



B.F. S.p.A.
CONSOLIDATED ANNUAL
FINANCIAL REPORT
AT 31 DECEMBER 2023



LE
STAGIONI
D'ITALIA

coltiviamo
bontà

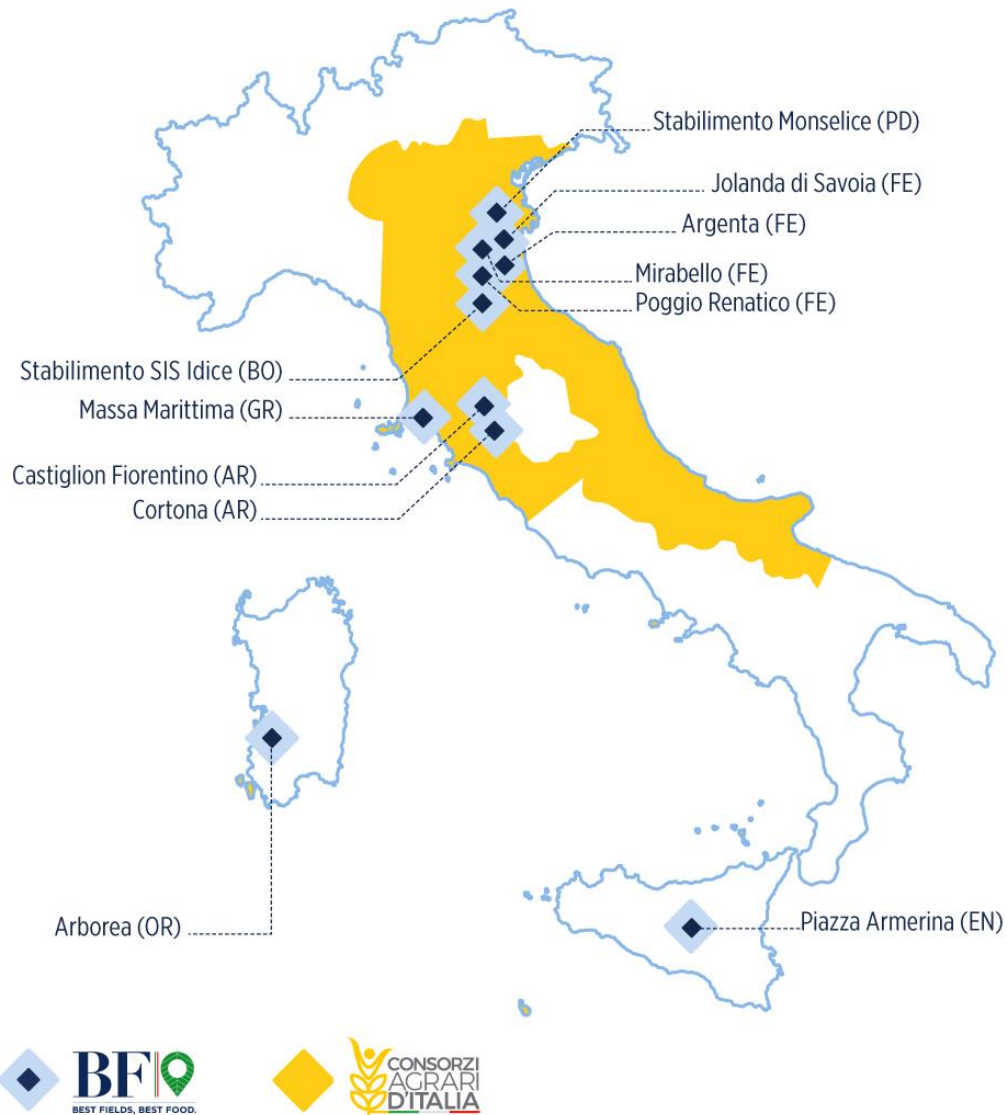


THE MISSION - FROM SEED TO TABLE

The BF Group's mission is to bring to consumers' tables a wide range of high quality food products, traceable right from the seed, obtained through innovative, sustainable agriculture, capable of enhancing the excellence of the Italian agri-food chain and protecting the country's territory and natural resources. Internationally, BF aims to be a hub that develops and exports innovative technologies for sustainable agro-industrial activities.



THE BF GROUP'S OPERATING SITES



BF

- 7,546 hectares of UAA (Utilised Agricultural Area) in the provinces of Ferrara, Arezzo, Oristano, Bologna and Grosseto;
- 11 operating sites;
- 90,000 hectares of agricultural land where Precision Farming is applied.

CAI

- The largest platform for the placement of domestic agricultural production;
- It assists over 200 thousand farms in Italy;
- Active in 31 provinces in 10 regions.

THE PRODUCT PORTFOLIO

LE STAGIONI D'ITALIA



THE PRODUCT PORTFOLIO

BIA



THE PRODUCT PORTFOLIO FABIANELLI



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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* Luigi Ciarrocchi* Emilio Giorgi* Gabriella Fantolino* Gianluca Lelli Rossella Locatelli Claudia Sorlini Barbara Saltamartini*

** Independent directors*

Control and Risks Committee	Maria Teresa Bianchi (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 Michele Pisante
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Board of Statutory Auditors

In office until the shareholders' meeting to approve the financial statements at 31.12.2025

Standing Auditors	Roberto Capone (Chair) Guido de Cristofaro Laura Fabbri
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Alternate Auditors	Raffaele Lerner Simona Gnudi
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Financial Reporting Manager	Simone Galbignani
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Independent Auditors

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

Deloitte & Touche SpA

Group Composition

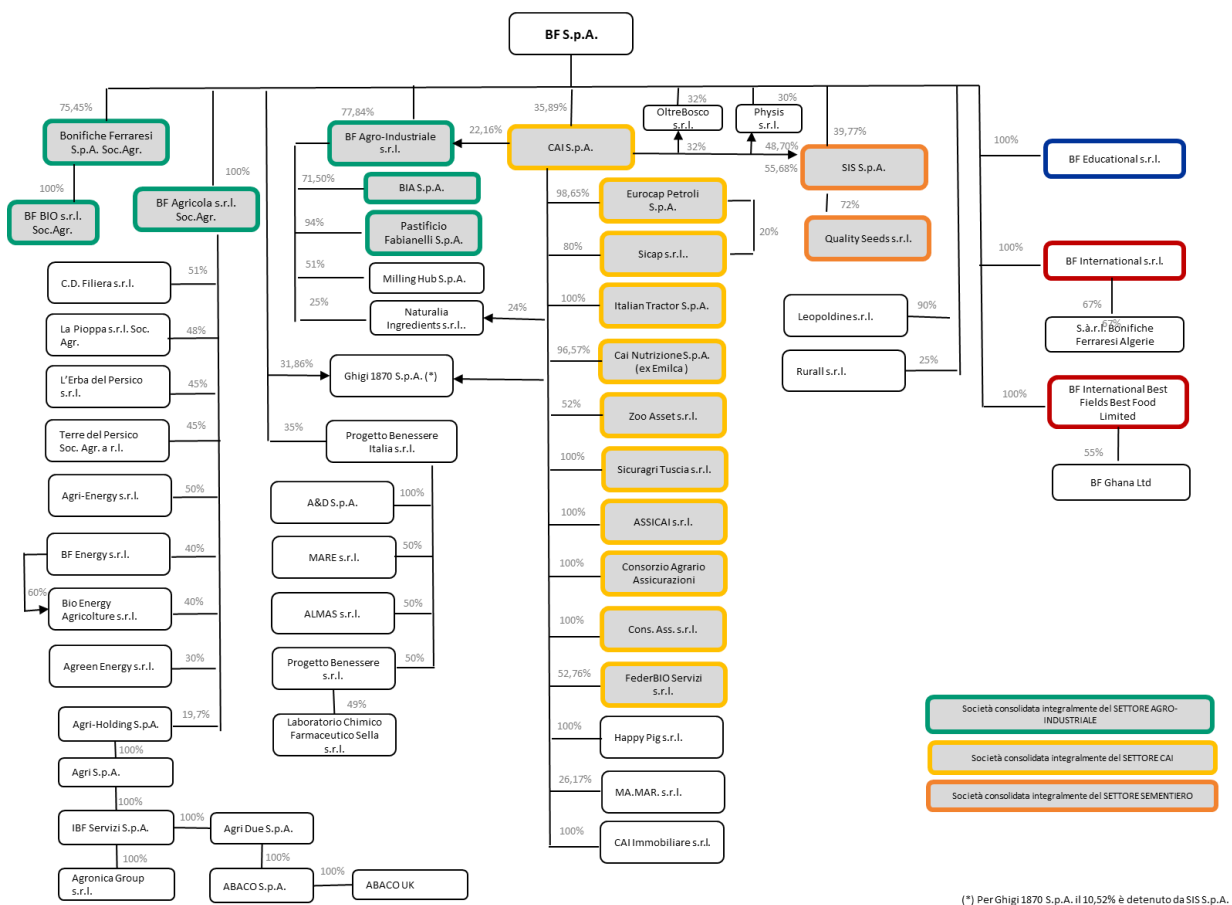


GROUP COMPOSITION

The B.F. Group (hereinafter also the "**Group**") consists of the parent company B.F. SpA (hereinafter also referred to as the "**Parent Company**", "**Parent**", "**BF**" or the "**Company**") incorporated on 30 May 2014 for the acquisition of Società per la Bonifica dei Terreni Ferraresi e per Imprese Agricole SpA Società Agricola (hereinafter also referred to as "**Bonifiche Ferraresi**"). BF, as of 23 June 2017, is listed on the Italian Stock Exchange, following the completion of the public purchase and exchange offer ("**OPAS**") on Bonifiche Ferraresi.

Below is the corporate structure of the Group, of its operating subsidiaries only, at the closing date of this Report, i.e. 31 December 2023.

As explained later, the scope of consolidation did not change significantly compared to 31 December 2022.



(*) The subsidiary BF International, incorporated on 30 May 2023, is not consolidated at 31 December 2023 as it is not significant.

- **Bonifiche Ferraresi S.p.A. Società Agricola:** 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 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 2023, 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 2.88% of the share capital held in the subsidiary, whose shareholding therefore decreased from 78.33% at 31 December 2022 to 75.45% at 31 December 2023.

- **BF Agricola S.r.l. Società Agricola ("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, Castiglione Fiorentino, and Massa Marittima. The agricultural activity is carried out by virtue of the 20-year usufruct right held by Bonifiche, while the full ownership of the transferred assets allows for the processing and valorisation of agricultural products.
- **BF Agro-Industriale S.r.l. ("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. As a result of the reorganisation of the cereal cluster hub, better described in the section "Significant events in 2023" BF holds 77.84% of the BF Agro share capital at 31 December 2023.
- **Società Italiana Sementi S.p.A. ("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 42.18%. In addition to this direct shareholding, the indirect shareholding in SIS through CAI of 37.16% was 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 included a 3.44% shareholding in SIS. Therefore, at 31 December 2022, the CAI shareholding in SIS (indirect) was 40.59%. In the first half of 2023, the Seed Hub was created as an integration of functions and competences between CAI and SIS. The capital increases resolved upon by the Extraordinary Shareholders' Meeting of SIS as part of the integration transaction, in kind reserved for CAI and with payment under option to Shareholders (subscribed by the Parent Company) led CAI and BF (which purchased additional shares equal to 5.32% from third parties during the second half of 2023) to hold 55.68% and 39.77% of SIS share capital, respectively, at 31 December 2023. More details will be provided in the following section "Significant events in 2023".
- **Quality Seeds S.r.l. ("Quality Seeds"):** company incorporated on 2 April 1996, its main business sector is the marketing of seed potatoes and seeds for all agricultural crops. The share held by SIS is 72%.
- **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 was therefore Euro 169,463,000.00 (one hundred and sixty-nine million four hundred and sixty-three thousand/00), of which Euro 146,192,000.00 (one hundred and forty-six million one hundred and ninety-two thousand/00) was the nominal component and Euro 23,271,000.00 (twenty-three million two hundred and seventy-one thousand/00) was the share premium. As a result of the subscription of these Capital Increases, and subject to the adjustment mechanism, 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.

Furthermore, on 13 April 2022, the Board of Directors of B.F. S.p.A. approved: 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 to 1 September 2022.

As a result of this transaction, the controlling shareholding in CAI S.p.A. at 31 December 2022 was 35.89%, and remained unchanged during 2023.

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 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 as well at the time of the closing of the consolidated financial statements at 31 December 2023, the Company updated the qualitative and quantitative analysis prepared at the end of 2021, 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.

- **Eurocap Petroli S.p.A. ("Eurocap")**: a company incorporated on 19 November 1991, the main sector in which the company operates is the wholesale trade of automotive, agricultural and lubricant fuels. On 28/09/2021 with deed no. 39767/26567 of Notary Public Maltoni Consorzi Agrari d'Italia S.p.A. purchased the shares of the shareholder CCFS (Consorzio Cooperativo Finanziativo per lo Sviluppo Società Cooperativa), increasing its total shareholding to 98.65%. On 22 November 2021 by deed of notary Public Marco Maltoni file 40111/26811 registered in Forlì on 15 November 2021 and effective as from 22 November 2021 Consorzi Agrari d'Italia S.p.A. subscribed to the Eurocap share capital increase of 1,829,630 shares through the transfer of the business unit related to the marketing of carbo-lubricant products for the agricultural sector and related services operating mainly in the Adriatic, Emilia, Tyrrhenian and Central-Southern regions. The CAI shareholding to date is 98.65%. On 9 September 2022, in line with the Group's organisational structure, following the effectiveness of

the transfer of the Consorzio Agrario del Nord Est business unit to CAI, CAI and Eurocap signed a business unit lease contract for the "carbo-lubricants nord est" BU. This three-year contract took effect on 1 November 2022.

- **Sicap S.r.l. ("Sicap"):** company incorporated on 30 July 1999, its business sector is the storage, handling, distribution, preservation, packaging, withdrawal, processing and transport of useful agricultural and petroleum products. The stake held is 80% directly and 20% indirectly through Eurocap Petroli S.p.A.
- **Italian Tractor S.r.l. ("Italian Tractor"):** the business sector is the sale, rental and maintenance of tractor machines, New Holland dealer. The Consorzio Agrario dell'Emilia in the year 2021 signed, by deed of the Notary Public of Forlì, Lawyer Marco Maltoni, file 39620/26466, a shareholding in the newly formed company Italian Tractor S.r.l. through the contribution of its machinery BU. On 1 September 2021, Consorzio Agrario dell'Emilia therefore transferred to Consorzi Agrari d'Italia S.p.A. the shareholding it held in Italian Tractor S.r.l. for a value of Euro 15,500,000, and subsequently contributed to CAI the shareholding acquired as part of its "targeted" reserve. Upon completion of these transactions, CAI became the owner of the 100% shareholding in Italian Tractor S.r.l.
- **Cons. Ass S.r.l. ("Cons. Ass."):** company incorporated on 12 July 2004, its business sector is insurance intermediation. Cattolica Assicurazioni agent. The stake held is 100%.
- **Emilcap soc. cons. a r.l. ("Emilcap") now CAI Nutrizione S.p.A. ("CAI Nutrizione"):** company incorporated on 16 December 1999, its main business sector is the production of animal feed, produced in its Parma plant. The stake held at 31 December 2023, after the reorganisation process of the feed sector, is 96.57%. In particular, on 11 December 2023, (CAI Nutrizione), the new network was created, capitalising on the experience of several production units such as Emilcap (Parma), CALV Alimenta (units in Valdaro, Mantua and San Pietro in Morubio, Verona) and the Grosseto plant. The integration of the various structures into CAI Nutrizione will allow the development of supply chains for the supply of products from farmer members, greater competitiveness on the purchasing front, production efficiency and the development of increasingly innovative and high-performance feeds, capable of making a difference in livestock farming and guaranteeing the food chain an ever higher level of quality control.
- **Consorzio Agrario Assicurazioni S.r.l. ("Consorzio Pisa"):** company incorporated on 1 June 2005, its business sector is insurance brokerage. Cattolica Assicurazioni agent. The stake held is 100%.
- **Assicai S.r.l. ("Assicai"):** company incorporated on 23 November 2020, the business sector is insurance brokerage. Subordinate to the registration of the resolution to increase the share capital resulting from the minutes of the deed executed by the Notary Public of Forlì, Lawyer Marco Maltoni, dated 30 July 2021 file 39621/26466, Consorzio Agrario dell'Emilia on 1 September 2021 transferred the shares held in Assicai Srl to CAI, for a value of Euro 3,000,000. As of 1 October 2021, Assicai became operational with an agency mandate on behalf of Cattolica Assicurazioni. The stake held is 100%.
On 3 August 2022, following the contribution of the operating unit (including, inter alia, the insurance business) of Consorzio Agrario del Nord Est on 28 July 2022, the shareholders' meeting of Assicai resolved to increase the share capital to be paid in by means of the contribution of the Insurance BU of the North East, with an initial effective date of 2 September 2022.
This transaction is also part of the group's broader reorganisation project aimed at verticalisation and concentration of business units into specific entities.
- **Sicuragri-Tuscia S.r.l. ("Sicuragrituscia"):** company incorporated on 27 October 2011, the business sector is insurance brokerage. Cattolica Assicurazioni agent. The stake held is 100%.
- **Zoo Assets S.r.l. ("Zoo Assets"):** on 16 December 2022, CAI acquired 52% of the share capital of Zoo Assets S.r.l. at a price of Euro 2,080 thousand. Zoo Assets is active in the livestock industry. With this acquisition, CAI integrates the range of products and services to livestock farmers, combining animal welfare and sustainability, with the aim of reducing atmospheric emissions and the use of drugs through natural, 100% plant-based products without chemical additives. The subsidiary has been consolidated using the line-by-line method from 31 December 2022.
- **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

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 28.5% of the subsidiary's share capital. As part of the Group's reorganisation process, which will be reported on in the following section "Significant events in 2023", BIA was transferred to BF Agro-Industriale effective 1 July 2023. At the closing date of this report, BF Agro-Industriale owned 71.5% of the investee.

- **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. At 31 December 2022, the investment was therefore held by the parent company 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.
As part of the Group's reorganisation process, which will be described in the section "Significant events in 2023" below, the stakes held by BF and CAI in Pastificio Fabianelli were transferred to BF Agro-Industriale. On 27 December 2023, BF Agro-Industriale acquired a further 34% of Pastificio Fabianelli, bringing its share capital to 94%.
- **BF BIO s.r.l. ("BF BIO"):** on 28 July 2023, the subsidiary Bonifiche Ferraresi S.p.A. established the company BF BIO S.r.l. through the transfer of a business unit. The investee company is consolidated using the line-by-line method from 31 December 2023. BF BIO is dedicated to 100% biological livestock and farming.
- **Federbio Servizi S.r.l. ("Federbio"):** on 22 December 2023, CAI, as part of a capital increase transaction, subscribed to 51% of the share capital of Federbio Servizi, a company operating in the field of professional training on organic and biodynamic process management and "organic" certification. The investee company is consolidated using the line-by-line method from 31 December 2023.

Therefore, compared to the consolidated financial situation at 31 December 2022, the scope of consolidation changed due to the entry of BF BIO and Federbio into the Group.

The following subsidiaries of BF S.p.A. are not included in the scope of consolidation because they are not yet operative or in any case not significant.

- **BF INTERNATIONAL BEST FIELDS BEST FOOD LIMITED ("BF INTERNATIONAL"),** on 13 December 2023, the parent company BF S.p.A. incorporated BF INTERNATIONAL BEST FIELDS BEST FOOD LIMITED in London. BF International is dedicated to the internationalisation project of the BF Group by representing its international holding company. Percentage of ownership 100%.
- **BF Algeria S.a.r.l ("BF Algeria")** was established on 6 June 2023 in agreement with Algerian partner Benmalem lmed Ben Hocine (Copro Sud - a leading player in Algerian logistics). BF indirectly holds 67% of the company's capital through BF International. BF Algeria holds a concession of about 900 hectares in Algeria.
- **BF EDUCATIONAL S.r.l. ("BF EDUCATIONAL"),** company set up on 6 October 2023 for the creation of an educational offer (through the BF University being established) and research development in the agritech field - to qualify human capital to be employed in the BF Group and at partner companies. Percentage of ownership 100%.

The Group 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.

- **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.
- **Milling Hub S.p.A. ("Milling Hub")**, 51% owned by BF, as part of the Group's reorganisation process, which will be disclosed in the section "Significant events in 2023" below, Milling Hub was transferred to BF Agro-Industriale effective 1 July 2023.

The Company also holds strategically important investments in the following company:

- **Progetto Benessere S.r.l.**: a company 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 in June 2020.
- **Rurali 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.

The shareholding held in **Cerea S.r.l.**, 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 these platforms, was fully sold on 29 December 2023 (together with the residual receivable for the shareholder loan of Euro 350 thousand claimed by BF) for a consideration of about Euro 3.8 million.

