers in advance of the provision of the service.

Tax Receivables mainly refer to receivables from the tax authorities in the amount of Euro 164 thousand accrued for the so-called "super "Ace".

Other receivables mainly include the receivable due from BF Agricola (for Euro 10,044 thousand) in relation to the financial support related to the strengthening of the business as part of the planned investments, together with other current receivables due from subsidiaries or associates.

Prepaid expenses mainly refer to costs for consultancy contracts concluded during the year 2022, but partly pertaining to the following year.

(7) CASH

The balance represents cash and cash equivalents at 31 December 2022.

DESCRIPTION	31/12/2022	31/12/2021	Change
Bank and postal deposits	50,302	59,132	(8,829)
Total	50,302	59,132	(8,829)

The change in cash and cash equivalents, as shown in the Cash Flow Statement, is mainly attributable to investment/dis-investment transactions carried out by the Company.

EQUITY

(8) SHARE CAPITAL

The resolved share capital at 31 December 2022, fully paid-up, amounted to Euro 187,059,565 and consisted of 187,059,565 ordinary shares, with no nominal value.

(9) OTHER RESERVES

Other Reserves (which amounted to Euro 281,585 thousand at 31 December 2022 compared to Euro 281,652 thousand at 31 December 2021) mainly consisted of i) the additional paid-up capital reserve, amounting to Euro 273,570 thousand, ii) the negative IFRS transition reserve in the amount of Euro 751 thousand and iii) the reserve established in 2020 "Non-distributable profit reserve" in the amount of Euro 8,715 thousand, to which the profit for the year ended 31.12.2021 in the amount of Euro 3,149 thousand was allocated.

Reserves changed mainly as a result:

- (i) of the recognition, in accordance with IAS 32, of costs related to capital transactions, directly deducted from equity in the amount of Euro 1,121 thousand, specifically related to costs of the 2021 capital increase;
- (ii) of the segregation of the portion of profit for the year 2021 to the Non-distributable profit unavailable reserve pursuant to Article 6, Paragraph 1, Letter a) of Legislative Decree no. 38/2005 in the amount of Euro 3,149 thousand;
- (iii) of the transfer to the Profits available for distribution reserve due to the receipt of dividends from the companies, CAI and Progetto Benessere for a total of Euro 2,146 thousand.

(10) RETAINED PROFITS

This item mainly consisted of (i) the legal reserve, which amounted to Euro 704 thousand (which increased by Euro 405 thousand compared to 31.12.21), (ii) the "Profits available for distribution reserve" (established in 2020), which amounted to Euro 3,556 thousand.

Equity items are broken down according to origin, possibility of utilisation, distributability and utilisation in the past 3 financial years.

Equity items	Amount	Possibility of use	Portion available	Summary of uses made in the past three years	
				for loss coverage	for other reasons
Share capital	187,060	-	-		
Capital reserves					
Share premium reserve	273,570	A,B,C	272,819		
IFRS transition reserve	(751)	A,B,C	-		
Non-distributable profit reserve	8,715	A	8,715		
Profit reserves					
Legal reserve	704	B	704		
Profits (losses) carried forward	3,556	A,B,C	3,556		
Other reserves	53	-	-		
Total	472,907		285,795		
KEY: A: for capital increase, B: for loss coverage, C: for distribution to shareholders					

With reference to the share premium reserve, it is specified that it cannot be distributed until the legal reserve reaches one-fifth of the share capital pursuant to Article 2431 of the Italian Civil Code.

The summary of utilisations of reserves over the past three years is nil, as the last utilisations to cover losses date back to the approval of the 2017 financial statements in 2018.

NON-CURRENT LIABILITIES

(11) EMPLOYEE BENEFITS

DESCRIPTION	31/12/2021	Increases	Decreases	31/12/2022
Employee severance indemnity	279	80	(101)	258
TOTAL	279	80	(101)	258

This item refers to the provision for severance indemnities accrued in respect of employees at 31 December 2022.

(12) PROVISION FOR TAXES AND DEFERRED TAXES

This item refers to deferred taxes calculated with reference to the capital gains recorded in the income statement and arising from the measurement of the investments in Ghigi, Leopoldine, PBI, CAI and BIA carried out using the equity method.

In particular, the provision for deferred taxes at 31.12.2022 was Euro 135 (compared to Euro 137 at 31.12.2021); this change is attributable to:

- i. Provision for deferred taxes related to the recognition of capital gains in the income statement arising from the valuation of the Leopoldine, BIA and PBI shareholdings using the equity method amounting to Euro 25 thousand;
- ii. Release of deferred taxes recognised in prior years following the BF S.p.A. collection of dividends distributed by the investee companies CAI and PBI for Euro 26 thousand.

(13) OTHER PROVISIONS

The item refers to the estimated MBO Incentive Plan for the year 2022.