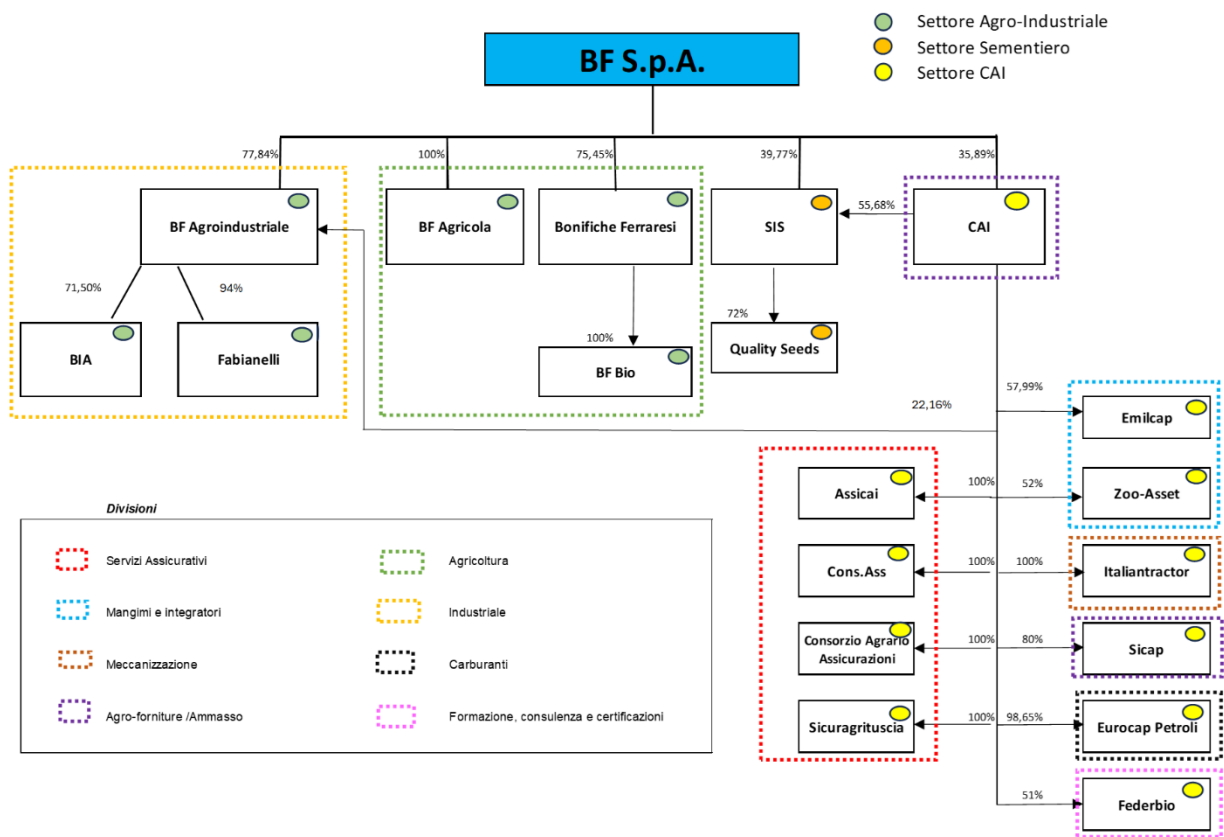
BF, as of 23 June 2017, is listed on the Italian Stock Exchange, following the completion of the public purchase and exchange offer ("OPAS") launched on the shares of Bonifiche Ferraresi then belonging to the market.

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

In summary, the Group is active, through its subsidiaries, in all sectors of the Italian agro-industrial chain: from the selection, processing and marketing of seeds (S.I.S. and CAI), to the ownership of land from which 100% Made in Italy agricultural products are obtained (through Bonifiche Ferraresi S.p.A. Società Agricola, Italy's largest agricultural company in terms of UAA - Utilised Agricultural Area and BF Agricola S.p.A.), their processing and marketing through its own distribution brand (Le Stagioni d'Italia, BIA, Maltagliati, Pasta Toscana, Fabianelli) or in partnership with the most important large-scale retail chains, through the supply and procurement of products to the agricultural sector through CAI main business lines.

It is, therefore, a single player for the agricultural and agro-industrial world, unique in its size, business model and completeness of the goods and services offered that make the BF Group the main player in the Italian agro-industrial sector.

At the date of this Report, the Group is structured as follows with the business units identified by the new 2023-2027 Business Plan. Compared with 31 December 2022, the Fuels business unit was merged into the CAI business unit.



Report on operations



1. OPERATING PERFORMANCE

In 2023, the B.F. Group continued the path of strengthening outlined in the Group's strategic guidelines, giving full emphasis to the development of the Business perimeter, the supply chain concept, high-tech innovation services and horizontal integration, in a market context characterised by high variability in both supply costs and material procurement schedules.

The industrial project outlined in the 2021-2023 strategic guidelines and elaborated at the beginning of 2021 was briefly based on the following foundations:

- The processing of agricultural products;
- The control of the supply chain in the seed business;
- The strengthening of land assets;
- The provision of innovative products and services to the agricultural world.

With this in mind, the Group positions itself as a major player in the Agro-business sector and has put in place, in the course of 2021 and 2022, operations consistent with this objective aimed at strengthening its control of the supply chain by reinforcing its margins. For more information on the most significant transactions in 2021/2022, please refer to the Annual Financial Report for 2022.

The technical expertise and know-how acquired in the sector of operation, places the Group in a context of presiding over key supply chains, a preparatory aspect to the development of actions to enable and facilitate relations between agro-industrial supply chains, thus designing a true integrated and replicable model.

In the current configuration, strengthened from the third quarter of 2022, due to the integration of Consorzio Agrario del Nord Est, BIA S.p.A. and Pastificio Fabianelli S.p.A., the Group at 31 December 2023 realises a total of Euro 1,326 million in revenues from sales and Euro 1,387 million in production value compared to Euro 1,062 million in revenues from sales and Euro 1,120 million in production value at 31 December 2022.

Moreover, it should be noted that on 21 July 2023, the Parent Company's Board of Directors approved the 2023-2027 Business Plan, which confirms the constant and sustainable growth of the BF Group, and which has become a platform serving the entire agro-industrial chain, made up of complementary realities in strong synergy, with the aim of continuing to create value for shareholders and all other stakeholders.

In particular, the new Business Plan has the following objectives:

- growth and efficiency in the existing Agro-Industrial, Seed Hub sectors and Consorzi Agrari d'Italia S.p.A. ("CAI");
- launch and development of an internationalisation process, with the aim of exporting the BF Group's supply chain model and know-how, in the food and non-food sectors, and overseeing all production and commercial stages, by setting up BF International;
- creation of training and development of agritech research - to qualify human capital for employment in the BF Group and partner companies by establishing BF University.

The investments envisaged over the Plan period - amounting to approximately Euro 575 million - will allow a gradual improvement in the main economic and financial indicators. The Group plans to carry out its investment operations through the use of resources deriving from the capital increase transaction examined on the same date by the Board of Directors, from transactions involving Group entities and from leverage instruments.

With reference to the implementation of the Plan, the Board of Directors approved to submit to the Extraordinary Shareholders' Meeting, called for 27 September 2023, the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, a proxy to increase the share capital, for consideration, through the issue of shares to be offered as options to shareholders, for a maximum amount of Euro 300,000,000, including any share premium.

The subscription of the new shares resulting from the capital increase was offered under option to BF shareholders, as well as to third parties in respect of the new shares that were not subscribed under option. It should be noted that some of BF shareholders had expressed their support for the subscription of the capital increase. In particular, the shareholders Dompé Holdings s.r.l., Intesa Sanpaolo S.p.A. and Arum S.p.A., which currently hold a total of 50.18% of the BF share capital, irrevocably undertook to exercise in full all the option rights to which each of them is entitled under the capital increase and, therefore, to subscribe newly issued shares pro rata to their shareholding in BF.

The commencement of the capital increase in exercise of the Proxy was subject to the approval of the Extraordinary Shareholders' Meeting, as well as the issue by CONSOB of the order approving the prospectus (pursuant to Regulation no. 2017/1129 of the European Parliament and of the Council of 14 June 2017) relating to the offer itself. For more details, please refer to the section "Significant events in 2023".

General economic performance

Globally, inflation is easing thanks to tighter monetary policies. Despite higher-than-expected GDP growth for 2023, tightening financial conditions, fragile trade, falling business and consumer confidence, and rising geopolitical tensions are taking their toll. Real estate markets and bank-dependent economies, especially in Europe, are also suffering, increasing uncertainty about short-term prospects. The most recent estimates point to GDP growth of 2.9% in 2023, 2.7% in 2024 and 3.0% in 2025, supported by recovering real income and falling interest rates. In the short term, divergence between economies is expected to increase, with emerging market growth generally better than that of advanced economies. Annual consumer price inflation in the G20 economies is projected to continue its gradual decline, falling from 6.2% in 2023 to 5.8% in 2024 and 3.8% in 2025, thus converging back towards the target in most major economies.

For the Eurozone, the latest estimates point to GDP growth of 0.6% in 2023, 0.9% in 2024 and 1.5% in 2025. Private consumption will be supported by the resilience of the labour market and the increase in real incomes due to lower inflation. At the same time, rising financing costs and uncertainty will weigh on private investments. Wage growth is projected to decline only gradually over the period. Employment in services will keep core inflation high until mid-2025, despite the continued decline in overall inflation.

Energy commodity lists for the time being seem to remain on a downward path. The size of supply and inventories has favoured a decrease in quotations in the last two months. The price of Brent crude oil continued to fall in November and December (to USD 83.2 and USD 77.9 per barrel respectively from USD 91.1 in October) and the natural gas index also declined (to 110.4 and 93.9 from 114.1). By contrast, the nominal Euro-Dollar exchange rate remained stable at the end of the year, marking only a slight depreciation of the US currency (USD 1.08 and USD 1.09 per euro in November and December, respectively, from USD 1.06 in October). In contrast, agricultural commodity prices, as measured by the FAO food price index, continued to decline during the third quarter of 2023: in September, the index changed by -0.1% from the previous month, 11% lower than in September 2022 (-24% for the dairy price index).

World trade in goods by volume grew by 0.4% in October (+0.3% in September) due in part to more buoyant Chinese imports. International trade continued, however, to show some weakness. The overall PMI on new export orders in November and December remained below the expansion threshold, indicating further possible reductions in the coming months (figure 1).

TABELLA 1 PRINCIPALI INDICATORI CONGIUNTURALI - ITALIA E AREA EURO
(variazioni congiunturali)

	Italia	Area euro	Periodo
Pil	0,1	-0,1	T3 2023
Produzione industriale	-1,5	-0,7 (ott.)	Nov. 2023
Produzione nelle costruzioni	0,6	-0,9	Ott. 2023
Vendite al dettaglio (volume)	0,2	-0,3	Nov. 2023
Prezzi alla produzione – mercato int	-1,2	-0,3	Nov. 2023
Prezzi al consumo (IPCA)*	0,5	2,9	Dic. 2023
Tasso di disoccupazione	7,5	6,4	Nov. 2023
Clima di fiducia dei consumatori**	3,1	1,8	Dic. 2023
Economic Sentiment Indicator**	2,6	2,4	Dic. 2023

Fonte: Eurostat, Commissione europea, Istat

* Variazioni tendenziali

** Differenze con il mese precedente

The dynamics of the global economy are heterogeneous. In the third quarter, GDP in China and the US recorded a marked acceleration in growth. However, the Chinese economy remains characterised by a fragile real estate sector and high private sector debt. During the same period, economic activity in Europe, which was affected by the asymmetric effect of the energy crisis linked to the conflict between Russia and Ukraine, remained stagnant. In all major countries, there continued to be a generalised decline in inflation, mainly reflecting the fall in energy commodity prices, accompanied by still robust labour market conditions. By contrast, core inflation, kept in check by tight monetary conditions and still moderate wage growth, continued to follow a more gradual path of decline. The phase of raising official interest rates by the Federal Reserve and the ECB should be essentially over. The uncertainty characterising the international scenario, however, remains high and new price increases cannot be ruled out if the cost of energy becomes a risk factor again, also affected by geopolitical tensions in the Middle East. In the Euro area, inflation increased in December and this trend may continue into the first part of this year. The latest data seem to confirm the European Central Bank's forecast that the consumer price index, after reaching a low in November, should stabilise in the course of 2024 still above the 2% target and then decelerate again the following year. The outlook for the region improved: the composite ESI economic confidence index in November and December picked up again (94 and 96.4 points respectively from 93.7 in October, figure 2). In particular, in December, the increase in the index was driven by rising confidence among consumers, in retail trade, services and construction. Confidence in industry, on the other hand, remained broadly stable. At national level, in December, the ESI increased in Italy (+2.6 points), Spain (+2.4) and Germany (+2.4), while it decreased in France (-0.5).

GDP growth in Italy is expected to slow to +0.7% in both 2023 and 2024, before recovering moderately to +1.2% in 2025. Low wage growth and high inflation eroded real incomes, financial conditions tightened and most of the exceptional fiscal support related to the energy crisis was withdrawn, weighing on private consumption and investment. The expected drop in inflation, targeted income tax cuts, and the resumption of public investment linked to Next Generation EU (NGEU) funds will only partly offset these counteracting factors. The main downside risk is a tighter than expected tightening of financial conditions due to a more restrictive Eurozone monetary policy or an increase in the risk premium on Italian government bonds. On the positive side, a significant recovery of public investments linked to the National Recovery and Resilience Plan (NRRP) could stimulate growth in 2024 and 2025

Consumer inflation in 2023 averaged 5.7%, down sharply from the previous year (+8.1% in 2022). The national consumer price index for the entire community (NIC) fell steadily from 11.6% in December 2022 to 0.6% in December 2023, reaching its lowest value since the first quarter of 2021. The decline was driven by the sharp slowdown in energy goods prices, which grew by an average of 1.2% in 2023 (+50.9 in 2022), showing significant contractions in trend terms in the last three months of the year (-9.7%, -24.4% and -24.7% respectively). This development was the result of a more moderate average growth in the prices of unregulated energy goods compared to the previous year (+7.5% in 2023, +44.7% in 2022) and a significant reduction in the prices of regulated energy goods (-27.8% compared to +65.6% in

2022), which had been falling since the beginning of the year. The inflation differential between the two markets, which was very high at the beginning of the year, has narrowed significantly since October, following the fall in international energy prices.

The average food price dynamic in 2023 was 9.8% (+8.8% in 2022), decreasing progressively in trend terms from 12.8% in December 2022 to 5.8% in December 2023. This trend was the result of a drop from 14.9% to 5% for processed foodstuffs (+10.9% on average for the year) and a dynamic of +8.1% for unprocessed foodstuffs. In particular, after a decline from August to October, when trend growth reached 4.9%, the last two months of the year showed clear signs of an upturn (+5.6% and +7% respectively). Inflation for the "shopping cart", a summary of prices for food, household and personal care goods, was 9.5% in 2023 (+8.4% in 2022), falling from 12.6% in December 2022 to 5.3% in December 2023. In contrast to the significant drop in the inflation rate for goods (from +14.1% in January to -1.5% in December), prices for services, on the other hand, recorded a more or less constant dynamic over the year at an average of 4.2%, more than one point above the 2022 value (+3.0%). Core inflation (national consumer goods net of energy and fresh food) in 2023 averaged 5.1% (+3.8% in 2022) as a result of an increase in the first months, when it rose from 5.8% in December 2022 to 6.2% in April, and a subsequent reduction to 3.1% in December. Inflation as measured by the Harmonised Index of Consumer Prices (HICP) decreased to 5.9% in 2023 from 8.7% in 2022, falling to 0.5% in December from 12.3% in December 2022. Since October 2023, it has been below the Euro area average (figure 6), being 2.4 points lower in December than the Euro area average (+2.9%), 3.6 points lower than France (+4.1%) and 3.3 points lower than Germany (+3.8%).

With regard to expectations on consumer price developments, expectations of lower inflation in the next 12 months compared to the previous 12 months continued to prevail among households in December. As far as companies are concerned, there were some weak signs in December of an intention to change prices upwards over the next 3 months. Industrial producer prices, which had been declining in trend terms since April, fell by a further 12.6% in November compared to the same month last year, recording a particularly marked decline in the domestic market (-16.3%) and a more limited decline in foreign markets (-1.5% in the Euro area and -1.1% in other markets). Excluding the energy sector, prices decreased by 1.6% in November, with the highest trend increases in the pharmaceutical (+2.9%) and transport equipment (+2%) sectors, while the most energy-intensive sectors recorded the strongest decreases (-35.8% mining and -41.2% supply of electricity, gas, steam and air conditioning). In the first 11 months of 2023, industry producer prices decreased by 4.6% compared to the corresponding period of 2022, as a result of a decrease of -7.1% in the domestic market and an increase of +2.3% in the foreign market

Performance of the markets in which the Group operates

The following is a detailed breakdown of the direct markets in which the Group operates and which are related to the agro-industrial business; please refer to the table at the end of this paragraph for the price trends in related markets, i.e. where the Group mainly acts as a retailer, with explicit reference to the main sales sectors for CAI (source: Agri-Markets Report no. 1 published by Ismea in March 2024). What follows, therefore, represents the national and international economic context in which the Group directly (through direct activity in the Agro-Industrial Division) or indirectly (through the supply of goods and services to the agricultural sector, which is obviously affected by the sector context) operates.

For the agricultural sector, the year 2023 closes on an uninspiring note: there is a decline in both national agricultural production in volume and value added. In fact, while on the one hand farmers benefited from a certain drop in production costs, on the other hand, the results of the year were penalised by adverse weather conditions and extreme flooding events that severely damaged the production of areas of great importance for the sector. On the economic front, production cost growth undoubtedly softens in 2023 compared to 2022. However, average price values of current media are still 32% above the pre-Covid level. In 2023, prices of agricultural products reached record highs, with the Ismea index reaching an all-time high. The production of the food industry in 2023, according to the index compiled by ISTAT, loses 1.6% compared to the level of 2022, a reduction slightly smaller than that which affected manufacturing as a whole (-2.2%). Italian exports of food and beverages in 2023 grow by 5.7% compared to 2022, while overall national exports remain at the same level as last year. Shipments abroad of bakery and confectionery products, coffee and cheese, both aged and fresh, increased in value and volume. Exports of bottled still wines are still declining. Agri-food imports in 2023 increased in value by 5.4% (total national imports -10.4%), leading to a slight improvement in the agri-food trade balance compared to 2022, although the sectoral balance is still in deficit. Imports of live cattle, aged cheese and especially durum wheat increased.

According to data from the Ismea-NielsenIQ Food Consumption Observatory, the shopping cart for food products to be consumed at home cost Italians 8.1% more in 2023 than in 2022. In absolute terms, the increase exceeds Euro 8.2 billion, the highest in recent years. Among the distribution channels, the supermarket remains the predominant channel with a 40% share and a positive performance in terms of turnover compared to 2022, while the spending volumes of most products remain stable. Expenditure increases for all food sectors, particularly for the following products: rice (+20%), breakfast products and UHT milk (+15%), eggs (+14%). On the other hand, the sectors with below-average growth in expenditure include wines (increase in expenditure at the large-scale distribution of 1% in 2023) and the fruit sector (especially citrus fruits, with expenditure decreasing in both value and volume).

The **confidence climate index (ICF) in agriculture**, compiled by Ismea, in the fourth quarter of 2023 stands at -0.6, in a range between -100 and +100. The indicator summarises operators' opinions on current and future business trends (over a 2-3 year horizon). As anticipated, in the last quarter of 2023, the confidence index of agricultural entrepreneurs improved on a cyclical basis (+2.9 points), confirming greater optimism than in the fourth quarter of 2022 (+4.4). The assessment of the environment in which farmers operate still remains negative (-9.7 points), but is improving (+4.7 points compared to the third quarter of 2023, +6.2 compared to the fourth quarter of 2022).

As in the previous quarter, it is the companies in the Centre that register the lowest confidence index (-13.8 points), while the highest ICF is in the North East (3.2). Looking at the different sectors, the most pessimistic agricultural entrepreneurs in the fourth quarter of 2023 are those in the arable sector (-7.4), followed by those working in dairy farming (-2.4).

Of the agricultural companies surveyed, 42% claim to have encountered **difficulties in managing their business** in the fourth quarter, in line with the previous quarter; 31% claim that the difficulties were significant, 11% that they were very significant (down 3% from the third quarter of 2023). As in previous quarters, rising "current costs" and "weather conditions" continue to be mentioned as the biggest factors causing difficulties in business management, selected by 49% and 46% of the surveyed entrepreneurs respectively. The increase in current costs is mentioned by about 60% of the livestock sector operators as the main critical issue. Since the beginning of 2022, problems in recruiting personnel are firmly in third place in the ranking of difficulties. There is a shortage of general workers (78%), but also of those specialised in driving vehicles or using company equipment (38%).

As far as turnover is concerned, 38% of the respondents say that it will decrease in 2023 compared to 2022; for companies in the arable sector, the percentage rises to 49%. In contrast, 35% of respondents working in the meat industry claim to have increased their turnover, compared to an average of 20% of the entire agricultural panel.

For the **food industry**, the **confidence climate** index decreased both on a cyclical basis (-11.4 points compared to the third quarter of 2023) and on a trend basis (-6.6 points compared to the fourth quarter of 2022), settling at -1.1 points. The indicator is a summary of traders' opinions on the level of orders received, inventories for the quarter and production expectations for the following quarter, and in the second quarter of 2023, it is precisely the latter that undermine the confidence of the surveyed entrepreneurs.

Currently, the least optimistic companies in the food industry are those in the Centre (where the ICF takes a value of -8.1), and the component that most influences this perception is that of orders received. Entrepreneurs in the wine sector (-21) and in the first meat processing industry, excluding poultry (-17.1) are pessimistic, especially in relation to the future orders component.

On average, for 28% of companies in the fourth quarter of 2023, the level of orders was lower than a year earlier. However, within the first meat processing industry the share of operators reporting a drop in orders reaches 63% and within the wine industry 45%. The perception for the national economic situation improved compared to last quarter, as in the fourth quarter of 2023, only 22% of respondents said there was a worsening compared to the previous quarter (in the third quarter of 2023, it was 42%), while for 15% the situation improved (it was 8% in the previous quarter).

At the end of 2023, the percentage of entrepreneurs in the **food industry** who say they **have experienced difficulties in managing their business** also fell (21% compared to 34% last quarter). The main problems encountered by operators continue to be related to the rising costs of raw materials, consumables and services; another factor generating difficulties is the procurement of labour, an answer option indicated by 13% of respondents.

The market for the main agri-food chains in the third quarter of 2023 (latest available data) as measured by Ismea data shows:

Cereals: After the flare-up of cereal markets and other agricultural and energy commodities in the last two years, a downward price trend started in late 2022, and continued for most of 2023; only in the last months of

the year did the prices of some products rise. The rise in **durum wheat** prices was interrupted in 2023 due to the substantial recovery of Canadian harvests; in fact, the average national grain price was around Euro 490/tonne in 2022, falling to Euro 357/tonne in 2023 (-28%). With the start of the 2023/24 marketing year, a number of concerns have emerged that have made the market rather unstable and trending towards recovery: world supply is down by 9.3% annually, mainly due to the results in some countries (Tunisia and Algeria), which are also large consumers, North America and the EU, where particularly dry weather has compromised unit yields. With reference to Canada, the leading exporter, it should be noted that there is still a substantial drop (-30%) for this vintage, following that of 2021. World stocks are also estimated to fall, losing about 30% of the previous year's volumes to 5 million tonnes in 2023/24. At national level, the production performance in 2023 was also disappointing, with areas growing slightly (+2.5% per year to just under 1.3 million hectares in 2023) for a harvest that is expected to remain stable at 3.7 million tonnes (-0.1%) compared to 2022, which, in any case, had not been particularly generous due to very low yields. In addition, there are quality problems for this year's national grain, which is very likely to be subject to significant downgrading. Given Italy's structural dependence on foreign products, the disappointing qualitative and quantitative harvest results justify the substantial increase in Italian imports of durum wheat grains, which grew by 85% on a trend basis in January-October 2023, corresponding in volume to more than 2.6 million tonnes; this growth, however, is also attributable to the scarcity of Canadian product on international markets in the first months of 2022. The 2022/23 campaign had closed in June 2023 with an average price of Euro 319.97 per tonne, the current campaign had made its debut with a price in July 2023 of Euro 340.15 per tonne (+6% on the previous month) and continued in the following months in a rather unstable manner, with prices fluctuating between Euro 372.27 per tonne in August 2023 (-24% on Aug-22) and Euro 334.01 per tonne in December 2023 (-27% on Dec-22); the January 2024 figure shows a further appreciation of 2.7% on a cyclical basis.

Also for **soft wheat**, prices were reduced in the first half of 2023. However, as of the new 2023/24 marketing year, prices were revalued. In fact, the fundamentals point to elements for 2023/24 that could potentially support tense price phenomena, net of the recent evolution of the geopolitical framework: a worldwide reduction in harvests (-2% to 788 mln/tonne, however after the record of more than 800 mln/tonne of the previous year) and in stocks (-10%), with particular reference to those held by the main exporting countries, which are expected to fall to their lowest levels in 15 years. With regard to national production, the areas invested stand at just over 598 thousand hectares (+11% on 2022) for grain volumes of 3 million tonnes (+10% compared to the disappointing quantities of 2022 penalised by the marked drop in yields caused by the drought); yields for this year are also indicated as falling by a further 1%. As in the case of durum wheat, the grain quality of common wheat was rather disappointing and a significant part of the harvests could be downgraded and a share of the product would have to be destined for animal feed. Again, the poor quality profile of the domestic harvest is favouring the increase in imports, which almost reached 4.5 million tonnes in the first ten months of this year (+13.5% year-on-year). The current campaign had started in July 2023 with a price of Euro 231.71 per tonne (-13% on the previous month) and then continued showing a slight recovery in prices; prices stood at Euro 245.41 per tonne in December 2023 - still 31% lower than in December 2022; in January 2024, prices rose again by about 6% on the previous month.

After the record prices recorded in the first half of 2022 for **corn**, from autumn 2022 onwards and throughout 2023, prices gradually declined. For the 2023/24 marketing year, the IGC most up-to-date estimate of world corn production in 2023 prefigures an annual growth in supply to 1.23 billion tonnes (+5.6%), fully recovering the previous year's slight loss, global stocks also recover (+4.4% to 287 mln/t). Regarding Italy, corn production increased in 2023, after last season's debacle characterised by heat and drought and aggravated by the high presence of aflatoxins. Harvests increased by about 14% to 5.3 million tonnes; this figure is the result of a contrasting dynamic between the areas under cultivation - which fell to an all-time low of 498 thousand hectares (-12%) - matched by an increase in yields per hectare (+29% to 10.7 t/ha in 2023). During this year, the climatic conditions, even though there was a lot of rain and cool temperatures for most of the crop cycle, did not give rise to any particular critical situations, although serious phenomena must be highlighted such as the flooding in Emilia-Romagna, where the provinces most affected represent around 6% of the national surface areas, the intense

hailstorms in some areas in the North-West, while in Friuli-Venezia Giulia some areas were not sown due to prolonged rainfall. From a health point of view, unlike in 2022, there was no high presence of mycotoxins, with the exception of the areas affected by hail. As a result of the increased domestic supply, foreign corn demand declined between January and October 2023 (-9.6% to 5.2 million tonnes); however, it should be noted that in 2022 - due to the sharp drop in production and grain health issues - foreign supplies had increased by 36% annually to almost 7.2 million tonnes. The current campaign made its debut with a price of Euro 249.50 per tonne in July 2023 (stable compared to the previous month) and then dropped to Euro 221.88 per tonne in December 2023 (-33% compared to December 2022), the price in January 2024 (-1.6%) was a further decline.

Fruit and vegetables:

Climate anomalies, the Russian-Ukrainian war and the conflict in the Middle East region have also significantly impacted the fruit and vegetable supply chain. Climate problems have negatively affected production yields in the field, reducing supply, while ongoing military actions have increased production costs and made international trade in raw materials and finished products problematic.

In the fourth quarter of 2023, input prices increased slightly year-on-year (+0.7%) but decreased slightly (-1.1%) compared to the third quarter of 2023. In particular, on a year-on-year basis, energy product prices were very dynamic, with fuels falling by 15% while the cost of electricity rose by 11%. Furthermore, fertiliser prices decreased (-4.5%) while labour costs increased by 7%.

For vegetables and potatoes, the overall input price index decreased by 1.2% compared to the third quarter of 2023 and by 1.8% year-on-year, while for fruit and citrus fruit there was a decrease of 0.9% compared to the third quarter of 2023 and 0.4% year-on-year.

In the fourth quarter of 2023, prices at origin of fruit and vegetables increased by 30% year-on-year mainly due to the reduction of domestic and European supply. The annual rate of price appreciation is similar for the two macro aggregates: +33% for fruit and citrus fruits and +27% for vegetables and potatoes. Among the products registering the highest price increases are table grapes (+156%), carrots (+98%), pears (+70%), kiwis (+62%), potatoes (+54%), apples (+28%), salads (+31%), courgettes (+21%), clementines (+16%) and oranges (+7%). In contrast, slight price reductions were marked by peppers and tomatoes (-2%).

As far as foreign trade is concerned, in the first ten months of 2023, the fruit and vegetable trade balance improved on an annual basis, rising from Euro 2,017 to 2,405 million (+19%), mainly due to the increase in the average export price, which boosted earnings despite the stagnation in the quantities shipped (-1%). On the import side, both expenditure (+9%) and imported quantities (+8%) increased.

Finally, with regard to retail sales on the domestic market, household spending on fruit and vegetables increased by 7% year-on-year in the fourth quarter of 2023, due solely to higher average prices (+7.8%). Price increases on a trend basis affected all categories and in particular: potatoes (+22%), fresh fruit (10%), fresh vegetables (8.4%), citrus fruits (6.8%) and canned goods (+4.8%).

In terms of quantity, in the fourth quarter of 2023, there was a reduction in purchases of about 1% year-on-year, with some categories dropping heavily: citrus fruits (-5.4%) and potatoes (-4.3%). Processed products, especially frozen food (+0.5%) and canned tomatoes (+0.3%) bucked the trend.

Wine:

The year 2023 was particularly affected by the two different campaigns that ran through it. The abundant 2022 production was succeeded by that of 2023, which could be one of the scarcest in recent decades. This influenced the trend in price lists, which fell in the first part of the year, followed by increases from August onwards, with a marked intensification in the last quarter, especially for table wines, which, however, were not so incisive as to prevent the Ismea price index from closing 2023 with a slight drop (-2%) compared to the previous year.

In table wines in particular, the start of the new campaign has created market conditions that are completely reversed compared to the previous one. In a situation of non-abundant availability, in fact, the market responded with a certain liveliness. The increases recorded from the very beginning were

consolidated appreciably in the last three months of the year, marking double-digit increases, compared to the same period the year before, in both whites and reds. In December, the former were quoted at Euro 5.20 per hectolitre and the latter at Euro 5.45 per hectolitre. These are not, however, record price levels, but there is certainly a good recovery from the downturns of the last campaign. The situation is similar in the Spanish market for ordinary wines, which traditionally represents Italy's biggest competitor in this segment. For IGT wines, too, the last few months of the year have seen a decisive upward push in quotations, especially in regions that have experienced significant drops in production. In Sicily, for example, IGT wines, both white and red, have shown increases of more than 30% over the last few months at the prices of the beginning of last summer, while in Abruzzo it is mainly the whites that are showing double-digit rises. The increases in the other regions are much smaller. In spite of this, however, 2023 marked a 3% drop in IGT prices compared to the previous year. Doc-Docg wines also closed with a 2% year-on-year decline but, unlike the other segments, the declines were in whites, while reds were substantially more stable. This is considering an average indicator, while going into detail reveals rather diverse situations. In whites, reductions were mainly recorded in Prosecco and Conegliano Valdobbiadene. Also with a minus sign were some PDOs from Abruzzo and Pinot Grigio delle Venezie. On the other hand, there are slight increases in PDOs from Trentino, Alto Adige, Friuli and Piedmont. On the other hand, some Sicilian and Sardinia PDOs are on the decline. In the reds, on the other hand, there was a good performance of the great reds for ageing, which was contrasted by a reduction in the prices of Lambrusco, Chianti and Sicily DOC wines. The last quarter of the year, moreover, has changed little in the situation for PDO wines, which traditionally do not have a market that follows the campaign but more the calendar year, so it will probably be the beginning of 2024 that will shape the PDO market more. It should also be borne in mind that it was precisely the PDO wines that had the greatest stock problems in the last campaign, so it will be necessary to see how this will combine with the lower 2023 production.

In the last quarter of the year, domestic demand held up well, especially with regard to purchases in large-scale distribution formats, although the cumulative figure since the beginning of the year shows a -3% drop in volume accompanied by an increase in expenditure. Also foreign trade is not brilliant, although it does give some positive indications. Ismea elaborations on Istat data show, in fact, a total export volume of 17.84 million hectolitres in the first ten months of 2023, 1% more than in the same period of 2022, but in value the 6.44 billion realised shows a 1% drop. This is because the export basket has changed, which has seen PDOs (-2.4%) and PGI (-2%) penalised in volume.

Italian operators are well aware of certain critical issues in the sector that are not limited to the economic situation, but have become structural. The drop in global demand is not only the result of an oversized demand during the pandemic because foreign traders were afraid of stock-outs. There is a need to respond to a drop in world consumption together with the reshaping of demand, which on the one hand is moving towards a polarisation of consumption with respect to prices, and on the other demands "easier" and less structured wines. There are also questions about supply management because in some years, a situation of overproduction is evident that may not be manageable in terms of prices and thus profitability.

Oil:

The olive oil market is still going through a very complex phase characterised by price increases at every stage of the supply chain, and while this seems to satisfy the agricultural side, it also leaves plenty of room for perplexity with regard to the resilience of the system and especially consumption.

In the last quarter of the year, in fact, despite expectations of higher production than last year continued, prices remained at very high levels. It was only in November that a certain stabilisation of prices seemed to have arrived, and for all operators it seemed a fairly predictable situation that with the mills at full capacity, or almost full, prices would fall a little, also taking into account the production forecasts and the fact that there would inevitably continue to be a drop in purchases, especially in the large-scale distribution channels. However this situation was short-lived, and already by December, producer prices had started to rise again. The average price of Italian extra virgin exceeded the Euro 9 per kg threshold for the first time, dragged upwards primarily by the markets of northern Apulia, while in Calabria prices remained just below this threshold. In Sicily, prices fluctuated between Euro 9 and 10 per kg, while in Abruzzo they reached as high as Euro 11. In this situation of significant price increases, two elements must be emphasised: the first is the narrowing of the gap between the Evo of

Italian origin and that of other competitors from the Mediterranean basin, and the second concerns the narrowing of price differences between conventional and organic or PDO products from the same territory. The increase in production prices led, with a time difference due to the renewal of contracts between bottlers and large-scale retailers, also to substantial increases in consumer prices, with a marked acceleration in the last quarter of the year, accompanied by drops in purchases. And it was no better on the foreign demand front. The scarcity of availabilities in the 2022/23 campaign and also in the current one did not favour trade. Italy, the world's leading importer, reduced its demand outside its borders by 25% in volume in the first ten months of 2023, with an increase in expenditure of 20%. Reduced purchases also meant less dynamic exports, which recorded -17% in volume and +11% in value.

Beef and veal: For the fourth consecutive year, European beef production is expected to contract (-4.2% in October). The lower supply, albeit in a context of low consumption, keeps exchange values high. In fact, the level of EU prices for cattle remains high also in the year-end 2023 (+3.3% in December compared to December 2022), while European indicative prices for the meat of adult male animals (category ACZ-R3), while remaining for the entire calendar year 2023 higher than the average of the previous three years, after a first half of the year at record levels, in the second half slightly decreased compared to the same period in 2022 (-2.9% in December). The national production situation marks a significant downsizing (-7% of animals slaughtered in the first nine months of 2023): the drop in the availability of French cattle, linked to the reduction of herds and the increase in fattening activity in France, has in fact reduced the number of cattle in Italy for more than a year. Calf prices at the end of the year remained high and trended upwards (+3% in November and +2.4% in December compared to the same month last year). Declines, on the other hand, were seen for cows (-6.5% in December) and their meat (-8.2% in December) due to pressure from competition from imported meat. Meanwhile, production costs are starting to fall thanks to lower energy costs; the November cattle cost index stands at 123 points, -5.9% compared to November 2022. Against a backdrop of steady consumption and declining production, the trade balance necessarily worsened (-21% in January-October combined) with the value of exports down 6% and the value of imports up 14.6%. Domestic meat consumption will recover in 2023, growing by 1.1% after the slight drop in 2022 (-0.5%). In this context, beef and veal, after a heavy drop (-4.4%) in volumes in 2022, marks a timid +0.6% in 2023, which translates into +6.4% in terms of expenditure. The level of consumption in volume terms is still slightly down on the pre-Covid period (-0.6% vs. 2019), with expenditure having grown by 19% in the meantime.

Eggs: Domestic egg production, after a slight decline in 2022 (-0.6% vs. 2021), is expected to recover slightly in 2023 (+0.6%). In 2023, egg prices continued to show clear growth, consolidating the list price appreciation that began in August 2021, and continued throughout 2022, in response to the large increase in production costs and supported by buoyant demand. Specifically, in January 2023, the prices of "Medium" eggs from "free-range" reached Euro 18.4 per 100/pc when leaving the packing warehouses, and were higher (+25%) than in the same period last year. In April, prices peaked at Euro 19.2 per 100/pc (+18% vs. 2021). The market was favoured during this time by a general drop in supply within Europe as a result of the restrictions put in place to contain bird flu, which favoured our exports. Since May, the normalisation of production systems in other countries as well as in ours has led to an increase in domestic availability and a consequent slight reduction in the average price. In October 2023, the price of eggs fell below the 2022 level for the first time in the year (-1%) to Euro 17.5 per 100/pc. The poultry sector seems to have entered a phase of normalisation after two complex years characterised by critical production costs and the impacts of bird flu. In particular, there was a partial readjustment of input prices, especially for energy (-30% compared to the same period last year) and feed. In fact, the egg sector, as well as the poultry meat sector, had also been hit by price increases on imported grain-based feeds due to the conflict between Russia and Ukraine, compounded by increased Chinese demand for corn and soy. In fact, the cost of feeding - mainly based on these raw materials - accounts for more than 60% of the production costs of eggs. Eggs accounted by volume for 4% of the animal protein purchased by households in the last year. Among all protein foods, eggs

are the product that showed the highest growth in volume purchases over the past year (+3.5%). Together with meat, eggs are the product for which consumption increased the most compared to the pre-pandemic period: (2019) +5.3%. If we want to trace a change in purchasing habits over the last few years, we can say that, while the share of expenditure dedicated to protein products of animal origin in the total agri-foodstuffs sector remains stable (40% of expenditure), there is a positive propensity to consume meat and eggs at the expense of dairy and fish products. The sales channel where most eggs were sold was the Supermarket (39%) with sales up 3.9% in volume (year-on-year), followed by Discount with a 31% share of total egg sales for domestic consumption (+2% vs '22). The hypermarket, where 19% of the eggs are sold, is the channel where the most interesting increase in sales took place (+6.4%). With reference to expenditure, after the 12.6% increase for 2022, in the first nine months of 2023, the increase is accentuated, marking a further +19.8%, thanks to the simultaneous increase in volumes sold and average prices.

Dairy:

In spite of the heavy legacies of the previous year, in terms of rising raw material costs, inflation and high interest rates that limited investments in general, and the ever-increasing demands in terms of environmental sustainability for dairy farms, the European dairy sector confirmed its resilience in 2023: overall, milk production held up and the EU confirmed its position as world leader in dairy exports. In detail, cow's milk deliveries increased slightly in the EU-27 (+0.4% in January-October), as a result of contrasting dynamics in the main producing countries: Germany (+2.0%), the Netherlands (+1.7%), Poland (+1.9%), France (-2.7%), Ireland (-2.1%). Farm-gate milk prices recovered slightly at the end of the year in the EU27 average. However, the estimated value for December (Euro 46.1/100 kg) is more than 20% lower than the quotations a year ago. In Italy, cow's milk deliveries continue to decrease compared to last year and, according to Agea data, the drop in 2023 is 1.5%. Despite the lower domestic supply, the competitive pressure exerted by the main suppliers pushed down the national farm-gate milk price, which came to Euro 49.9 per 100 litres in December (-15% compared to a year ago). The prices of inputs used on dairy farms, while remaining at high levels, started to contract from the summer onwards and, according to the Ismea index, fell by 14% year-on-year in the fourth quarter. Overall for 2023, the index showed substantial stability, mainly as a consequence of falling feed prices (-2% compared to 2022) and slower growth in energy prices (+16% in 2023 compared to +70% in 2022). Since the second half of 2023, the quotations of the main leading products of the domestic dairy market have progressively shown signs of subsidence. The Ismea index of prices at origin for dairy products showed an overall growth of +1% in 2023, after +14.6% on average in 2022. In detail, as far as the main leading products are concerned, a drop of -8.1% on a trend basis was recorded for Parmigiano Reggiano prices in the fourth quarter, -5.5% for Grana Padano, -3.7% for sweet mature Gorgonzola, -2.0% for cow's mozzarella. On the foreign demand side, exports of Italian cheese and dairy products grew by 13.7% in value and 5.8% in volume in the period January-October 2023, driven by buoyant French demand and the recovery of the German market. On the debit side of the trade balance, lower domestic availability is driving imports of tank milk (+57.1% in volume in the first ten months of 2023) with Germany moving back into the historical role of first supplier.

Below is the trend of GDP changes segmented by sectors in trend and cyclical terms.

Componenti del PIL, valori reali (dati concatenati - anno di riferimento 2015)

	Var.% an- nua 22/21	Var. % trimestrali				
		tendenziali*				
		T3 2022	T4 2022	T1 2023	T2 2023	T3 2023
Pil	3,7	2,6	1,6	2,1	0,3	0,1
Importazioni di beni e servizi	12,4	14,7	6,8	2,3	1,6	-3,2
Consumi finali nazionali	3,9	3,2	1,5	2,7	1,1	-0,2
spesa delle famiglie e delle ISP**	5,0	4,1	2,0	3,7	1,5	-0,2
spesa delle AAPP***	0,7	0,5	-0,1	-0,1	-0,4	-0,3
Investimenti fissi lordi	9,7	8,3	6,2	3,5	-0,4	-0,2
Esportazioni di beni e servizi	9,9	8,6	9,5	2,4	-1,1	-0,4
		congiunturali°				
		T3 2022	T4 2022	T1 2023	T2 2023	T3 2023
Pil		0,3	-0,2	0,6	-0,4	0,1
Importazioni di beni e servizi		2,8	-2,1	0,2	0,7	-2,0
Consumi finali nazionali		1,9	-1,1	0,6	-0,2	0,6
spesa delle famiglie e delle ISP**		2,5	-1,6	0,6	0,0	0,7
spesa delle AAPP***		-0,1	0,4	0,4	-1,0	0,0
Investimenti fissi lordi		-0,2	0,9	1,0	-2,0	-0,1
Esportazioni di beni e servizi		-0,1	1,5	-1,4	-1,1	0,6

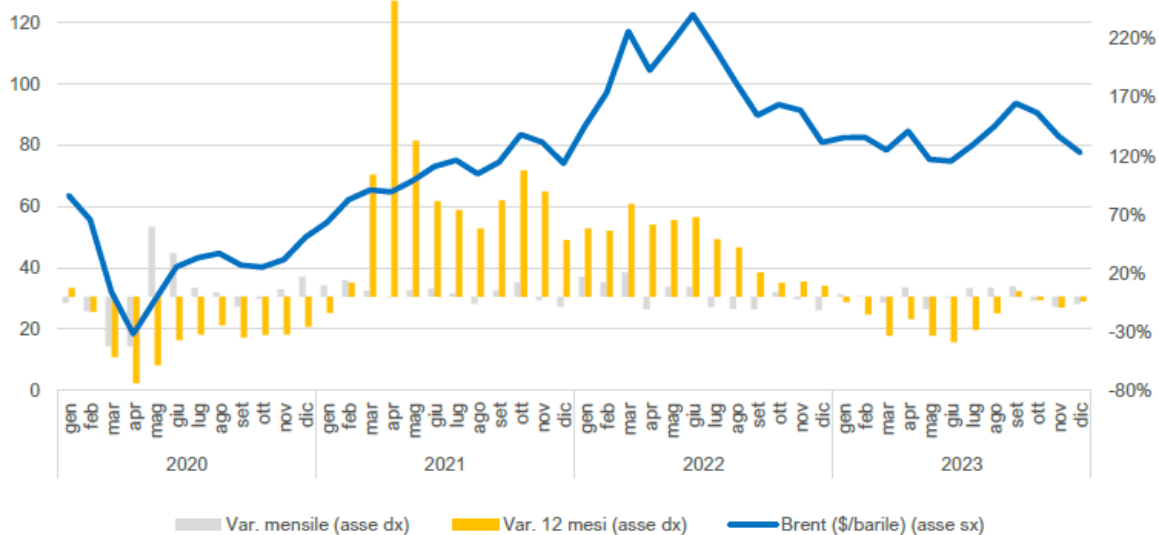
* Var % rispetto allo stesso trimestre dell'anno precedente; ° Var% rispetto al trimestre precedente; ** Istituzioni sociali private al servizio delle famiglie; ***Amministrazioni Pubbliche.

I dati trimestrali sono destagionalizzati e corretti per gli effetti di calendario (se necessario), quelli annuali grezzi.