(14) OTHER NON-CURRENT PAYABLES

Below is the summary table:

DESCRIPTION	31/12/2022	31/12/2021	Change
Security deposits	998	998	0
Other non-current payables	109,550	118,940	(9,390)
Long-term portion of rental contracts	704	713	(9)
Total	111,252	120,651	(9,399)
- of which related parties	109,550	118,940	(9,390)

The item security deposits includes the amounts received from the partner Lingotto Hotel srl under the 2019-2020 agreements for the sale of the "Leopoldine" investment. Due to the pandemic, the project was put on hold.

Other non-current payables refer to long-term liabilities related to the BF Agricola investment purchased from Bonifiche Ferraresi, as discussed in the section on investments. The decrease is attributable to the repayment of the six-monthly instalments under the purchase and sale agreements.

The item also includes the ML-term portion of rental contracts, in line with the amounts for the previous year.

CURRENT LIABILITIES

(15) PAYABLES TO SUPPLIERS

DESCRIPTION	31/12/2022	31/12/2021	Change
Payables to suppliers	8,106	5,215	2,891
- of which related parties	1,334	649	685

This item mainly includes payables for services received by the Company and not paid at 31 December 2022.

The increase in payables is mainly explained by the provision of consultancy services initiated during the year and related to the extraordinary transactions undertaken by the Company.

(16) OTHER CURRENT PAYABLES

This item includes other payables divided into the categories listed in the table below.

Tax payables mainly comprise withholding taxes related to employees and self-employed persons and VAT payables.

DESCRIPTION	31/12/2022	31/12/2021	Change
Tax payables	617	206	411
Payables to pension and social security institutions	38	174	(136)
Payables to others	7,988	3,492	4,496
Short-term portion of rental contracts	425	355	69
Total	9,069	4,228	4,840
<i>- of which related parties</i>	7,349	3,243	4,106

With regard to VAT payables (Euro 288 thousand), the amounts relating to the calculation of non-deductible VAT measured according to the pro-rata method (equal to 97%) were recorded under this item. The method, first adopted by BF Spa, emerges from the different tax treatment of the tax due to the turnover generated by the Company for exempt transactions (sale of the investment in the subsidiary Bonifiche Ferraresi). These transactions are carried out by the Company on a systematic basis and in the context of activities that also involve taxable transactions. Therefore, following various analyses and evaluations carried out by the Company assisted by leading tax advisors, it has opted for the treatment of non-deductible VAT using the pro-rata method.

The item **Payables to social security institutions** mainly includes payables to INPS and ENPAIA relating to employees.

The item **Payables to others** is mainly made up of payables to employees (for Euro 339 thousand) and to the Company's directors and control bodies (for a total of Euro 262 thousand), as well as the payable to the subsidiary Bonifiche Ferraresi relating to the short-term portion of the payable for the purchase of the investment in BF Agricola for Euro 6,260 thousand. Other current payables to subsidiaries or associates are reported as a residual item.

Lastly, short-term liabilities associated with car and office rental contracts are recognised in the **Short-term portion of rental contracts**.

INCOME STATEMENT

(17) REVENUES FROM SALES AND SERVICES

DESCRIPTION	31/12/2022	31/12/2021	Change
Revenues from sales (provision of services)	307	1,378	(1,071)
- of which related parties	307	1,378	(1,071)

Revenues from sales consist mainly of commercial transactions with Group companies and from consultancy services rendered.

(18) OTHER REVENUES

DESCRIPTION	31/12/2022	31/12/2021	Change
Other revenues	24,231	16,118	8,113
- of which related parties	8,127	2,838	5,289

The item Other Revenues consists mainly of:

- 1) Income related to the measurement of investments using the equity method in the amount of Euro 2,081 thousand, details of which can be found under investments;
- 2) Capital gains from the sale of minority interests in Bonifiche Ferraresi or 11.93% for an amount of Euro 15,862 thousand;
- 3) Income from dividends received by Bonifiche Ferraresi for Euro 3,610 thousand;
- 4) Other income related to the recognition of intra-group charge-backs for general services provided by the parent company.

(19) INCREASES FOR INTERNAL WORKS

The item **Increases for internal works** has no balance at 31 December 2022.

(20) COSTS OF RAW AND ANCILLARY MATERIALS AND CONSUMABLES AND COSTS FOR SERVICES AND USE OF THIRD-PARTY ASSETS

The **costs of raw and ancillary materials, consumables and goods** mainly comprise fuel, lubricants and electricity.