Fonte: elaborazioni Ismea su dati Istat, Conti economici nazionali annuali e trimestrali

Below are the dynamics of oil price developments

Prezzo del petrolio (Brent - \$/barile, variazioni mensili e annue)



Fonte: elaborazioni Ismea su dati U.S. Energy Information Administration

Below is the ISMEA current average producer price index

Indice dei prezzi dei mezzi correnti di produzione Ismea per voce di spesa (2010=100)

	Var.% annua		Var. % trimestrali tendenziali*			
	23/22	T4 2022	T1 2023	T2 2023	T3 2023	T4 2023
Sementi e piantine	6,5	7,7	5,5	5,8	7,6	7,1
Concimi	-1,1	26,3	11,0	-0,2	-5,2	-8,4
Antiparassitari	1,0	2,3	1,5	1,1	0,9	0,4
Prodotti energetici	8,9	59,5	27,8	5,3	8,7	-2,7
Animali allevamento	11,5	23,0	16,0	14,3	11,2	5,1
Mangimi	-0,6	30,4	18,6	6,1	-9,0	-14,5
Salari	2,0	2,7	3,5	2,6	1,0	1,0
Servizi agricoli (lavoro conto terzi)	12,8	33,9	21,8	14,8	10,2	5,6
Altri beni e servizi	6,5	6,3	6,5	9,4	6,3	4,1
Totale	3,8	23,6	14,4	5,7	0,5	-4,3

	Var. % trimestrali congiunturali°				
	T4 2022	T1 2023	T2 2023	T3 2023	T4 2023
Sementi e piantine	1,4	1,0	2,6	2,4	0,9
Concimi	2,5	-4,0	-1,5	-2,3	-0,9
Antiparassitari	0,3	0,6	0,1	-0,1	-0,2
Prodotti energetici	8,0	3,2	-1,2	-1,3	-3,3
Animali allevamento	0,0	4,1	9,2	-2,2	-5,4
Mangimi	4,2	-0,8	-3,8	-8,5	-2,1
Salari	0,0	0,8	0,1	0,2	0,0
Servizi agricoli (lavoro conto terzi)	4,4	3,7	0,9	1,0	0,0
Altri beni e servizi	6,8	3,1	1,3	-4,7	4,6
Totale	3,2	0,8	-0,4	-3,1	-1,6

*Variazione tra il dato del trimestre e il dato del trimestre corrispondente nell'anno precedente.

° Variazione tra il dato del trimestre e il dato del trimestre precedente.

Fonte: Ismea

Regarding the performance of the main businesses in the agro-supply sector (the sector in which the CAI network operates), the following is summarised below:

Phytopharmaceuticals:

The Italian phytosanitary sector recorded a positive performance in 2023, with a 2.5% growth in turnover compared to 2022. This was due to a number of factors, including the increase in prices of agricultural products, which led farms to invest more in pest control to ensure production, the spread of new technologies and pest control techniques, which helped to improve the effectiveness and efficiency of treatments. The consumption of plant protection products in Italy in 2023 was mainly concentrated on vegetable crops (77.7%), followed by tree crops (17.6%) and arable crops (4.7%).

Fertilisers: The fertiliser sector in Italy recorded a negative trend in 2023, with a drop in turnover of 10.5% compared to 2022. Rising production costs were a major factor in the decline in fertiliser consumption in 2023. In fact, rising prices of raw materials, such as natural gas and phosphorus, led to an increase in fertiliser production costs that was passed on to consumers, who reduced their fertiliser consumption to save money.

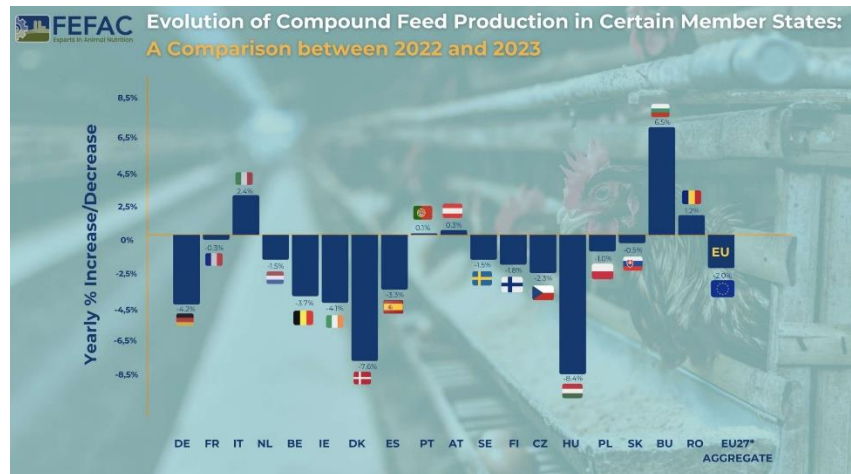
Seeds: The seed sector grew by 2% in 2023, compared to 2022. This result was driven by the demand for sowing products for crops, especially cereals, oilseeds and horticulture. The growth of the sector has also been

facilitated by the increase in agricultural product prices, which has made the use of certified seed more profitable.

Fertilisers: The year 2023 saw a significant drop in fertiliser prices compared to 2022, with prices for some products such as urea and ammonium nitrate falling by half. The main factors contributing to this trend were: (1) the decrease in demand from farmers, due to rising production costs and the war in Ukraine; (2) the increase in fertiliser supply, due to the resumption of production in China and other countries. In 2023, the Italian fertiliser market dropped by more than 30%.

In particular, the price of urea decreased by about 50% from the peak reached in March 2022, ammonium nitrate decreased by about 40% from the peak reached in March 2022, and the price of ammonium sulphate decreased by about 30% from the peak reached in 2022.

Feed: The production of compound feed for farmed animals in the EU (EU-27) in 2023 decreased by 2% compared to 2022, to 144.3 million tonnes. The feed market in 2023 is influenced by the negative impacts of climate change, causing e.g. droughts and floods, and animal diseases (including avian influenza and African swine fever) on the supply of raw materials and animal production capacity. Another factor to consider is national policies regarding the reduction of greenhouse gas emissions and nitrate emission regulations. Furthermore, changes in production methods, as well as reduced or shifted demand due to changes in consumer preferences (the impact of food price inflation), are affecting the production of compound feed differentially between Member States.



As can be seen in the graph above, countries such as Germany, Ireland, Denmark and Hungary saw a decrease of around 5% in feed production, other countries such as Austria, Bulgaria, Italy and Romania saw a modest increase. The remaining Member States marginally reduced their feed production or maintained it at a similar level to the previous year.

Commentary on the main results of 2023

In the last two financial years, the B.F. Group embarked on an important path to strengthen its business model by controlling the activities carried out by CAI and its subsidiaries in the field of supplying goods and services to the agricultural world; the integration and complementarity with the historical business of Bonifiche Ferraresi has made it possible to give concrete form to the concepts of supply chain, services and horizontal integration expressed in the Group's strategic guidelines. Following the reorganisation of operations initiated with the new business plan, the Group is now organised into the following business and development areas:

Agro-industrial sector:

- The development of the activity of transforming agricultural raw materials into pasta, couscous, rice and legumes packaged under the "Le Stagioni d'Italia", "BIA" or Private Label brands, destined for large-scale distribution (GDO) with the aim of delivering to the end consumer a genuine, Italian product, traced throughout its life cycle;
- Expansion of the range of products offered under the "Le Stagioni d'Italia" brand, through the launch of new product references (Bakery, Frozen, Pre-cooked, Couscous and Biscuits) with the aim of increasing the range of supply chain products marketed;
- Consolidation of the pasta offer through the acquisition of Pastificio Fabianelli, also active in the production of egg pasta and strongly oriented to the sale of own-brand products ("Pasta Toscana", "Maltagliati", "Fabianelli") in foreign markets;
- Consolidation of the couscous market presence through the subsidiary BIA;
- The programming of cultivation plans, developed within the estates in coherence with the activity of transforming agricultural materials into packaged products. The table below shows the 2023 cultivation plans by sown area and compares them with those of 2022.

Harvest type	Description	Surface area 2023	Surface area 2022
1ST HARVEST	Grain cereals	1,444	1,018
	Fodder	1,494	1,659
	Fruit	116	79
	Medicinal	4	49
	Oleaginous	832	737
	Horticulture	660	1,040
	Products for livestock	1,020	785
	Paddy rice	456	556
	Olive trees	64	64
1ST HARVEST Total		6,089	5,987
2ND HARVEST	Silage cereals	-	3
	Oleaginous	59	79
	Horticulture	60	27
	Products for livestock	-	35
	Paddy rice	-	10
2nd HARVEST Total		120	154
Overall total		6,209	6,141

As early as 2020, the crop plan programme is set to reintroduce second harvests. In the course of the 2023 crop year, in view of the impacts of climate change phenomena, there were rescheduling of the cultivation plan. Compared to the total area of owned land, there are approximately 1,100 hectares that are used for the cultivation of agricultural products for third parties (mainly alfalfa and olives), and which have therefore been indicated in the table relating to the Group's cultivation plans in 2023.

Seed sector

In February 2023, the transfer of the CAI seed business to SIS took effect, creating the Group's Seed Hub. This aggregation allowed the company to seize important opportunities to rationalise costs, strengthen its research and development structure and expand its product offering.

CAI sector

The CAI division contributed Euro 1,172 million in turnover in 2023. CAI division means the contribution by the subsidiary CAI and its subsidiaries.

In order to provide a complete representation of revenue activities by line of business inherent in the CAI division, the relevant detail is provided, gross of intra-group eliminations and therefore referring to the CAI sub-consolidated scope at 31 December 2023:

Revenues by product type	31/12/2023	31/12/2022	Change
Fertilisers and Phytopharmaceuticals	224,371	138,077	86,294
Fuels	377,357	335,659	41,698
Grain cereals	190,931	225,239	(34,308)
Fodder crops and Feeds	163,623	90,528	73,095
Sales of seeds	71,230	62,096	9,134
Mechanisation/Plant Engineering	35,690	32,829	2,861
Garden	27,818	20,813	7,005
Plastics / irrigation	22,994	16,035	6,959
Fruit and vegetables	20,681	13,032	7,649
Insurance	12,928	8,995	3,933
Cellar	6,083		6,083
Sundry services	10,897		10,897
Other revenues	7,626	12,923	(5,297)
Total	1,172,229	956,226	216,003

The following tables show Group revenues from sales by company and by business sector.

It is specified that, in line with the new business plan, the Group's sectors have been reorganised as follows:

- Agro-industrial sector: includes all the Group's agricultural and industrial activities;
- CAI sector: includes all activities carried out by the subsidiary CAI (comparable with the Fuels and CAI segments of previous financial reports);
- Seed sector: corresponding to the Group's seed business (corresponding to SIS and CAI seed sales).

Revenues by company	31/12/2023 Consolidated	31/12/2022 Consolidated	Changes	31/12/2023 - In % of Tot	31/12/2022 - In % of Tot
BF	77	166	(89)	0.0%	0.0%
Bonifiche Ferraresi	277	1,198	(921)	0.0%	0.1%
BF Agro-Industriale	31,258	24,152	7,106	2.4%	2.3%
SIS	37,332	39,605	(2,273)	2.8%	3.7%
BF Agricola	26,453	25,454	999	2.0%	2.4%
BF BIO	5	-	5	0.0%	0.0%
IBF SERVIZI	-	5,090	(5,090)	0.0%	0.5%
FABIANELLI	20,458	-	20,458	1.5%	0.0%
CAI	1,163,731	956,226	207,505	87.7%	90.1%
BIA	46,829	9,987	36,842	3.5%	0.9%
Revenues from sales	1,326,421	1,061,878	264,543	100%	100%

Revenues from sales by sector	31/12/2023 Consolidated	31/12/2022 Consolidated	Changes	31/12/2023 - In % of Tot	31/12/2022 - In % of Tot
Agricultural	21,459	29,691	(8,232)	2%	3%
Livestock	18,108	17,892	216	1%	2%
Industrial/Packaged	100,956	24,946	76,010	8%	2%
Agricultural services (precision farming)	0	7,809	(7,809)	0%	1%
Intra-sectoral eliminations	(15,242)	(14,457)			
Tot. Agro-industrial	125,280	65,881	59,399	9%	6%
Seeds	108,562	101,701	6,861	8%	10%
CAI	1,092,501	894,130	198,371	82%	84%
Services/Other	77	166	(89)	0%	0%
Revenues from sales	1,326,421	1,061,878	264,543	100%	100%

From a methodological point of view, in the first table above, which shows the revenues per company, intra-group revenue eliminations are applied on a company-by-company basis. Therefore, the revenues from sales in the first table are net of intra-group transactions.

The second table shows the Group's revenues by business sector and, also in this configuration, the figures are net of intercompany eliminations.

Compared to 31 December 2022, the Business Unit "Agricultural Services" was eliminated from the Agro-industrial sector, relating to the consulting activity for precision farming services, following the valuation transaction of the subsidiary IBF Servizi on 30 December 2022 with the consequent deconsolidation of the same subsidiary.

As a result of the reorganisation of the sectors provided for in the new business plan, the Fuels Business Unit was incorporated into the CAI sector.

The Group increased revenues by approximately Euro 264 million from Euro 1,062 million at 31 December 2022 to Euro 1,326 million at 31 December 2023.

The sector that contributes the most to the Group's revenues, with about Euro 1,163 million, is the CAI division, which accounts for about 82% of revenues. Within this item, the activities of "fertilisers and pesticides", "fuels", "cereals", and "fodder crops" contributed the most. Revenues in this sector increased compared to the previous year mainly due to the consolidation for a period of 12 months of the Consorzio Agrario del Nord Est business unit transferred to CAI as of 1 September 2022.

The seed sector grew by about 6.7% from Euro 102 million in 2022 to Euro 109 million in 2023. The seed sector was affected both by the weather trend, which led to a delay in sowing on soft wheat, and by a drop in market prices on durum wheat.

The agro-industrial division increased from Euro 66 million in 2022 to Euro 125 million in 2023, mainly due to the contribution made by the subsidiaries BIA and Fabianelli, in the "packaged/industrial" division, the "livestock" division expanded thanks to the contribution of the barn activities in Sardinia, the "agricultural" division was affected by the dynamic weather trend that influenced yields and the drop in agricultural commodity prices.

The following tables show production value by company and business sector, which follow the same methodology for construction as for revenues from sales.

Production value by company	31/12/2023	31/12/2022	Changes	31/12/2023 - In % of Tot	31/12/2022 - In % of Tot
BF	7,414	7,920	(506)	1%	1%
Bonifiche Ferraresi	6,594	1,866	4,728	0%	0%
BF Agro-Industriale	34,086	25,734	8,352	2%	2%
SIS	39,750	39,997	(247)	3%	4%
BF Agricola	44,734	56,146	(11,412)	3%	5%
BF BIO	(3)		(3)		
IBF SERVIZI		8,425	(8,425)	0%	1%
FABIANELLI	20,722	-	20,722	1%	0%
CAI	1,186,498	970,259	216,239	86%	87%
BIA	46,714	10,047	36,667	3%	1%
PV	1,386,510	1,120,394	266,116	100%	100%

Production value by sector	31/12/2023	31/12/2022	Changes	31/12/2023 - In % of Tot	31/12/2022 - In % of Tot
Agricultural	44,908	46,306	(1,398)	3%	4%
Livestock	19,536	21,115	(1,579)	1%	2%
Industrial/Packaged	104,118	36,602	67,516	8%	3%
Agricultural Services	0	10,681	(10,681)	0%	1%
Intra-sectoral eliminations	(15,716)	(12,485)			-1%
Tot. Agro-industrial	152,847	102,219	50,628	11%	9%
Seeds	110,980	106,989	3,991	8%	10%
CAI	1,115,268	903,266	212,002	80%	81%
Services/Other	7,414	7,920	(506)	1%	1%
PV	1,386,510	1,120,394	266,116	100%	100%

Production value increased compared to the previous year mainly due to the consolidation for a period of 12 months of the Consorzio Agrario del Nord Est business unit transferred to CAI and of the subsidiaries BIA and Fabianelli, increased performance of the Industrial division and growth in the seeds area.

2. RUSSIAN-UKRAINIAN AND ISRAELI-PALESTINIAN CONFLICT

Among the most important events in 2023 is the recent Israeli-Palestinian conflict, which could affect international logistics and demand.

In relation to the assessments made on the economic outlook of Group companies, account was also taken of the impacts resulting from the still ongoing invasion of Ukraine by Russia and relating to the conflict between Israel and Hamas, noting in the estimates the negative repercussions at global level on the trend of commodity prices, in particular energy raw materials, of the circulation of goods, on the now global dynamics of supplies, and on the inflationary dynamics of prices, with consequent impacts on operating activities or pressure on margins. It should be noted that the Group does not operate either directly or indirectly in the Russian, Ukrainian and/or Israeli-Palestinian markets. Therefore, the effects on economic performance are those solely attributable to the evolution of the global macro-economic framework.

However, 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 the year ended 31 December 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. These circumstances gradually diminished during the first half of 2023, without significantly affecting the profitability and results recorded with respect 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.

Furthermore, the Directors believe that the financial conditions in which the Group currently finds itself do not call into question its solvency in the short term and, on the contrary, provide greater autonomy to take the measures deemed

necessary to preserve the achievement of its objectives.

Finally, at present, despite the strong fluctuations suffered by world stock market prices as a result of the situation described above and the increased macroeconomic instability generated by the Russia-Ukraine and Israel-Hamas conflicts, the current stock market value of the shares of B.F. S.p.A. is higher than the corresponding values implied in the consolidated equity at 31 December 2023.

In any case, the company as well as the Group constantly monitors the evolution of the context and the potential impacts on the business.

3. SIGNIFICANT EVENTS IN 2023

The following significant events occurred during 2023:

- i. Sale in several tranches of an 2.88% shareholding in the company Bonifiche Ferraresi S.p.A. Società Agricola;
- ii. Integration of the CAI-SIS Seed Hub;
- iii. Resolution to approve a dividend of Euro 0.04 per share;
- iv. Appointment of the Board of Statutory Auditors for the three-year period 2023 - 2025 and determination of the relevant remuneration;
- v. Establishment of BF International;
- vi. Agreements signed for the granting of the concession for cultivation in Algeria;
- vii. Subscription of SIS shares;
- viii. Approval of the business plan 2023-2027;
- ix. Establishment of BF BIO;
- x. Establishment of the cereal cluster hub;
- xi. Ecomaturasi S.p.A. transaction;
- xii. 2023 capital increase;
- xiii. Egypt strategic partnership agreement.

The following is a summary of the operations indicated.

- i. Sale in several tranches of an 2.88% shareholding in the company Bonifiche Ferraresi S.p.A. Società Agricola;

In 2023, 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 2.88% of the share capital held in the subsidiary to third parties for a total countervalue of Euro 11.5 million. These transactions, even if carried out with third parties, fall within the scope of IFRS 10 relating to changes in interest in the subsidiary that do not result in a loss of control and are therefore accounted for as equity transactions. After the disposals, the shareholding decreased from 78.33% at 31 December 2022 to the current 75.45%.

It should be noted that 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. retains 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 such enhancement.

ii. Integration of the CAI-SIS Seed Hub;

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 S.p.A.

Since this transaction took place between companies belonging to the Group, it was neutral in terms of its effect on the consolidated equity and result.

iii. Resolution to approve a dividend of Euro 0.04 per share;

The Shareholders' Meeting, which met on 10 May 2023 and approved the company's financial statements at 31 December 2022, simultaneously resolved to distribute a total dividend of Euro 0.04 per share.

In detail, the Shareholders' Meeting resolved to allocate the year's profit of Euro 8,919,062.74 as follows:

- Euro 2,056,102, to "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 6,519,812.70 to the Shareholders as dividend, equal to Euro 0.03485 per share;

The aforementioned Shareholders' Meeting also resolved to distribute an additional dividend in the total 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.

Based on the above, the total amount of the dividend is 7,482,382.60 or 0.04 for each of the 187,059,565 outstanding shares.

The dividend was paid with an ex-dividend date of 23 May 2023 (coupon number 7), record date 23 May 2023 and payment date 24 May 2023.

iv. Appointment of the Board of Statutory Auditors for the three-year period 2023 - 2025 and determination of the relevant remuneration;

The Shareholders' Meeting, which met on 10 May 2023 and approved the company's financial statements at 31 December 2022, simultaneously appointed as statutory auditors for the three-year period 2023-2025, and therefore until the Meeting convened for the approval of the financial statements at 31 December 2025, the following:

1. Roberto Capone (Chair)*;
2. Guido De Cristofaro (Standing Auditor)**;
3. Laura Fabbri (Standing Auditor)*;
4. Raffaele Lerner (Alternate Auditor)**;
5. Simona Gnudi (Alternate Auditor)**;

** taken from list no. 1 submitted by the shareholders INARCASSA and Fondazione ENPAM, who jointly own 4.99% of the BF share capital.*

*** taken from list no. 2 submitted by the shareholder ARUM S.p.A., owner of 21.89% of the BF share capital.*

The Shareholders' Meeting resolved to approve an emolument of Euro 45,000 for the Chair and Euro 30,000 each for the Statutory Auditors, gross of withholding taxes and accessories required by law, where applicable, pro rata temporis and on a straight-line basis, for each financial year.

v. Establishment BF International S.r.l.;

On 30 May 2023, BF International was established, which plans to export the BF Group's supply chain model and know-how for food and non-food production. Specifically, the BF International operating model in the food sector involves offering two distinct activities based on geography:

- (i) land management for local production of strategic crops for local consumption in Africa, the Middle East, Eurasia,
- (ii) business services/agronomic consultancy for land/greenhouse management.

BF International in the non-food area plans to develop the production of oil crops to be used for the production of biofuels with a focus in Eurasia and Africa

vi. Agreements signed for the granting of the concession for cultivation in Algeria;

BF Algeria is the company vehicle set up ad hoc in agreement with the Algerian partner Benmalem Imed Ben Hocine (Copro Sud - leading player in Algerian logistics) and that will be controlled by BF. The binding agreements signed will enable BF Algeria to complete the process for the granting of the concession for the cultivation of south Saharan areas of the territory by the Algerian government, which has already allocated a cultivable area of approximately 900 hectares.

BF Algeria represents a further step by the BF Group towards the realisation of its international development project, particularly focused at this stage on North Africa.

vii. Subscription of SIS shares;

On 11 July 2023, BF S.p.A. was awarded the auction promoted by the Court of Potenza in the context of the bankruptcy proceedings of the Consorzio Agrario Regionale della Lucania e Taranto concerning 1,921,946 shares of SIS Società Italiana Sementi S.p.A., corresponding to 2.84% of the share capital. The award price was Euro 237 thousand.

On 20 July 2023, BF purchased 1,678,664 shares of SIS Società Italiana Sementi S.p.A., corresponding to 2.48% of the share capital, from Consorzio Agrario di Bolzano for Euro 880 thousand.

viii. Approval of 2023-2027 business plan;

On 21 July 2023, the Parent Company's Board of Directors approved the 2023-2027 Business Plan ("Business Plan" or "Plan"), which confirms the constant and sustainable growth of the BF Group, and which has become a platform serving the entire agro-industrial chain, made up of complementary realities in strong synergy, with the aim of continuing to create value for shareholders and all other stakeholders.

In particular, the new Business Plan has the following objectives:

- growth and efficiency in the existing Agro-Industrial, Seed Hub sectors and Consorzi Agrari d'Italia S.p.A. ("CAI");
- launch and development of an internationalisation process, with the aim of exporting the BF Group's supply chain model and know-how, in the food and non-food sectors, and overseeing all production and commercial stages, by setting up BF International;
- creation of training and development of agritech research - to qualify human capital for employment in the BF Group and partner companies by establishing BF University.

The investments envisaged over the Plan period - amounting to approximately Euro 575 million - will allow a gradual improvement in the main economic and financial indicators. The Group plans to carry out its investment operations through the use of resources deriving from the capital increase transaction examined on the same date by the Board of Directors, from transactions involving Group entities and from leverage instruments.

With reference to the implementation of the Plan, the Board of Directors approved to submit to the Extraordinary Shareholders' Meeting, called for 27 September 2023, the proposal to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, a proxy to increase the share capital, for consideration, through the issue of shares to be offered as options to shareholders, for a maximum amount of Euro 300,000,000, including any share premium. The subscription of the new shares resulting from the capital increase was offered under option to BF shareholders, as well as to third parties in respect of the new shares that were not subscribed under option. It should be noted that some of BF shareholders had expressed their support for the subscription of the capital increase. In particular, the shareholders Dompé Holdings s.r.l., Intesa Sanpaolo S.p.A. and Arum S.p.A., which currently hold a total of 50.18% of the BF share capital, irrevocably undertook to exercise in full all the option rights to which each of them is entitled under the capital increase and, therefore, to subscribe newly issued shares pro rata to their shareholding in BF.

The commencement of the capital increase in exercise of the Proxy was subject to the approval of the Extraordinary Shareholders' Meeting, as well as the issue by CONSOB of the order approving the prospectus (pursuant to Regulation no. 2017/1129 of the European Parliament and of the Council of 14 June 2017) relating to the offer itself. For further details, please refer to note xii) below.

ix. Establishment of BF BIO;

On 28 July 2023, the subsidiary Bonifiche Ferraresi S.p.A. established the company B.F. Bio S.r.l., whose corporate purpose is the exclusive exercise of agricultural activities and activities related to agriculture as defined in Article 2135 of the Italian Civil Code. The share capital of the newly-incorporated company amounts to Euro 50 thousand and was released through the contribution of the business unit engaged in the breeding and forestry management activities carried out at the farm unit "Le Piane-Poggione- Macchia al Toro" in the municipalities of Massa Marittima and Monterotondo Marittimo (GR) that the transferring company Bonifiche Ferraresi has been holding under agrarian concession and lease since 2020. The transfer took effect on 1 August 2023.

x. Establishment of the cereal cluster hub;

As part of the reorganisation of the BF Group between the companies B.F. Agro Industriale, B.F. Agricola, CAI

and BF, an operation was set up to create a cereal growing and processing centre for agricultural products of excellence in order to allow the distribution network to be made more efficient, research and development to be strengthened, production to be optimised, and the product range to be expanded.

To this end, an integration process into BF Agro Industriale was initiated in the first half of 2023: (i) BF Agricola Agricultural Products Processing Business Unit, (ii) CAI San Felice Business Unit, (iii) BF Investment in BIA, (iv) BF Investment in Pastificio Fabianelli, (v) CAI Investment in Pastificio Fabianelli and (vi) BF Investment in Milling Hub.

In light of the foregoing, on 28 June 2023, following the issue by the Municipality of Jolanda di Savoia of a special permit for the change of use of areas located in Jolanda di Savoia from exclusively agricultural areas to productive areas, B.F. Agricola was demerged by assignment of part of its equity to B.F. Agro Industriale (both wholly owned subsidiaries of BF). In particular, the Agricultural Products Processing Business Unit was assigned to the beneficiary company in accordance with the demerger plan.

The Agricultural Products Processing Business Unit subject to assignment comprises, in summary:

- all assets (tangible assets, intangible assets, receivables, projects and contractual positions) related to the rice milling business, the milling business, the dried fruit (i.e. peanuts) and legumes processing business;
- the liabilities, represented, in brief, by i) accumulated amortisation and depreciation of all intangible and tangible assets pertaining to the assets of the Agricultural Products Processing Business Unit; ii) payables to personnel of the same business unit; iii) payables to suppliers of the Agricultural Products Processing Business Unit as well as all payables for loans taken out for the operation of the business unit being assigned as a result of the demerger.

In exchange for the transfer of the aforementioned assets, equity of Euro 29,099,310.38 was assigned to the demerged company, of which Euro 500,000.00 allocated to the demerged company's share capital (assigned to the sole shareholder BF) and the difference of Euro 28,599,310.38 to the Demerger surplus reserve. The share capital of B.F. Agro Industriale following the allocation is, therefore, Euro 1 million.

As a result of the demerger, the equity of the demerged company B.F. Agricola was reduced by a total of Euro 29,099,310.38, notwithstanding the current nominal share capital of the demerged company.

Also on 28 June 2023, the transfers by BF and CAI to BF Agro Industriale were finalised.

In particular, the Shareholders' Meeting of BF Agro Industriale resolved to increase the share capital by a total of Euro 1,512,506.00 with a share premium of Euro 46,087,311.00, of which Euro 955,647.00 reserved for the sole shareholder B.F. S.p.A., to be released in kind by transfer of the BF investment in BIA, in Pastificio Fabianelli and in Milling Hub.

The remaining part of the increase, amounting to Euro 556,859.00, was reserved for the third non-shareholder CAI for the purpose of acquiring the San Felice Business Unit (having as its object the processing and packaging of legumes and cereals for food use), and the investment in Pastificio Fabianelli.

The demerger and transfers had an effective date of 1 July 2023.

Since this transaction took place between companies belonging to the Group, it was neutral in terms of its effect on the consolidated equity and result.

xi. Ecornaturasi S.p.A. transaction;

On 17 November 2023, the BF Group signed an investment agreement with EcorNaturasi S.p.A. ("Naturasi") and its shareholders Ulirosa S.p.A. ("Ulirosa"), Alpa s.r.l., Invest Tre s.r.l., Dean Thomas William, Luisante S.A., Ernst Schutz and Purpose Evergreen Capital GMBH & Co. KGAA (owners of 56.99%, 23.83%, 8.75%, 1.25%, 6.32%, 0.95% and 1.91% of the Naturasi capital respectively).

The investment agreement provides for (i) the stipulation between BF and Naturasi of a commercial agreement for the purchase and distribution by Naturasi of organic products produced and/or marketed by the BF Group; and (ii) the subscription of a divisible paid capital increase of Naturasi to BF, or one of its subsidiaries, for a total

amount of Euro 25 million (the "Naturasi Capital Increase"), as a result of which the BF Group will acquire a shareholding representing 11.27% of the Naturasi share capital. At 31 December 2023, BF has subscribed to the first tranche of the capital increase in the amount of Euro 5 million and holds, as of today, 2.47% of the share capital.

xii. 2023 capital increase;

On 13 December 2023, B.F. S.p.A. successfully completed the offering of up to a maximum of 74,823,826 BF ordinary shares arising from the divisible capital increase for consideration, for a maximum amount (including share premium) of Euro 299,295,304, subject to the resolutions of the Company's board of directors of 16 October and 6 November 2023, pursuant to the authority granted to the administrative body by BF extraordinary shareholders' meeting of 27 September 2023 pursuant to Article 2443 of the Italian Civil Code. During the option offer period of the New Shares to holders of BF ordinary shares, which commenced on 13 November 2023 and ended on 30 November 2023, inclusive, 148,436,020 option rights were exercised and, as a result, 59,374,408 New Shares were subscribed for, representing 79.35% of the total number of New Shares offered, for a total amount (including share premium) of Euro 237,497,632. Pursuant to Article 2441, paragraph 3, of the Italian Civil Code, the remaining 38,623,545 option rights that were not exercised during the Option Period (granting the right to subscribe the remaining 15,449,418 New Shares) were offered on the regulated market Euronext Milan, organised and managed by Borsa Italiana S.p.A., and entirely sold during the first two sessions (i.e., 11 and 12 December 2023) leading to the full subscription of the resolved increase.

xiii. Egypt strategic partnership agreement;

On 14 December 2023, the Group signed in Cairo in the presence of Egyptian Prime Minister Mostafa Madbouli, Minister of Procurement, Ali el Moselhi, and the Ambassador of the Italian Republic to Egypt, BF International multi-year strategic development and investment programme in Egypt. The project is characterised by full supply chain integration, application of low environmental impact agronomic techniques, technology transfer and training activities to the partners and the Egyptian farmers involved. The project will be implemented through a joint venture between BF International and the local company Future of Egypt, and will cover a 15,000 hectare site in the Dabaa region.

4. ECONOMIC AND FINANCIAL RESULTS

In order to allow for a better assessment of the economic and financial performance, the following tables also show some "Alternative Performance Indicators" that are not required by IFRS. The figures below are in thousands of Euro unless expressly stated.

	31/12/2023	31/12/2022	CHANGES	CHANGES
Carrying amounts and Alternative Performance Indicators	Euro/000	Euro/000	Euro/000	%
REVENUES FROM SALES	1,326,421	1,061,878	264,543	25%
PRODUCTION VALUE (PV)	1,386,510	1,120,394	266,116	24%
GROSS OPERATING RESULT (EBITDA) (1)	74,801	56,804	17,997	32%
OPERATING RESULT (EBIT) (1)	29,911	20,251	9,660	48%
PRE-TAX RESULT	4,807	13,608	(8,801)	(65%)
RESULT FOR THE YEAR	4,198	9,336	(5,139)	(55%)

The scope of consolidation at 31 December 2023 did not change compared to the consolidated financial report at 31 December 2022 with regard to the companies included in the scope, while the periods of inclusion are different. In particular, for comparative purposes with respect to the 2022 financial results, it should be noted that in the 2023 financial year:

- the business unit of the Consorzio Agrario Nordest Società Cooperativa, transferred to CAI effective 1 September 2022, is present for 12 months;
- the subsidiary Zoo Assets S.p.A. was consolidated for 12 months, consolidated in 2022 as of 31 December 2022;
- the subsidiary BIA S.p.A. was consolidated for 12 months, consolidated in 2022 as of 1 October 2022;
- the subsidiary Pastificio Fabianelli S.r.l. was consolidated for 12 months, consolidated in 2022 as of 31 December 2022;
- the subsidiary IBF Servizi S.p.A. and its direct subsidiary Agronica S.r.l. were deconsolidated for 12 months, deconsolidated in 2022 at 31 December 2022.

With regard to the net financial debt parameter, please refer to Note 18 for information and calculation.

ROE (Return on Equity) (1)	31/12/2023	31/12/2022	CHANGES
Net result for the year	4,198	9,336	(5,139)
Equity	947,987	698,670	249,317
	0.44%	1.34%	

The production value amounted to approximately Euro 1,387 million in 2023, compared to approximately Euro 1,120 million in 2022. The growth resulted from the increase in volumes, the consolidation of the former Nordest BU into CAI for 12 months, the subsidiaries BIA and Fabianelli for 12 months, and the effects of the integration of the Group with its subsidiaries.

The gross operating result (EBITDA) amounted to approximately Euro 74.8 million, an increase of Euro 17.9 million compared to the 2022 figure, as a result of the increase in the production value described above.

The agro-industrial sector, which includes the agricultural division and the industrial division, recorded an increase in the production value compared to 2022 (+41%, amounting to Euro 168.6 million in 2023 compared to Euro 119.4 million in 2022), due to the consolidation for 12 months of the subsidiaries BIA S.p.A. and Pastificio Fabianelli S.r.l., and a decrease in margins (EBITDA amounting to Euro 19 million in 2023 compared to Euro 25 million in 2022) due to the deflationary trend affecting sales prices. The 2023 results were also affected by fair value adjustments to the investments held in Agri-Holding S.p.A. and La Pioppa s.r.l. Società Agricola for a total of about Euro 17 million (in 2022, EBITDA was affected by the capital gain from the sale of the subsidiary IBF Servizi S.p.A. for about Euro 18 million).

The seed sector shows an increase in the production value (+102%, equal to Euro 103 million in 2023 compared to Euro 51 million in 2022) and an improvement in margins (EBITDA equal to Euro 7.8 million in 2023 compared to Euro 3.1 million in 2022) due to the integration of the business unit transferred by Consorzi Agrari d'Italia S.p.A. ("CAI") with effect from 1 February 2023.

The CAI sector (which includes CAI and its subsidiaries), in a general deflationary context of agricultural prices, records an increase in the production value (+22% equal to Euro 1,192 million in 2023 compared to Euro 976 million in 2022) and a growing marginality (EBITDA equal to Euro 45.4 million in 2023 compared to Euro 31.6 million in 2022), as a result of the presence for 12 months in 2023 of the business unit transferred by Consorzio Agrario Nordest Società Cooperativa in CAI effective 1 September 2022.

EBIT, on the other hand, amounted to Euro 30 million compared to Euro 20 million in 2022, after recognising amortisation, depreciation and write-downs of Euro 41.8 million, compared to Euro 33.4 million in 2022, mainly due to new investments coming on stream.

The financial management result for 2023, negative for Euro 25.1 million (in 2022 it was negative for Euro 6.6 million) was affected by the general increase in interest rates and by the presence for 12 months in 2023 of the business unit transferred by Consorzio Agrario Nordest Società Cooperativa in CAI, and resulted in a positive pre-tax result of Euro 4.8 million, against a positive pre-tax result in 2022 of Euro 13.6 million.

The Group ended 2023 with a profit of about Euro 4.2 million compared to a profit of Euro 9.3 million in 2022.

Net financial debt went from a balance of about Euro 180 million at the end of 2022 to a balance of about Euro 8 million at 31 December 2023; the main reasons for the change were the capital increase of Euro 300 million carried out in 2023.

5. COMPANY INFORMATION

5.1 SHARE CAPITAL INFORMATION

Number of Ordinary Shares at 31 December 2023 261,883,391 without nominal value
Share Capital fully paid-up Euro 261,883,391

Shareholders with significant shareholdings at 31 December 2023

Shareholder	%
Dompé Holdings s.r.l.	24.98%
ARUM S.p.A.	22.48%
Fondazione CARIPLO	7.29%
ENI NATURAL ENERGIES SRL	5.32%
FONDAZIONE ENASARCO	4.92%
ISMEA	4.32%
INTESA SAN PAOLO SPA	4.27%
INARCASSA	4.00%
FONDAZIONE ENPAIA	3.71%
TOTAL	81.28%

5.2 HEALTH, SAFETY AND ENVIRONMENT

ACTIVITIES RELATED TO OCCUPATIONAL HEALTH AND SAFETY

The main activities carried out or commenced in 2023 by the Group are outlined below.

The work of reviewing and updating the Risk Assessment Documents continued in 2023. 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 2023 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 year without any significant exceptions being noted.

ACTIVITIES RELATED TO THE ENVIRONMENT

In 2023, there were no incidents with significant impacts on environmental aspects (soil, subsoil, surface water and biodiversity).

The audit programme required by the application of the organisational model continued during the year without any significant exceptions being noted.

5.3 RISKS AND UNCERTAINTIES

RISK MANAGEMENT

The Group essentially bears the risks associated with the activities of its subsidiaries, which, in any case, have developed a risk management model based on the principles of Enterprise Risk Management (ERM), the main purpose of which is to adopt a systematic approach to identifying the companies' main risks, to assess their potential negative effects and to take appropriate action to mitigate the potential effects.

The main risk factors are outlined below.

RISK FACTORS

- **Volume risks**

Production volumes 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, thus potentially making it difficult to meet customer demands and/or to comply with expected delivery dates.

The Directors 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. Similarly, the planning of inventories and volumes within the Group's various warehouses makes it possible to contain the possible impact of excess demand or contraction of required volumes.

The Group continuously takes 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.

- **Credit risk**

The 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 its ability to generate positive cash flows from operations, the Group constantly monitors both the availability of financial resources and its access to the credit market and its financial exposure. As a result of the macroeconomic situation characterised by strong uncertainty in the commodity markets, and widespread economic instability in general, the Group pays particular attention to the management of its financial assets.

- **Climate change risks**

The Group, for the purpose of reporting on the financial year 2023, carried out a risk assessment starting from the risk assessment conducted with reference to the financial year 2022 and supplementing it to take into account business developments, additional events in 2023 and regulatory developments occurring up to the date of preparation of this document. In particular, the Group has carried out a preliminary mapping through the observation of the corporate context and the guidelines applicable to it, also in relation to the business sectors in which the entire Group operates, thus looking at the role that the companies analysed have in the chain.

Taking the recommendations of the TCFD as a reference, the risks and opportunities related to climate change applicable to the companies in the scope of analysis were identified, divided into the three main business areas: CAI, Agro-industrial and Seed. In particular, potential transition risks and physical risks were identified.

Transactional or transitional risks 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. Among the former, compliance, market, technological and reputational risks were analysed and defined. Other risks may be those related to conflicts (e.g. Russia-Ukraine, Israel-Palestine) resulting in volatile commodity and transport prices, as well as interest rates, inflation trends and energy costs. With reference to the latter, in the context of covering its energy needs, the Group continues to pursue a policy of gradual transition towards procurement from renewable energy sources, through projects for the construction of photovoltaic and biomethane plants (in this regard, see as reported in the sections "Group approach to sustainability" and "Risk Management and the Internal Control System" of the NFS), through investee companies and their valorisation through partnerships with a major operator specialised in the sector.

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). These risks have a general negative impact on the production cycle in the sectors in which the Group operates.

The BF Group is aware of global market trends, such as growing consumer interest in ESG and sustainability issues, as well as concerns about pollution and inefficient use of resources in production cycles. To respond to these trends, the Group has developed a strategic sustainability plan for the period 2023-2027 (see the "Group approach to sustainability" section of the NFS), defining activities and strategic guidelines with reference to ESG aspects, including environmental sustainability, biodiversity, supply chain, human capital development and support of local communities.

In continuity with the previous year, the effects related to the potential negative impacts of climate change were also addressed by the Group in the planning of economic activities for the financial year 2023 and in the multi-year business plan, for the description of which please refer to the continuation of this document.

CAI BUSINESS

In order to provide a summary of the CAI business, it should be noted that CAI activity consists mainly of the purchase and sale of a wide range of products and services for farmers. In this context, the risk assessment did not reveal any relevant aspects with respect to the acute risk of climate change, i.e. linked to extreme and increasingly frequent weather events. The assets of CAI are mainly of a commercial nature (e.g. agencies and logistics and storage centres for CAI; warehouses, tanks and commercial premises for Eurocap). These types of assets have not suffered significant damage from such events in the past, and insurance coverage for exogenous factors, including weather, is considered adequate to handle any unforeseen burdens. As far as chronic physical risk is concerned, on the other hand, it is indirectly relevant to the extent that there may be a depletion of resources, raw materials and thus marketed products (e.g. due to prolonged drought, loss of biodiversity and reduced water availability, etc.). The risk of a displacement of agricultural raw materials and products marketed by CAI to date is not considered relevant except in the long term. A further aspect concerns the consideration of the impacts that an acute event may have in terms of transition risk, such as a shortage/lack of raw material or a sudden and uncontrolled increase in the purchase price. As a rule, however, management regards these impacts as medium and in any case manageable due to the following:

- the diversification of raw material source areas, in the face of "localised" exogenous events;
- the presence of supply chain contracts as a "buffer" against price volatility;
- the contraction of volumes is counterbalanced by the intermediary role in the sector, and thus a potential increase in prices and margins.

Management has also assessed that the risks to which the CAI business is indirectly exposed are those related to the inherent seasonality of the sector and possible changes in subsidies and regulatory provisions in the agricultural sector by European and Italian institutions. The latter, specifically, is considered because any regulatory changes regarding the use of phytopharmaceuticals and fertilisers could affect the production value of the CAI business.

In terms of opportunities, on the other hand, precision farming represents a significant opportunity to address the transition and adaptation to climate change. In this sense, CAI plays an accompanying role for companies and farmers, including this model of agriculture among the strategic lines of its multi-year programme, in order to prospectively offer innovative services and technologies, in connection in particular with IBF Servizi as a privileged business partner, in which BF indirectly holds a minority shareholding. Similarly, with regard to energy transition, a number of projects and

feasibility studies are already in place to reduce consumption and adopt strategies oriented towards the green economy, evaluated as an investment opportunity.

Specifically, the following areas are of particular interest:

- Energy efficiency and adoption of energy transition policies towards renewables, envisaging on the one hand collaborations and activation of agreements with leading operators in the energy & utilities world (e.g. through BF Energy and with the promoting role of BF S.p.A.), the installation of photovoltaic systems and the transition to the use of sustainable materials and resources and, on the other hand, the launch of significant investment plans for the modernisation of infrastructures and assets, reducing consumption and cutting emissions linked to the project for the redevelopment of real estate assets;
- The proactivity and the push for technology and digitalisation, also thanks to the strong collaboration and integration within the Group. In particular, the push towards the use of careful techniques and practices supported by innovative and digital solutions to promote precision farming, develop more soil-friendly and less invasive cultivation methods, and the use of geo-referencing, are a key element of the Group's business strategy;
- Development through Agrienergy, in partnership with ENI, of research and experimentation activities in the development of oil seeds for use in bio-refineries;
- The possible activation of external partnerships, research agreements and the increase of R&D activities, including strengthening collaboration between the Group's different cores to develop products and services geared to intercept market opportunities, reacting proactively to regulatory developments and changing customer habits/preferences.

Focus on: Eurocap Petroli

As far as the Eurocap Petroli Fuels business is concerned, within the CAI business unit, risks are periodically assessed, through the definition/updating of business plans, and it is also an active and integrated participant in sector working groups (e.g. Assopetroli) on energy transition issues. Management believes that the current energy transition does not have any significant short- or medium-term impact on the Fuels business, at the regulatory level there is no imminent change related to the trading of automotive and agricultural fuels that is in place that may require the attention of this subsidiary company. With reference to the latest regulatory developments on the stop of internal combustion engines by 2035, it should be noted that these bans do not apply to commercial and agricultural vehicles, and therefore do not involve Eurocap Petroli core business at present.