The costs for services incurred by the Company are set out in more detail below:

Costs for services and use of third-party assets	31/12/2022	31/12/2021	Change
Provisions of general services	1,433	465	968
Legal, notary and technical fees	4,379	3,827	552
Directors and auditors	991	417	574
Provision of production services	-	-	-
Total costs for services	6,804	4,709	2,094
Use of third-party assets	157	90	67
Total costs for services and use of third-party assets	6,960	4,800	2,160
<i>- of which related parties</i>	<i>1,194</i>	<i>887</i>	<i>307</i>

Provisions of general services mainly comprise expenses for maintenance, cars, insurance and marketing services as well as institutional expenses and expenses related to the stock exchange listing.

Legal, notary and technical fees mainly comprise fees for legal, tax and strategic consultancy incurred by the Company. The increase was mainly due to the M&A transactions carried out by the Parent Company and the need for advisors specialised in structuring very complex corporate transactions.

Use of third-party assets mainly comprises rental expenses of minor value and temporary hire of movable assets.

(21) PERSONNEL COSTS

DESCRIPTION	31/12/2022	31/12/2021	Change
Wages and salaries	2,011	1,249	762
Social security charges	548	450	98
Employee benefits	118	140	(22)
Other personnel costs	422	-	422
Total	3,099	1,839	1,260

This item includes personnel costs.

Below is the average number of employees in 2022 and 2021, broken down by category and expressed in FTE:

CATEGORY	31/12/2022	31/12/2021	Change
Executives	6	6	-
Clerks	16	13	3
Workers	1	1	(0)
SUBTOTAL	24	20	4
Labourers			
TOTAL	24	20	4

(22) AMORTISATION, DEPRECIATION AND WRITE-DOWNS

The item includes:

- depreciation of tangible assets in the amount of Euro 45 thousand;
- amortisation of intangible assets in the amount of Euro 468 thousand;
- write-downs for intangible assets (right of use due to contract termination) in the amount of Euro 45 thousand.

(23) OTHER OPERATING COSTS

The item is detailed below:

DESCRIPTION	31/12/2022	31/12/2021	Change
Taxes and duties other than income taxes	482	55	427
General expenses	3,548	608	2,940
Total	4,030	663	3,367

The item **General expenses** mainly includes expenses related to travel, transfers, printing and stationery, telephone expenses, fuel, capital losses, entertainment expenses and institutional expenses.

Of note is the recognition in this item of the contingent liability deriving from the recalculation of non-deductible 2021 VAT (for Euro 1,135 thousand) following the Company's adoption of the pro-rata method as explained in the note on tax payables and the recognition also of non-deductible 2022 VAT (for Euro 736 thousand).

(24) FINANCIAL INCOME AND EXPENSES

DESCRIPTION	31/12/2022	31/12/2021	Change
Other financial income	225	0	225
Total financial income	225	0	225
Interest expense and other financial expenses	(1,904)	(655)	(1,249)
Total financial income and expenses	(1,679)	(655)	(1,024)

The 2022 increase in financial expenses is mainly attributable to the financial expenses related to the BF S.p.A. payable to Bonifiche Ferraresi for the purchase of the BF Agricola investment for Euro 1,537 thousand and interest payable on loans for Euro 221 thousand as interest accrued on the debt accrued in October 2022 for Euro 19,600 thousand.

Financial income relates to interest-bearing loans granted to subsidiaries or associates.

(25) INCOME TAXES OF THE YEAR

This item breaks down as follows:

DESCRIPTION	31/12/2022	31/12/2021	Change
Current taxes			
Deferred tax assets and liabilities	1	(20)	21
Income/expenses from tax consolidation	713		713
Taxes of previous years			
TOTAL	714	(20)	734

No current taxes were recognised, as the Company has no taxable income for IRES and IRAP tax purposes. Deferred taxes were set aside for IRES purposes for Euro 25 thousand on the amounts related to capital gains arising from the

measurement of investments (equity method), and deferred taxes recognised in previous years were released for the collection of dividends from the investee companies CAI and PBI in the amount of Euro 26 thousand.

The tax consolidation income was calculated on the basis of the taxable income of the other companies participating in the tax consolidation. By virtue of the consolidation agreements in place and updated to November 2022, the consolidation income amounted to Euro 713 thousand.

Milan, 30 March 2023

for the Board of Directors
Chief Executive Officer
Federico Vecchioni

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 5 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AND ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999

1. The undersigned Federico Vecchioni, in his capacity as Chief Executive Officer, and Simone Galbignani, in his capacity as Financial Reporting Manager of B.F. S.p.A., certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the 2022 separate financial statements.

2. It is also certified that:

2.1 The separate financial statements at 31 December 2022:

- a) have been prepared in compliance with the international accounting standards recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- b) correspond to the accounting books and records;
- c) provide a true and fair view of the Company's financial position, results and cash flows.

2.2 The Report on Operations includes a reliable analysis of the results of operations, as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which it is exposed.

Milan, 30 March 2023

CHIEF EXECUTIVE OFFICER

Federico Vecchioni

FINANCIAL REPORTING
MANAGER

Simone Galbignani