The most significant risks to which Eurocap Petroli is subject are those arising from possible slowdowns or changes in practices in the agricultural sector, which accounts for the largest percentage of volumes sold in Extra network. Agricultural fuel also has a lower excise (product tax) regime than transport fuel, and any changes to these concessions could cause greater difficulties for farms, also affecting Eurocap sales. It should be noted, however, that these concessions are currently available and represent an opportunity and a form of protection for the sector in which this subsidiary operates. Linked to this topic, a relevant aspect is the regulatory developments related to environmental requirements for products and services, the energy transition and towards a low-carbon economy. For Eurocap, in particular, it is important to continuously monitor, also through participation in trade and industry associations, and as part of the interface with the main oil and gas operators, policies on the production and distribution of fossil products. However, the automotive fuel used in agriculture, and representing the Eurocap main product, is considered a "mature" product, in respect of which continued research into its "green" and organic composition leads to an improvement in the environmental characteristics of the product, which, however, appears difficult to replace in the medium term. Eurocap represents the main intermediary between major fuel companies, such as ENI and API, and the agricultural sector, acting as an interlocutor and promoter for the definition of a fuel with an innovative technological profile specifically for agriculture. In general, Eurocap presents itself as a well-established company, whose market strategy is based on a solid and rationalised presence throughout the country. The products it distributes are mature in the market and the division's management does not foresee any radical changes that would challenge its business in the near future.

In conclusion, as far as the CAI business is concerned, in general, most of the risks identified can be considered to be connected to CAI S.p.A. only indirectly: since it operates mainly as an intermediary in the supply chain and as a commercial entity, in fact, the applicable risks/opportunities are intrinsically linked to those to which the agricultural sector is subject. The risks to which this business unit is most exposed are mainly related to the inherent seasonality of the industry, possible changes in subsidies and regulatory provisions, and the chronic effects of climate change in the long

term. With regard to the latter, however, the risk is considered by the Group as remote with respect to the time horizon considered. In contrast, another perspective emerges regarding regulatory changes in the agricultural sector promoted by institutions and the increased interest in an agricultural model oriented towards reducing the current use of phytopharmaceuticals and fertilisers. This farming model could, potentially, have a significant impact on a share of the output of the CAI business with respect to the time horizon considered in the strategic plans. At the same time, it is worth emphasising the momentary difficulty in qualifying and quantifying the actual level of risk associated with regulatory developments with respect to the use of phytopharmaceuticals and fertilisers in agriculture, also in light of the fact that the European legislative proposal on pesticides (Directive 2009/128/EC "Sustainable Use of Pesticides Regulation") has been withdrawn for the time being.

AGRO-INDUSTRIAL BUSINESS

As far as the Agro-industrial business is concerned, the climate change risks and opportunities relevant to the Group are both direct and indirect.

Based on the assessments from the Group's ERM, the main risks for the businesses in question are the general rise in temperature (chronic physical risk), the depletion and pollution of the water sources on which the company relies, the over-exploitation of soil as a result of cultivation activities, and the inadequate reconciliation of the cultivation plan with expected climatic conditions. These risks entail impacts on the company's business, such as:

- material damage to crops and harvests;
- decrease in available product quantities with possible consequences on the ability to meet supply and market demand;
- negative impacts in terms of the quality of marketed products, both on the purchase and sales side;
- possible negative impacts on the volatility of commodity prices and seasonally-related product prices with consequent negative financial repercussions.

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 addition, the business plan includes an internationalisation of the land business with crop diversification outside the Italian peninsula. In addition, the costs of insurance coverage in the agricultural field for compensation of damages from climatic events have been included in the Annual Budget and in the 2023-2027 business plan.

The physical risks connected to climate change, some of which were extreme, that affected some regions of Italy during July 2023, had a limited impact on some of the Group's agricultural production, the economic and financial effects of which were, however, limited thanks also to the insurance coverage that the Group had taken out. In view of this possibility, the costs of insurance coverage in the agricultural field for compensation for damage caused by climatic events had been included in advance in the annual budget, as well as in the 2023-2027 business plan. With regard to the lower availability of water resources, we underline the Group's overall focus on adopting technical solutions to contain consumption and the introduction of irrigation techniques and assets that minimise water withdrawal. In fact, thanks to innovative technologies introduced in the Agro-Industrial business, the Group monitors crops, and in particular identifies those best suited to the type of soil, in order to optimise the use of technical means, the fertilisation and sowing plan, and yields, with consequent benefits on product quality. By monitoring and analysing climatic data, the Group defines an adequate water supply for crops, which is also optimised by precision irrigation systems, the maintenance and upkeep costs of which for the databases and platforms are foreseen in the budget document and in the Group's 2023-2027 Business Plan.

Another aspect considered is the consideration of the impacts that an acute physical event may have on the business area in terms of transition, such as a shortage/lack of raw material or a sudden and uncontrolled increase in the purchase price. As a rule, however, management regards these impacts as medium and in any case manageable due to the diversification of the areas of origin of raw materials, in the face of "localised" exogenous events and the presence of supply chain contracts, as a "calming" factor to price volatility.

From this point of view, the transition risks associated with chronic climate change can turn into opportunities. Another aspect to be considered, linked to the industrial division, is the risk associated with the growing consumer interest in ESG and sustainability issues, which could have a major impact on the sale of own- or third-party brand food products.

For the Agro-Industrial business, which is one of the main areas in the battle against global warming, the Group considers reducing the impacts of agricultural activity through a variety of plans, programmes and actions. The intervention strategies identified by the Group - envisaged in the 2024 crop plan, in its related budget and in the multi-year programmatic plan, the data of which were used for the purpose of preparing the impairment tests for which reference should be made to a specific section of the notes - to address climate change-related problems can be grouped into two main strands:

- 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.
- 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.

Therefore, with regard to the activities of the Agro-Industrial sector, whose impacts are estimated to be more pronounced, the Group has developed a strategic sustainability plan for the period 2023-2027 (in this regard, see the section "Group approach to sustainability" in the NFS), which envisages a series of activities also aimed at mitigating and adapting to climate change risks, such as:

- research into the best crop rotations aimed at limiting climate risk;
- planned rotation to improve fertility (legumes) as part of a multi-year programme;
- reduction in the use of chemical substances in favour of organic substances (barn) and plant extracts;
- tillage techniques aimed at reducing the use of mechanical means;
- valorisation of land assets not only for purely agricultural activities but linked to the agri-business and agri-voltaic world;
- 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.

However, with specific reference to the agricultural business, given the nature of the business and the unpredictability of acute physical risks, the strategic actions planned and the insurance coverage actions budgeted appear to have a positive impact on risk reduction, but cannot ensure full coverage of the latter. For this reason, the agricultural division flows are still exposed to risks related to climate and environmental change that could impact the volume and quality of agricultural harvests. In addition, the agro-industrial business unit is exposed to risks related to consumer attention to ESG issues, as the main activity of this division is to sell food products under its own or third-party brands and, as such, is potentially impacted by sudden changes in consumer trends and perceptions. Therefore, the Group estimates an average risk over the time horizon considered in the company's strategic plans.

SEED BUSINESS

The Seed business area is similarly positioned to the Agro-Industrial business in terms of the type of risks to which it is subject. Indeed, this business is also impacted both directly and indirectly by possible climate change risks.

Similar to what was reported for the other business areas, in view of the impacts that an acute event may have in terms of transition, such as shortage/lack of raw material or a sudden and uncontrolled increase in the purchase price, management considers these impacts to be on average significant due to:

- the diversification of raw material source areas, in the face of "localised" exogenous events;
- the presence of supply chain contracts as a "buffer" against price volatility;
- the contraction of volumes is counterbalanced by the intermediary role in the sector, and thus a potential increase in margins.

In this context, SIS appears to be the Group's most suitable operator to take the lead, experimenting with the introduction of seeds that are resilient to phenomena such as drought or flooding, a product that is particularly interesting for foreign markets and geographical areas that are dramatically exposed to chronic and acute physical risk.

In addition, similar to what has been described for the CAI business, the seed business is indirectly exposed to risks from climate and environmental change. Such circumstances could in fact have a consequent negative impact on agricultural operators that have business relations with the Group as customers of the Group with reference to goods and services provided by the Seed business.

In conclusion, it is assessed for the Seed business that there is a medium risk with respect to climate change in view of the time horizon reported by the company in its strategic plans. In fact, as for the Agro-industrial business, in view of the unpredictability of acute physical risks, strategic actions to cover possible damages have a positive impact on risk reduction, but cannot ensure complete coverage of the latter.

Lastly, it should be noted that the climatic events, some of which were extreme, that affected certain regions of Italy in July 2023, had a limited impact on some of the Group's agricultural production, the economic and financial effects of which were, however, limited thanks to the insurance coverage that the Group had taken out.

With regard to the impact that the flood disaster events that affected part of Emilia-Romagna in May 2023, generated on the agricultural operators served by the Group, it should be noted that they mainly affected the production of agricultural crops (wine, fruit, vegetables) on which the Group does not carry out storage activities.

The storage service, in fact, mainly concerns wheat (durum and soft), barley, corn and soy, which cumulatively account for more than 92% of the total amount of the storage service (figure recorded by the Group for both the 2020/2021 and the 2021/2022 crop years).

- **Price and market risks**

The Group is exposed 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%.

As recalled, global events leading to macro-economic uncertainties place even more emphasis on these risk factors.

To mitigate the exposure to price risk, the Group has developed 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 aforementioned ongoing conflict between Russia and Ukraine and the one in Palestine, the trends in purchase prices of materials from these countries are constantly monitored, with particular reference to fertilisers, urea and animal feed.

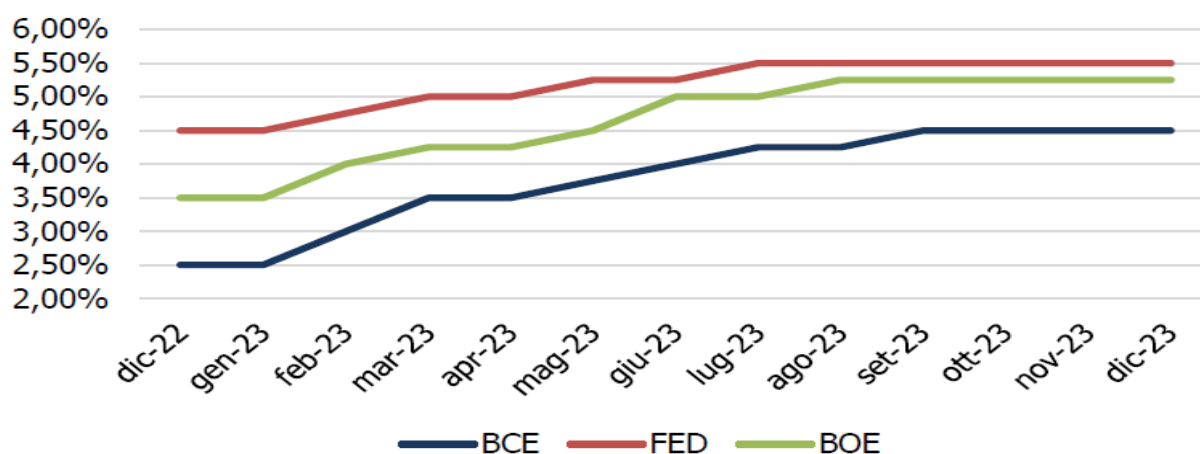
With reference to the risks related to fluctuations in market prices and fair values used for the measurement of certain assets recognised in the financial statements, the items of the financial statements for the measurement of which a fair value is used are listed below, together with the qualification 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 with respect to other investments held in unlisted companies and other current financial assets.

- **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. In a situation such as the current one characterised by a large increase in interest rates; said hedging derivatives may not fully sterilise the risk associated with the fluctuation.



The year 2023 was characterised by continuous increases in interest rates applied globally by the various central banks; in fact, the ECB raised official rates by 50 basis points in February, 50 in March and 25 in May, June, July and August. Thus, the main refinancing rate was 4.5%; the marginal lending rate was 4.75% and the Eurosystem overnight deposit rate was 4%. The Federal Reserve (FED) and the Bank of England (BOE) also adopted restrictive monetary policies, raising key interest rates to 5.50% and 5.25% respectively.

The interest rate curve was at a level of around 4% in the last months of 2023; these rates are expected to fall in 2024. With reference to the exposure to interest rate variability, it should be noted that, in relation to the situation existing at 31 December 2023, a parallel shift in the term structure of interest rates equal to +50 basis points (+0.5%) would produce an increase in BF's net financial expenses, related to medium/long-term financial liabilities at variable rates and not hedged against interest rate risk, equal to Euro 1,311 thousand over a 12-month time horizon.

5.4 INDEPENDENT AUDITORS' FEES

The following table shows the fees received by Deloitte & Touche:

Company	Company	Fees
BF	Deloitte & Touche S.p.A.	243
Bonifiche Ferraresi	Deloitte & Touche S.p.A.	13
BF Agricola	Deloitte & Touche S.p.A.	46
BF Agroindustriale	Deloitte & Touche S.p.A.	23
SIS	Deloitte & Touche S.p.A.	29
Cai Group	Deloitte & Touche S.p.A.	212
Pastificio Fabianelli	Deloitte & Touche S.p.A.	20
BIA	Deloitte & Touche S.p.A.	27
Total Audit Services		611
BF	Deloitte & Touche S.p.A. - Deloitte Network	560
Cai Group	Deloitte & Touche S.p.A.	3
SIS	Deloitte & Touche S.p.A.	4
Total Non-Audit services		567
Total		1,178

It should be noted that non-audit services mainly refer to activities performed in connection with the capital increase transaction.

- **Cyber security risk**

The main cyber security risks relate to possible cases of fraud and cyber attacks, which are being conducted against companies with increasing frequency and complexity. Protecting the integrity and confidentiality of data and information is part of the company's digital strategy and has been set as a primary goal for the Information and Communication Technologies ("ICT") sector. During the last few years, a major technology modernisation process has been initiated, with clear indications to strengthen the IT security part. After setting up a state-of-the-art server-farm with hyper-converged technology, a **NOC** and **SOC** service with **24/365** monitoring was subscribed to, with a guarantee of prompt intervention in the event of detection of possible intrusion attempts on the corporate network. In addition, a **PT** and **VA** service was included that acts in real time, through an AI machine that continuously attempts to find security "holes" and communicates to the ICT personnel all the actions to be taken to solve potential problems. CAI started in 2021 and continued in 2022 the decommissioning of existing server farms with the aim of managing Enterprise Resource Planning - ERP and related systems in the cloud. With the same "logic", the ERP of the entire group will also be migrated to the cloud and the Microsoft Business Centre solution adopted. The existing CED rooms are equipped with monitoring sensors that detect, in real time, temperature, humidity, presence of smoke, server reachability (physical and virtual), and alert ICT technical staff so that they can intervene before potential damage to the infrastructure. A backup system is in place, so that an always consistent copy of the entire virtual machines can be guaranteed (**sure-backup** mechanism). In the event of problems, entire servers can be restored. The backups of the virtual machines were also saved on the cloud (with an encryption key), so that a copy of the data could also be located away from the physical locations. In order to guarantee an immediate recovery time, a "**versioning**" system has been implemented that guarantees the immediate recovery of one or more files in the event of both deletion and accidental overwriting. Finally, the total migration of the network infrastructure to Sophos-Central technology (access point, end point) was completed, so that in the event of a potential virus attack, the individual PC or network area can be isolated. CAI started in 2021 and continued in 2022 and 2023 the decommissioning of the existing server farms with the aim of managing the Enterprise Resource Planning - ERP and related systems in the cloud. With the same "logic", the ERP of the entire group will also be migrated to the cloud and the Microsoft Business Centre solution adopted. 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). The existing CED rooms are equipped with monitoring sensors that detect, in real time, temperature, humidity, presence of smoke, server reachability (physical and virtual), and alert ICT technical staff so that they can intervene before potential damage to the infrastructure. A backup system is in place, so that an always consistent copy of the entire virtual machines can be guaranteed (sure-backup mechanism). In the event of problems, entire servers can be restored. The backups of the virtual machines were also saved on the cloud (with an encryption key), so that a copy of the data could also be located away from the physical locations. In order to guarantee an immediate recovery time, a "versioning" system has been implemented that guarantees the immediate recovery of one or more files in the event of both deletion and accidental overwriting. Finally, the total migration of the network infrastructure to Sophos-Central technology (access point, end point) was completed, so that in the event of a potential virus attack, the individual PC or network area could be isolated and the potential risk could not "spread" company-wide.

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

During 2023, there were no atypical and/or unusual transactions and no significant non-recurring events and transactions, as defined by Consob Communication no. DEM/6064293 of 28 July 2006, nor were there any significant events and transactions other than those reported in the section on Significant events in 2023 of this Consolidated Annual Financial Report.

5.5. OTHER INFORMATION

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

- A) The Group carried out research and development activities in 2023, in continuity with 31 December 2022, mainly in three areas: development of the packaged product pasta, bakery products, rice, herbal teas and legumes; research and development activities carried out by the subsidiary SIS also in collaboration with international structures (CIMMYT, ICARDA, USDA GRIN-XZECK) on germplasm in order to improve the genetic quality of seeds and, consequently, to create the conditions to register new varieties with particular reference to soft and durum wheat, rice and soy bean research and development activities of the CAI division whose main objective is new technical solutions in the area of defence, fertilisation and bio-stimulation of the various plant species cultivated in the CAI area. On the details of the projects, please refer to the Consolidated Financial Report at 31 December 2022, as they are activities in continuation of projects already activated. These projects involve the entire agronomic technical staff, make use of collaborations between the various Group companies and also involve partnerships with private and public research organisations.
- B) At 31 December 2023, there were no treasury shares in the BF portfolio; no transactions relating to treasury shares were carried out during the financial year.

6. ALTERNATIVE PERFORMANCE INDICATORS

In this Consolidated Annual Financial Report, 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 economic performance and financial position. These indicators should not be regarded as substitutes for the conventional indicators codified by IFRS.

The alternative performance indicators used are as follows:

➤ **EBITDA**

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

These indicators are determined as follows:

Pre-tax result
+ Financial expenses
+ Financial income
Ebit
+ Amortisation, Depreciation and Provisions for risks and receivables
Ebitda

➤ **Technical investments (Capex)**

This indicator refers to the investments made in fixed assets and is determined by the algebraic sum of the values of purchases (INCREASES) and sales (DECREASES net of REVERSAL OF ACCUMULATED DEPRECIATION) of TANGIBLE ASSETS, PROPERTY INVESTMENTS and NON-CURRENT BIOLOGICAL ASSETS as reported in the Notes.

➤ **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 (or PERIOD) to the CONSOLIDATED EQUITY.

BF

SpA

Registered office in Via Cavicchini, 2 Jolanda
di Savoia (Ferrara, Italy)
SpA (Joint Stock Company)

Share Capital Euro 187,059,565

Registered in the Ferrara Register of Companies, tax code and VAT
08677760962

Registered with the REA (Economic Administrative Index) of Ferrara no.
217478

Holding of investments active in agriculture and the food industry



BF
SpA

**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
AND INCOME STATEMENT
AT 31 DECEMBER 2023**



STATEMENT OF FINANCIAL POSITION (thousands of Euro)		31/12/2023	31/12/2022
ASSETS			
NON-CURRENT ASSETS		Notes	
Tangible assets	(1)	552,382	550,243
Property investments	(2)	26,374	26,044
Biological assets	(3)	5,401	4,969
Intangible assets	(4)	165,920	163,778
Goodwill	(5)	64,013	64,576
Investments in JV, associates and other financial assets	(6)	157,291	118,185
Receivables	(7)	58,178	42,965
TOTAL NON-CURRENT ASSETS		1,029,559	970,760
CURRENT ASSET			
Inventories	(8)	287,840	293,355
Current biological assets	(3)	14,839	12,774
Receivables from customers	(9)	321,665	345,297
Other current assets	(10)	56,492	38,136
Marketable securities and other current financial assets	(11)	15,739	-
Cash and cash equivalents	(12)	346,435	173,731
TOTAL CURRENT ASSETS		1,043,010	863,293
NON-CURRENT ASSETS HELD FOR SALE			
TOTAL NON-CURRENT ASSETS HELD FOR SALE	(13)	2,415	-
TOTAL ASSETS		2,074,984	1,834,053
LIABILITY			
EQUITY			
Share Capital		261,883	187,060
Other reserves	(14)	459,170	262,930
Retained profits		26,574	37,075
Profit (loss) for the year		1,175	4,992
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY		748,802	492,057
<i>Equity attributable to minority interests</i>		196,162	202,269
<i>Profit/(loss) for the year attributable to minority interests</i>		3,023	4,344
EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		199,185	206,613
EQUITY		947,987	698,670
NON-CURRENT LIABILITIES			
Provision for taxes and deferred taxes	(15)	62,524	62,607
Other provisions	(16)	19,606	19,100
Employee benefits	(17)	9,851	10,229
Long-term loans	(18)	121,833	100,737
Other non-current payables	(19)	119,579	98,253
TOTAL NON-CURRENT LIABILITIES		333,393	290,926
CURRENT LIABILITIES			
Payables to suppliers	(20)	542,840	579,115
Short-term loans	(21)	186,127	185,150
Other payables	(22)	64,638	80,192
TOTAL CURRENT LIABILITIES		793,605	844,457
TOTAL LIABILITIES AND EQUITY		2,074,984	1,834,053

INCOME STATEMENT (in thousands of Euro)		31/12/2023	31/12/2022
PRODUCTION VALUE			
Revenues from sales	(23)	1,326,421	1,061,878
Changes in product inventories and advances	(24)	(6,451)	2,434
Other revenues	(25)	60,182	47,499
Measurement of investments in Equity	(25)	2,845	1,630
Increases for internal works	(26)	3,513	6,952
TOTAL PRODUCTION VALUE		1,386,510	1,120,393
OPERATING COSTS			
Change in inventories of raw and ancillary materials, consumables and goods	(27)	6,980	(11,865)
Costs for raw and ancillary materials, consumables and goods	(28)	1,074,394	903,634
Costs for services and use of third-party assets	(29)	147,222	108,336
Personnel costs	(30)	57,964	50,418
Amortisation/depreciation and write-downs	(31)	41,974	33,391
Provision for risks and charges	(31)	2,915	1,503
Other costs and expenses	(32)	25,149	14,725
TOTAL OPERATING COSTS		1,356,598	1,100,142
		-	-
OPERATING RESULT		29,911	20,252
Financial income		3,739	2,529
Financial expenses	(33)	(28,844)	(9,173)
		-	-
PRE-TAX RESULT		4,807	13,608
Income taxes of the year	(34)	(609)	(4,272)
RESULT FOR THE YEAR		4,198	9,336
Profit/(loss) for the year attributable to minority interests		3,023	4,344
Profit (loss) for the year attributable to the Group		1,175	4,991
STATEMENT OF COMPREHENSIVE INCOME (in thousands of Euro)		31/12/2023	31/12/2022
RESULT FOR THE YEAR		4,198	9,336
Actuarial gain (loss) on defined benefit plans		(28)	523
Gain (Loss) from remeasurement at F.V. of Derivative Instruments		(765)	1,870
Total other gains/losses net of tax effect		(793)	2,393
COMPREHENSIVE RESULT FOR THE YEAR		3,405	11,729
Comprehensive profit (loss) for the year attributable to minority interests		470	4,677
Comprehensive profit (loss) for the year attributable to the group		2,934	7,052

CASH FLOW STATEMENT AT 31 December 2023			
(in thousands of Euro)			
	Notes	31/12/2023	31/12/2022
OPERATING ACTIVITIES			
Pre-tax result		4,807	13,608
Adjustments for:			
- Amortisation/depreciation	(31)	39,498	30,212
- Provisions for employee benefits	(30)	2,059	1,943
- Write-downs (Revaluations) of investments accounted for using the equity method and other financial assets	(25)	(19,341)	2,578
- Write-downs (Revaluations) of fixed assets	(25)	(1,900)	1,220
- Other allocations	(29)(31)	6,809	(18,139)
- Gains/Losses from disposal of assets	(25)	(1,487)	(2,376)
- Interest and financial expenses	(33)	25,105	6,644
Cash flows from operating activities before changes in working capital		55,549	35,690
- Net change in trade receivables	(9)	18,617	49,138
- Change in current biological assets	(8)	(2,065)	(1,470)
- Change in closing inventories	(3)	5,515	(13,432)
- Change in other current assets	(10)	(14,898)	(4,613)
- Change in trade payables	(20)	(51,119)	52,802
- Change in other current liabilities	(22)	(13,274)	(9,618)
Cash flows generated by changes in working capital		(57,224)	72,807
- Payment of taxes	-34	(4,963)	(4,172)
- Financial expenses paid	(33)	(24,803)	(7,674)
- Change in provisions	(16)	(963)	(1,488)
- Employee severance indemnity paid to employees	(17) (30)	(2,465)	(3,318)
A. CASH FLOW GENERATED BY OPERATING ACTIVITIES		(34,870)	91,845
- (Investments) / Disinvestments financial assets	(6)	(33,296)	(24,093)
- (Investments) / Disinvestments securities and other financial assets	(11)	(4,408)	-
- Dividends collected	(6)	875	-
- interest collected	(33)	3,418	-
- Changes in other non-current receivables	(7)	(21,992)	(17,537)
- Changes in other non-current payables	(19)	5,456	17,521
- (Investments) / Disinvestments tangible assets	(1)	(21,140)	(25,354)
- (Investments) / Disinvestments property investments	(2)	(207)	(445)
- (Investments) / Disinvestments intangible assets	(4)	(18,055)	(12,129)
- (Investments) / Disinvestments non-current biological assets	(3)	(497)	(290)
- Changes arising from consolidation adjustments	Equity	(5,939)	10,260
B. CHANGES GENERATED BY INVESTMENT ACTIVITIES		(95,785)	(52,067)
- Share capital increase	Equity	299,295	0
- New revocable/maturity cash lines	Equity	44,591	22,301
- Repayment of revocable/maturity cash lines	(18)	(45,994)	(60,841)
- Costs for share capital increase	(18)	(7,968)	(1,121)
- New loans and other current financial payables	(18)	2,300	0
- Repayment of loans and other current financial payables	(18)	0	(1,298)
- New loans and other non-current financial payables	(18)	63,286	45,800
- Repayments of loans and other non-current financial payables	(18)	(45,830)	(21,715)
- Dividends	Equity	(9,663)	(8,566)
- Changes in interests in subsidiaries not involving loss of control	Equity	10,231	42,444
- Change in payables for rental contracts	(18)	(6,893)	(8,102)
C. CASH FLOW GENERATED BY FINANCING ACTIVITIES		303,355	8,902
D. NET INCREASE (DECREASE) IN CASH (A+B+C)		172,702	48,680
E. CASH AT THE BEGINNING OF THE YEAR		173,731	125,051
F. CLOSING CASH (E+D)	(12)	346,435	173,731

STATEMENT OF CHANGES IN EQUITY (in thousands of Euro)								
	Share capital	Other Reserves	Group result for the year	Total Group Equity	Capital and reserves attributable to minority interests	Result for the year attributable to minority interests	Total equity attributable to minority interests	Total consolidated equity
Balances at 1 January 2022	187,060	286,024	(509)	472,574	130,090	1,134	131,224	603,798
Allocation of 2021 result		(509)	509		1,134	(1,134)		
Share capital transactions - BF SpA:								
- Expenses incurred for AUCAP		(1,121)		(1,121)				(1,121)
- Dividend distribution		(5,610)		(5,610)				(5,610)
- Sale of shares in Bonifiche Ferraresi		15,543		15,543	9,233		9,233	24,775
Other changes in equity:								
- Changes in the scope of consolidation CAI		1,061		1,061	68,498		68,498	69,559
- Dividend distribution subsidiaries					(2,956)		(2,956)	(2,956)
- Other consolidation adjustments		2,556		2,556	(4,060)		(4,060)	(1,504)
Result for the year								
- Result at 31 December 2022			4,992	4,992		4,344	4,344	9,336
- Overall profitability at 31 December 2022		2,061		2,061	332		332	2,393
Balances at 31 December 2022	187,060	300,005	4,992	492,056	202,271	4,344	206,615	698,670

STATEMENT OF CHANGES IN EQUITY (in thousands of Euro)								
	Share capital	Other Re-serves	Group result for the year	Total Group Equity	Capital and re-serves attributa-ble to minority interests	Result for the year at-tributable to minority interests	Total equity at-tributable to minor-ity interests	Total consolidated equity
Balances at 1 January 2023	187,060	300,005	4,992	492,056	202,271	4,344	206,615	698,670
Allocation of 2022 result		4,992	(4,992)	-	4,344	(4,344)	-	-
Share capital transactions - BF SpA:								
- Capital increase	74,824	224,471		299,295				299,295
- Expenses incurred for AUCAP		(21,353)		(21,353)				(21,353)
- Dividend distribution		(7,480)		(7,480)				(7,480)
- Sale of shares in Bonifiche Ferraresi		3,646		3,646	6,585		6,585	10,231
Other changes in equity:								
- LTIP valuation		455		455				455
- Changes in the scope of consolidation		(15,094)		(15,094)	9,976		9,976	(5,118)
- Options accounting					(21,987)		(21,987)	(21,987)
- Dividend distribution subsidiaries					(3,530)		(3,530)	(3,530)
- Other consolidation adjustments		(3,194)		(3,194)	(1,409)		(1,409)	(4,603)
Result for the year								
- Result at 31 December 2023			1,175	1,175		3,023	3,023	4,198
- Overall profitability at 31 December 2023		(704)		(704)	(88)		(88)	(793)
Balances at 31 December 2023	261,884	485,744	1,175	748,802	196,162	3,023	199,185	947,987

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL REPORT

ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

The publication of the Group's consolidated financial statements for the year ending 31 December 2023 was authorised by a resolution of the Board of Directors on 15 April 2024.

CONTENT AND FORM OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ending 31 December 2023 have been prepared 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"). The figures in the financial statements of the consolidated subsidiaries have been reclassified and adjusted accordingly.

The accounting standards and measurement criteria applied in the preparation of the 2023 consolidated financial statements are in continuity with those of the previous year.

With reference to IAS 1 paragraph 25, the Directors confirm that, in view of the Group's economic prospects, capitalisation and financial position, it is a going concern.

These consolidated Financial Statements at 31 December 2023 comprise the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and these Notes.

SCOPE OF CONSOLIDATION

The consolidated financial statements include the balance sheet and income statement data at 31 December 2023 of the following Companies:

Company Name office	Registered	Equity	Interest	Method of consolidation
B.F. S.p.A.	Jolanda di Savoia (FE)	764,930	Parent Company	Line-by-line
Bonifiche Ferraresi S.p.A.	Jolanda di Savoia (FE)	237,387	75.45%	Line-by-line
B.F. Agro-Industriale S.r.l.	Jolanda di Savoia (FE)	64,304	85.79%	Line-by-line
B.F. Agricola Srl Società Agricola	Jolanda di Savoia (FE)	72,308	100.00%	Line-by-line
Società Italiana Sementi S.p.A.	S. Lazzaro di Savena (BO)	48,771	59.75%	Line-by-line
Consorzi Agrari d'Italia S.p.A.	San Giorgio di Piano (BO)	276,811	35.89%	Line-by-line
Pastificio Fabianelli S.p.A.	Castiglion Fiorentino (AR)	5,427	80.64%	Line-by-line
BF BIO S.r.l.	Jolanda di Savoia (FE)	959	75.45%	Line-by-line
BIA S.p.A.	Argenta (FE)	9,223	61.34%	Line-by-line

The following table details the subsidiaries of CAI spa and subject to consolidation by virtue of their relevance to the Group's consolidated financial statements.

Company Name office	Registered	Equity	Interest	Method of consolidation
Eurocap Petroli S.p.A.	Modena	25,319	98.65%	Line-by-line
Sicap S.r.l.	S. Giorgio di Piano (Bo)	389	100.00%	Line-by-line
CAI Nutrizione S.p.A.	Parma	26,165	96.57%	Line-by-line
Assicai S.r.l.	Rome	4,800	100%	Line-by-line
Italian Tractor S.r.l.	S. Giorgio di Piano (Bo)	15,248	100%	Line-by-line
CONS ASS S.r.l.	Pescara	2,271	100%	Line-by-line
Sicuragri-Tuscia S.r.l.	Viterbo	287	100%	Line-by-line
Consorzio Agrario Assicurazioni S.r.l.	Pisa	(18,305)	100%	Line-by-line
Federbio Servizi S.r.l.	Parma	307	52.61%	Line-by-line (*)
Zoo Assets S.r.l.	Bologna	1,056	52%	Line-by-line

(*) at 31/12/2023 is consolidated only at the balance sheet level

The scope of consolidation has changed compared to 31 December 2022 due to the entry of BF BIO and Federbio into the Group, and reference is made to the Consolidated Financial Report at 31 December 2022 regarding the change in the scope of consolidation in the same year. As a result of the Business Combination transactions described therein and in accordance with the joint reading of IAS 28 and IFRS 3.

With regard to BIA, the PPA process definitively recognised and measured the identifiable assets and liabilities by making the following fair value adjustments:

Intangible assets for:

- Euro 7,500 thousand allocated to intangible assets related to acquired customers or "Customer List";
- Euro 491 thousand allocated to assets from the BIA brand.

Tax liabilities for:

- Euro 2,230 thousand as the tax effect of previous fair value allocations to individual items.

Residual goodwill for:

- Euro 6,974 thousand as goodwill arising from the difference between the price paid and the fair value of the net assets acquired.

With regard to Fabianelli, the PPA process definitively recognised and measured the identifiable assets and liabilities by making the following fair value adjustments:

Intangible assets for:

- Euro 1,722 thousand allocated to intangible assets related to acquired customers or "Customer List";
- Euro 808 thousand allocated to assets from the BIA brand.

Tax liabilities for:

- Euro 706 thousand as the tax effect of previous fair value allocations to individual items.

Provision for risks on receivables for:

- Euro 200 thousand.

Tax assets for:

- Euro 56 thousand as the tax effect of the provision for risks on receivables.

Residual goodwill for:

- Euro 2,141 thousand as goodwill arising from the difference between the price paid and the fair value of the net assets acquired.

With regard to Zoo Assets, the PPA process definitively recognised and measured the identifiable assets and liabilities by allocating the entire difference with the price paid to goodwill.

PRINCIPLES OF CONSOLIDATION

The financial statements used for consolidation are those approved by the competent administrative bodies of the respective companies, suitably modified, where necessary, to adapt them to the Group's accounting standards.

Consolidation is carried out using the line-by-line method; the assets and liabilities, expenses and income of the consolidated companies are fully included in the consolidated financial statements. The carrying amount of the investment is eliminated against the corresponding fraction of the subsidiary's equity, with individual assets and liabilities and contingent liabilities being assigned their current value at the date control is acquired. The positive residual difference is recorded under the non-current asset item "Goodwill".

The portions of equity and of the result for the year attributable to minority shareholders are shown separately in the Statement of Financial Position, Income Statement and Statement of Comprehensive Income, respectively.

Payables and receivables, expenses and income relating to transactions between companies included in the scope of consolidation are derecognised. Profits resulting from transactions between these companies and relating to values still included in equity attributable to the shareholders of the parent company are derecognised.

Associates are companies in which the Group exercises significant influence, as defined by IAS 28, but not control, over financial and operating policies. Investments in associates are accounted for using the equity method from the date on which significant influence begins until such time as it ceases to exist.

APPLICATION OF NEW ACCOUNTING STANDARDS

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED FROM 1 JANUARY 2023

The following accounting standards, amendments and interpretations were applied for the first time by the Group as of 1 January 2023:

- On 18 May 2017, the IASB published IFRS 17 – Insurance Contracts intended to replace IFRS 4 – Insurance Contracts. The standard was applied as of 1 January 2023. 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 adoption of this standard and the related amendment had no impact on the consolidated financial statements.
- 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 at the date of first recognition, such as leases and decommissioning obligations. The amendments were applied as of 1 January 2023. The adoption of this standard and the related amendment had no impact on the consolidated financial statements.
- 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 to IAS 1 require an entity to disclose relevant information on the accounting standards applied by the Group. The amendments are aimed at improving disclosure on accounting standards applied by the Company in order to provide more useful information to investors and other primary users of the financial statements and to help the Company distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied as of 1 January 2023. The introduction of the amendment to IAS 1 has led to some refinements and clarifications in some of the descriptions in the following paragraphs regarding the accounting standards and policies applied by the Group. Please refer to said section for details. The introduction of the amendment to IAS 8 had no impact on the Group's consolidated financial statements.

- On 23 May 2023, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules". The document introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules (which are effective in Italy at 31 December 2023, but applicable as of 1 January 2024) and provides for specific disclosure requirements for entities affected by the related International Tax Reform.

The document provides for the immediate application of the temporary exception, while the disclosure requirements are only applicable to separate financial statements commencing on or after 1 January 2023, but not to interim financial statements with a closing date prior to 31 December 2023. For further details, please refer to paragraph 34 of the note.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION AT 31 DECEMBER 2023, NOT YET OBLIGATORILY APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE COMPANY AT 31 DECEMBER 2023

The following IFRS accounting standards, amendments and interpretations have been endorsed by the European Union but are not yet obligatorily applicable and have not been adopted in advance by the Company at 31 December 2023:

- 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". Said amendments aim to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The amendments take effect on 1 January 2024. However, earlier application is permitted. The directors do not expect any significant impact from the introduction of this amendment on the financial statements.

- 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 do not expect any significant impact from the introduction of this amendment on the financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION AT 31 DECEMBER 2023

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 25 May 2023, the IASB published an amendment called "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". It requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments will apply from 1 January 2024. However, earlier application is permitted. The Directors do not expect a significant impact on the consolidated financial statements to arise due to the adoption of such amendment.

- On 15 August 2023, the IASB published "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to apply a consistent methodology for verifying whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be made in the notes to the financial statements. The amendment will apply from 1 January 2025. However, earlier application is permitted. The Directors do not expect a significant impact on the consolidated financial statements to arise due to the adoption of such amendment.

- 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.

For the fees received by the Auditor, please refer to the Report on Operations.

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 consolidated financial statements at 31 December 2022.

The results of operations for the year 2023 are presented in comparison with the previous year ended 31 December 2022. The statement of financial position is presented considering the year ended 31 December 2023 together with the balances carried forward to 31 December 2022.

The Group'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 Group's functional and presentation currency is the Euro.

Unless otherwise specified, the values shown in the Notes to the Financial Statements are in thousands of Euro.

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.

Furthermore, the Directors believe that the financial conditions in which the Group currently finds itself, which has also benefited from the recent capital increase, do not call into question its solvency in the short and medium term and, on the contrary, guarantee greater autonomy to take the measures deemed necessary to preserve the achievement of its objectives.

The recognition, classification and measurement criteria are the same as those adopted at the end of the previous year.

a) *Tangible assets*

1) *Land and real estate*

The Group applies both the rules of IAS 16 "Tangible assets", in respect of capital land and buildings, and the rules of IAS 40 "Investment Property", as it holds non-instrumental land and buildings for which it receives lease fees or makes long-term capital appreciation or short-term sales in the normal course of business.

- "Instrumental" land and real estate (IAS 16)

Acquired "instrumental" assets are recognised at purchase cost, net of ordinary maintenance costs and accumulated impairment losses. These assets are depreciated on the basis of their estimated useful life and their estimated realisable value at the end of their useful life. Land, having an unlimited useful life, is not subject to depreciation. In view of the importance of the value of land and "instrumental" real estate for the Group's statement of financial position, every year, Management commissions an independent expert to prepare an appraisal of the market value of the aforementioned real estate assets, carried out on a sample basis and aimed at identifying any impairment.

- "Non-instrumental" land and real estate (IAS 40)

So-called investment property, i.e. land and buildings that do not form part of the Group's core business (agricultural activity), are classified separately from capital assets, are initially recorded at historical cost, including negotiation costs, and are subsequently measured at fair value, as determined by an independent expert with recognised and relevant professional qualifications.

In particular, the estimative criteria adopted refer to the methods most frequently used in measurement practice to determine the market value of the asset.

The market value represents the "estimate of the price at which, on the date of the measurement, a given property should be exchanged, after an appropriate marketing period, in a transaction between two well-informed and unencumbered parties, both of whom have an interest in the transaction and are able to make decisions with equal capacity and without any restrictions".

Changes in fair value are recorded in the income statement under "Other revenues", if positive, and under "Amortisation/depreciation and write-downs", if negative. No real estate units are held for sale to date.

Reclassifications from or to investment property occur when, and only when, there is a change of use. For reclassifications from investment property to instrumental property, the reference value of the property for subsequent accounting is the fair value at the date of change in use. If an instrumental asset becomes non-instrumental, the Company recognises said asset in accordance with the specific criteria for instrumental investments up to the date of change of use.

Real estate, whether instrumental or not, is derecognised when sold or when the investment is permanently unusable and no future economic benefits are expected from its disposal.

Any gains or losses arising from the withdrawal or disposal of real estate are recognised in the income statement in the period in which the withdrawal or disposal occurs.

2) Plant and machinery, equipment, furniture and furnishings

They are recorded at cost and depreciated over their useful life. 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:

Description	Useful life
Urban and rural instrumental buildings	33 years
Plant and machinery	5 -10 years
Equipment	3 - 5 years
Other assets	3 - 5 years

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.

b) Biological assets (non-current and current)

The Group engages in agricultural and livestock activities and applies IAS 41 "Agriculture" to the accounting events and items of the financial statements within its specific scope of application. IAS 41 applies to biological assets and agricultural products up to the time of harvest. From that point onwards, IAS 2 "Inventories" or any other international accounting standard as may be appropriate is applied.

The Group, in its classification of Biological assets, distinguishes between:

- assets that are intended to remain at the company for more than one financial year (e.g. orchards, poplar and olive groves);
- "current biological assets", which represent the value at the end of each period of crops that will be harvested in subsequent periods realised up to the time of harvest (e.g. wheat field sown immediately prior to the reporting date), and the value of growing cattle at the barn managed by the Group estimated at the reporting date.

The distinction of biological assets on the basis of economic use implies the separate disclosure in the financial statements of non-current (e.g. orchards, poplar and olive groves) and current (e.g. fields under sowing or livestock raised) biological assets.

Current biological assets are measured at fair value less estimated point-of-sale costs. Marketing costs are representative of incremental sales costs including commissions paid to intermediaries and dealers. Changes in fair value are recognised in the income statement for the period to which they relate. In some cases, fair value may be approximated by the costs incurred up to the reporting date to prepare fields for cultivation or bring produce to maturity, particularly when only minor biological transformation has occurred since the initial cost was incurred or when biological transformation is not expected to have a material impact on price. At the end of the financial year, current biological assets refer to plants that have not yet developed or are not sown. This item therefore includes work performed, using in-house labour, third-party processing and technical means, in order to bring crops into production the following year, measured at the cost incurred.

Non-current biological assets such as orchards, poplar and olive groves (falling under the category of "bearer plants"), following the amendment to IAS 41 published by the IASB on 30 June 2014, as of 1 January 2016 no longer fall under IAS 41 but under IAS 16. These assets are therefore measured at cost and depreciated over a useful life of 15 years, an approach that the Company has historically adopted even before the introduction of the aforementioned amendment. Such assets are derecognised when they are sold or when the investment is permanently unusable and no future economic benefits are expected from its disposal. Any gains or losses arising from the withdrawal or disposal of said assets are recognised in the income statement in the period in which the withdrawal or disposal occurs.

c) Intangible assets

Acquired or internally generated intangible assets are recognised as assets when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be measured reliably. These assets are measured at purchase or production 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.

Intangible assets with definite useful life are amortised on a straight-line basis over their estimated useful life and are recorded in the financial statements net of accumulated amortisation, except in specific cases, and any impairment losses.

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 of intangible assets recorded in the financial statements is detailed below:

Description	Useful life
Variety rights	15 years
Software licences and others	3 to 10 years
New product development costs	5 years
Trademarks	10 to 20 years
Rights of use	Contractual Duration

Goodwill, in application of IFRS 3, constitutes the excess of the cost of the combination over the Group's share of the fair value of the assets, liabilities and contingent liabilities acquired that are individually identifiable and separately recognisable. It represents an intangible asset with indefinite useful life.

Goodwill is not amortised, but allocated to Cash Generating Units (CGUs) and tested for impairment annually, or more frequently if events or changed circumstances indicate the existence of impairment losses, in accordance with IAS 36. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Rights of use (IFRS 16)

Assets held by the Group under leases, including operating leases, in accordance with IFRS 16, 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 the Group 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 Group 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 Group'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 Group); 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 Group 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 Group 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 Group 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.

d) Impairment losses of non-financial assets

As mentioned above, assets that have indefinite useful life are not amortised, but are subject at least annually to an impairment test to determine whether their carrying amount has decreased.

Assets subject to amortisation are subject to an impairment test if there are events or circumstances indicating that the carrying amount cannot be recovered (so-called trigger event). In both cases, any impairment loss is recognised for the amount of the carrying amount that exceeds the recoverable amount. The latter is the higher of the asset fair value less costs to sell and its value in use. If the value in use of an asset cannot be determined individually, the recoverable amount of the cash-generating unit (CGU or Sectors) to which the asset belongs must be determined.

Subsequently, if a loss on an asset, other than goodwill, no longer exists or decreases, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, which, however, may not exceed the amount that would have been determined had no impairment loss been recognised.

The reversal of an impairment loss is immediately recognised in the income statement in accordance with the impairment model of IAS 16 "Property, Plant and Equipment".

e) Investments in joint ventures, associates and other financial assets

This item refers to investments in joint ventures and associates and, residually, to investments in companies, cooperatives and consortia, which are deemed not 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 and 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 recognising gains and losses arising from sales transactions carried out by joint ventures and associates in favour of the Company.

With regard to other investments of residual value and over which the Group does not exercise significant influence, the classification of these financial assets at the time of acquisition is determined according to the business model chosen from those provided for by IFRS 9.

f) 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. 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.

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.

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 through 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 Group retains the right to receive the future cash flows of the assets but has assumed a contractual obligation to pass them on to a third party internally without material delay;
- the Group 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 Group 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 Group 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 Group 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 Group's involvement corresponds to the amount of the transferred asset that the Group 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 Group's residual involvement is limited to the lower of the fair value of the transferred asset and the exercise price of the option.

g) Inventories

Inventories, belonging to the category raw materials, goods and finished goods other than agricultural products, are recorded at the lower of purchase cost, determined using the weighted average cost method, and net realisable value.

The cost is represented by the fair value of the price paid and any other directly attributable cost, except for financial expenses. Net realisable value is the estimated selling price in the normal course of business, net of completion costs and selling expenses. Write-downs, if any, are eliminated in the following years if the reasons for making them have ceased to exist.

Inventories, belonging to the category agricultural finished products, as required by IAS 41, are measured at the market price corresponding to the fair value recorded in local commodity exchanges on the date of harvest, net of estimated costs at the point of sale. This value represents the cost as of the date of harvest and is adjusted if the market value at the reporting date is lower.

If their sale is secured by a forward contract or a commitment by a government agency, or if there is an active market and the risk of not being able to sell the product is negligible, inventories are measured at net realisable value, being in such cases excluded from the scope of IAS 2 only with regard to the measurement criteria.

Inventories belonging to the category packaged and semi-finished products (i.e. processed products) are measured at the lower of cost and estimated realisable value. The cost is determined on a weighted average basis and includes: (i) the measurement of its own agricultural products at the market price as required by IAS 41; (ii) all costs incurred in processing these agricultural products under the conditions of the reporting date. The cost of semi-finished and packaged products includes, in addition to direct processing costs, a share of indirect costs, determined on the basis of normal production capacity.

h) 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 Group will not be able to recover the amounts due under the original terms of the contract.

i) Public contributions

Public contributions are recognised when it is reasonably certain that they will be received and when all conditions for attaining them have been met.

1) Operating contributions

Operating contributions consist of public contributions and subsidies received to supplement revenues. The Group accounts for these contributions on an accrual basis in accordance with IAS 20, as they are provided against biological assets measured at cost.

2) Plant contributions

In the event that the contribution is related to an investment, the investment and the contribution are recognised for their nominal values and the release to the income statement occurs progressively over the expected useful life of the relevant investment on a straight-line basis.

l) Cash and cash equivalents

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

Current account overdrafts and advances, if any, are deducted from cash and cash equivalents only for the purposes of the cash flow statement. By the term cash equivalents, IAS 7 refers to short-term, highly liquid financial investments. These are investments held to meet short-term cash commitments, i.e. sums of money invested in financial instruments that are readily convertible when the cash commitment arises: the objective of these investments is to reconcile the need to have liquid sums with the need to avoid leaving such sums unprofitable or nearly so. IAS 7 specifies (paragraph 7) that for a financial instrument to be considered equivalent to cash, it must be: (i) readily convertible into a known amount of money, (ii) subject to an insignificant risk of change in value. It is therefore necessary that the financial instrument has a sufficiently liquid market to enable the company to realise it easily and, at the same time, that the realisation value is substantially certain, as the risk of change in value must be insignificant. According to the IAS, these characteristics are found in debt financial instruments (e.g. private bonds, government bonds, etc.) whose maturity date is within three months of the date of purchase.

m) Equity

1) Share capital

The item is represented by the subscribed and paid-up capital of the Parent Company. Costs related to the issue of new shares or options are classified, if any, in equity as a decrease of the amounts arising from the issue of these instruments.

2) Other reserves

They refer to:

- earmarked reserves;
- reserves arising from the transition to IAS, net of tax effect;
- reserve for treasury shares in the Group's portfolio, generated as a result of consolidation adjustments;
- share premium reserve. Deducted from this reserve are the costs incurred for the Reorganisation operations carried out over the years.

3) 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 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.

Equity attributable to minority interests refers to the share held by the other shareholders of SIS (40.25%), the CAI Group (64.11%), BIA Spa (38.36%), Pastificio Fabianelli (19.36%), BF Agroindustriale (14.21%) and lastly, Bonifiche Ferraresi and BF BIO (24.25%).

n) Employee benefits

1) Employee severance indemnity

It is determined by applying an actuarial-type methodology with reference to the accrued severance remaining in the company.

The application of IAS 19 revised, which is mandatory as of 1 January 2013, requires that the amount of the rights accrued during the year by employees and the notional finance cost, which the company would incur if the market were asked for a loan in the amount of the indemnity, are recognised in the income statement, while actuarial gains and losses, which reflect the effects of changes in the actuarial assumptions used, are recognised directly in equity.

The rates and assumptions used in the calculation are shown in the table below:

	2023	2022
Annual technical discount rate	3.17%	3.77%
Annual inflation rate	2.00%	5.9% for 2023, 2.3% for 2024, 2.0% from 2025
Employee severance indemnity increase rate	3.00%	5.9% for 2023, 3.2% for 2024, 3.0% from 2025

2) 2023-2025 LTI Plan

The Company has granted incentive plans pursuant to article 114-bis of the TUF (Consolidated Law on Finance), reserved to the Company's Chief Executive Officer, as well as to certain executives identified by name by the Board of Directors upon the proposal of the Chief Executive Officer, to be implemented through the assignment of shares against the achievement of predetermined performance objectives over the 2023-2025 financial years. The plan provides for three 3-year cycles starting in the financial years 2023, 2024 and 2025. The maximum number of Shares that can be assigned to each Beneficiary will be calculated on the basis of the ratio between the maximum bonus amount (calculated as a certain percentage of the annual gross recurring remuneration of the Beneficiaries) and the value of the Share, calculated as the official market price of BF shares on the date of commencement of the first vesting period of the Plan, i.e. the date of the BF board of directors' meeting of 30

March 2023. The number of Shares may be reduced to a minimum level (also calculated as a percentage of the gross annual recurring remuneration), below which no Shares are assigned.

The number of Shares to be assigned to each Beneficiary shall be determined - at the sole discretion of each Beneficiary - at the end of the three-year vesting period, following an overall review of the level of achievement of the objectives, thus taking into account the performance achieved on the basis of each

relevant three-year vesting period. At the end of each of these, in fact, the BF board of directors will have the power, following the mathematical finalisation according to the predefined scale, to make an assessment of the level of achievement of the economic indicators constituting the objectives. At the end of each three-year performance period, 100% of the accrued shares will be allocated on the basis of the targets achieved; 50% (i.e. half of the shares of the tranche) will be immediately available (to allow the beneficiaries to bear the tax burden related to the allocation), while the remaining 50% (i.e. the remaining half of the shares of the tranche) will be subject to an unavailability restriction for a period of two years from the allocation during which the accrued portion may be reset to zero if a malus occurs as provided for in the regulation. Once the absence of malus hypothesis has been verified, the remaining 50% of the accrued shares will be awarded. The maximum number of shares assignable under the plan is 631,838. At each reporting date, the Company revises the estimates that it expects to accrue based on the accrual conditions.

o) Provisions for risks and charges

In cases where the Group 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. In the case of lawsuits, the amount of funds was determined on the basis of estimates made by the Group, together with its legal advisors, in order to determine the likelihood, timing and amounts involved and the probable outflow of resources. The provision made will be adjusted as the case develops. At the conclusion of the dispute, any amount that differs from the provision set aside in the financial statements will be recorded in the income statement.

p) Trade payables, other payables and financial payables

Trade and other payables are measured at cost, 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.

All loans 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.

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.

q) Recognition of revenues

The revenues recognised by the Group mainly refer to the following types:

- Sales of agricultural products;
- Sales of meat;
- Sales of seeds;
- Sales of packaged food products;
- Sales and leases of property;
- Sale of electricity;
- Provision of consultancy and specific services;
- Sales of other products such as phytopharmaceuticals, plastics and plant engineering, garden, insurance products and petrochemicals.

Revenues are measured according to the contractually agreed consideration with the customer. The Group recognises revenues when control over the promised goods or services is transferred to the customer.

The Group sells products and provides services to other agricultural and industrial companies or food distribution companies (so-called Large-scale distribution - GDO) and thus operates mainly in the B2B sector, although sales under the own brand "Le Stagioni d'Italia", made to the large-scale distribution, represent a closer approach along the food chain to the end customer.

Revenues as described above from time to time comprise a single performance obligation that relates to the sale of the product, not including in the sale services or ancillary products that, in accordance with IFRS 15, should constitute separate performance obligations.

Revenues are recognised at the moment of transfer of control of the goods ("at a point in time"). This condition depends on what has been agreed with the customer; in most cases, this transfer of control takes place when the goods are taken over by the carrier (which may alternatively be a carrier or a ship). After the transfer of control, the customer has full discretion over the mode of transport and distribution of the goods and the sales price to be charged, bears full responsibility for their use, and assumes the risks of obsolescence and possible loss of the goods.

The Group recognises the receivable when the transfer of control takes place, as mentioned in the preceding paragraph, as this is the moment when the right to consideration becomes unconditional, since the due date of the invoice is the only prerogative that identifies when payment is due.

According to the standard contractual terms applied by the Group, the consideration is certain and there are no variable parts. Furthermore, there are no sales with contractually agreed return rights. Returns are only made in the event that there is an error in quality or delivery and thus the goods sold did not meet the organoleptic characteristics agreed with the customer at the time of ordering.

Revenues from the provision of services are recognised over the duration of the contract ("during time") if the contract allows for remuneration for individual outputs up to a certain date. Where this is not the case, the revenue for the provision of the service is recognised at the point in time when the service is provided in its entirety.

Public contributions are recognised as revenues when there is reasonable certainty that they will be granted and when the Group has fulfilled all the conditions necessary to obtain them. Those disbursed on account of plants are recorded at the time when there is reasonable certainty that they will be granted and when the Group has fulfilled all conditions necessary to obtain them, and the release to the income statement occurs progressively over the expected useful life of the relevant investment on a straight-line basis. Please refer to note i) above for further specifications.

Incentives for the renewable energy sector are determined on the basis of production meter readings; an incentive as per the energy account is applied to the KW produced.

Real estate sales are recognised as revenues when the following conditions are met: control of the property is transferred; a fixed purchase and sale price is established that cannot be changed by changes in market prices after the sale; the buyer bears the risk arising from the deterioration of the asset being sold; the Group no longer occupies the property and obtains no profitability related to the asset being sold; the Group has no further obligations to fulfil after the delivery of the asset.

r) Costs and other income statement components

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.

s) 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.

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.

t) Earnings per share

1) Basic

Basic earnings per share are calculated by dividing the total earnings per share for the period attributable to holders of ordinary shares of the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

2) Diluted

Diluted earnings per share are calculated by dividing the total earnings per share for the period attributable to holders of ordinary shares of the Parent Company, excluding treasury shares. For the purpose of calculating diluted earnings, the weighted average number of shares outstanding is adjusted by assuming the conversion of all potential shares with dilutive effects, while the Company's net result is adjusted to take into account the after-tax effects of the conversion.

u) Sector information

A sector is defined as an area of activity or a geographical area in which the Group's business is conducted, characterised by conditions and risks that differ from those of other sectors.

An operating sector, as referred to in IFRS 8, is a component of an entity that engages in revenue- and cost-generating business activities, the results of which are periodically reviewed at the highest operational decision-making level for the purpose of making decisions about resources to be allocated to the sector and assessing performance. The objective is therefore to provide the necessary information about the nature and budgetary effects of different business activities and the economic contexts in which they operate.

During the first half of 2023, the Group revised its IFRS 8 operating sectors, reporting the new sectors into which the Group's activities are divided in the 2023 Condensed Half-Year Consolidated Financial Statements, which, therefore, differ from those in the 2022 Consolidated Financial Statements. This representation is, from the Group's perspective, more in line with current business operations, also in light of the new 2023-2027 Business Plan and the reorganisation activities finalised in 2022 and 2023.

The Group's activities are organised in the following sectors/activities:

- (i) "Agro-industrial sector", consisting of the management of owned or leased land for the purpose of cultivation, harvesting and subsequent processing, transformation and marketing of agricultural produce;
- (ii) "Seed sector", consisting of the activity carried out by the company SIS and its subsidiary Quality Seeds S.r.l. articulated over all phases of the agricultural seed cycle that is expressed through: (a) research and development activities aimed at improving existing varieties and the creation of new varieties, as well as screening (i.e. the development of variety tests on specific territories in order to understand effectiveness in terms of germinability); (b) the production activity that consists in the multiplication of seeds and their subsequent processing (both for seed varieties owned by the Group and for varieties of other breeders with respect to which the Group has exclusive rights); and (c) the seed marketing activity either directly, i.e. through the Group's commercial network, or indirectly through reproduction and/or marketing agreements with third-party companies for which the Group receives royalties; and
- (iii) "CAI sector", which deals with the activities of (a) marketing of products and provision of services primarily directed to the agricultural world and entrepreneurs; and (b) management of storage centres.

In addition, certain sectors were further grouped to measure the results of CGU as identified by the Group and shown in the sector information table. Reference is also made to the perimeters of Goodwill in the consolidated financial statements, to which the reader is referred.

The main values attributed to the individual sectors are reconciled with the Group's statement of financial position and income statement, representing inter- and intra-asset eliminations separately. Transactions between assets are measured at market prices.

The contribution to the result of the sectors is proposed at the end of this document.

v) 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 Group has access at the measurement date. 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 property investments, as reported in note a.1), falls under level 2.

The fair value of current crop advances, as described in note b), falls under level 2.

The fair value of the final inventories of agricultural products (adopted as cost at the time of their harvest), as described in note g), falls under level 1, referring to the quotations of the products recorded at the Bologna and Milan Commodity Exchanges.

The fair value of financial instruments, as reported in note f), falls under level 3 in respect of investments in unlisted companies.

Use of estimates and assumptions

The preparation of the Consolidated Financial Statements in accordance with IFRS requires the making of estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. In making financial statement estimates, consideration is also given to the main sources of uncertainty that could have an impact on valuation processes.

Actual results may differ from these estimates. Estimates are used for goodwill, investment property, current biological assets, employee benefits, provisions for risks and charges, bad debt provisions and other provisions for impairment, amortisation/depreciation, measurement of derivative instruments and investments in associates, and taxes. The underlying estimates and assumptions are regularly reviewed and the effect of any change is immediately recognised in the Income Statement.

The estimates also took into account assumptions based on market and regulatory parameters and information available at the date of preparation of the financial statements. Current facts and circumstances affecting assumptions about future developments and events, however, may change as a result of, for example, changes in market trends or applicable regulations that are beyond the Group's control. Such changes in assumptions are also reflected in the financial statements when they occur.

It is also noted that some valuation procedures, in particular the more complex ones such as determining any impairment of non-current assets, are generally carried out fully only in the preparation of the separate financial statements, except in cases where there are impairment indicators that require an immediate assessment of any impairment losses.

Listed below are the items in the financial statements that require more subjectivity than others on the part of the directors in making estimates, and for which a change in the conditions underlying the measurement may have an even significant impact on the Group's financial statements:

- Goodwill;
- Property investments;
- Current biological assets;
- Employee benefits;

- Investments in joint ventures;
- Receivables for deferred tax assets.

Please refer to the following paragraphs for more details on the modalities in question.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023

The main events occurring after 31 December 2023 are described below.

Partnership in Ghana

On 16 January 2024, the subsidiary BF International Best Fields Best Food Limited ('BFI') entered into a corporate partnership with Musahamat Farms Limited ('MUSAHAMAT'), a company incorporated under Ghana law that is active in the agricultural sector and, among other things, in the cultivation and planting of bananas. In particular, the parties established the company BF GHANA LIMITED ('BF GHANA'), an English-registered corporate vehicle controlled by BFI and set up for the development of agriculture in Ghana, into which was transferred the MUSAHAMAT operating business unit (for whose local management a secondary office is planned in the territory of the Republic of Ghana), which includes inter alia, about 260 workers, as well as the assignment, as a result of the authorisation already issued by the Ghana government, of the concession for the cultivation of an area located in the Volta River region for a surface of about 1,700 hectares. According to the agreements signed between the parties, BF GHANA will become the assignee of a further concession for the cultivation of an area in the same region of approximately another 5,900 hectares. The 2024-2027 business plan, approved by the Board of Directors of BF GHANA, envisages, among other things, the cultivation and production of corn, soy, wheat, rice, tomatoes, for the domestic market, and bananas, as well as investments in the construction and implementation of an irrigation system that will allow for the extraction of water from the Volta River and will include carrier lines to transport and supply water throughout the cultivable area.

Memorandum signed for the launch of strategic cooperation in the agricultural sector in Kazakhstan

On 18 January 2024, BFI signed a Memorandum with Agrofirma TNK LLP to enter into a strategic partnership aimed at the development of the agricultural sector in Kazakhstan using mutual experience and, in particular the know-how of the BF Group on the management of the cultivation and sowing process, also with the use of precision farming techniques, as well as the implementation of supply chain projects involving investments in the agro-industrial sector so as to also promote the production and distribution of Kazakhstan's agricultural products on the international market.

Entry of the Consorzio Agrario di Siena into CAI

On 30 January 2024, BF, the subsidiary Consorzi Agrari d'Italia S.p.A. ('CAI'), the other current shareholders of CAI (the 'Consorzi Soci Attuali') and Consorzio Agrario di Siena Società Cooperativa ('Consorzio Siena') executed an extraordinary transaction (the 'CAI-Siena Transaction') including:

- (i) the transfer by Consorzio Siena to CAI of a company BU consisting of the company assets instrumental to the core activities of the consortium, i.e. the production, marketing and supply of agricultural products and services, together with some real estate, plant and equipment, intangible assets, working capital, personnel and relative liabilities, as well as part of the financial debt, instrumental to carrying out the core business (the 'Transfer of the Business Unit'), by means of the subscription and release of a share capital increase of CAI reserved for Consorzio Siena, for a nominal amount of Euro 21,418,000, plus a share premium of Euro 5,000,000. The Transfer of the Business Unit became effective as of 1 March 2024;
- (ii) the subscription and release by BF of an increase in the CAI share capital reserved for BF, in cash, for a total amount of Euro 12,500,000 (the 'Reserved Capital Increase'); and
- (iii) the signing, by BF, the Consorzi Soci Attuali and the Consorzio Siena, of a shareholders' agreement setting out the terms and conditions of their reciprocal rights and obligations as CAI shareholders, with particular regard to CAI corporate governance and the circulation of the relevant shareholdings, substantially in line with the shareholders'

agreement in place between BF and the Consorzi Soci Attuali, all in accordance with the provisions of an investment agreement signed, also on 30 January 2024, by BF, CAI and the Consorzi Soci Attuali, on the one hand, and the Consorzio Siena, on the other hand.

The CAI-Siena Transaction is part of the process of consolidating the CAI sales network, as well as developing the Group's portfolio of products and services, in accordance with the assumptions on business development and commercial objectives set forth in the Group's business plan for the 2023-2027 financial years, approved by BF board of directors on 21 July 2023 (the "Business Plan"). The immediate economic impact expected from the Transfer of the Business Unit, on an annual basis, is an increase in Group turnover of approximately Euro 100 million. From a strategic and prospective perspective, the CAI-Siena Transaction (i) with regard to production, allows the acquisition - inter alia - of a seed mill and a feed mill and, therefore, an increase in the own-brand products offered; (ii) with regard to distribution, contributes to the reorganisation and strengthening of the commercial and distribution network in Tuscany and upper Lazio, as well as to the streamlining of the warehouse; and (iii) more generally, as a result of the increase in the sale of traditional products, may contribute to an increase in the related provision of services to operators in the agricultural market (as-a-service model).

It is foreseen that the financial resources made available to CAI by BF - through the subscription of the Reserved Capital Increase - will be used by CAI to implement part of the investments for the efficiency and development of the CAI sector, again in accordance with the Business Plan. The Reserved Capital Increase qualifies as a related party transaction, insofar as CAI is controlled by BF - more specifically as a "transaction with a related party of lesser importance" - pursuant to CONSOB Regulation 17221/2010 and the Procedure for Related Party Transactions adopted by BF; this transaction, as an intra-group transaction, has been qualified, in accordance with the Procedure for Related Party Transactions adopted by BF, as exempt from the application of the governance controls envisaged by the aforementioned provisions.

As a result of the subscription of the BF Capital Increase, the Company holds 36.01% of CAI compared to 35.89% at 31 December 2023.

Again in execution of the Agreement, BF, the Consorzi Soci Attuali and Consorzio Siena signed a shareholders' agreement containing the terms and conditions of their reciprocal rights and obligations as shareholders of CAI, with particular regard to CAI corporate governance and the circulation of the relevant shareholdings (the "Shareholders' Agreement"), substantially in line with the shareholders' agreement in place between BF and the Consorzi Soci Attuali described above.

ENI investment agreement in SIS

On 19 February 2024, BF, CAI and its subsidiary S.I.S. - Società Italiana Sementi S.p.A. ("SIS"), on the one hand, and Eni Natural Energies S.p.A. (subsidiary of Eni S.p.A. - "ENE"), have signed an investment agreement regulating the terms and conditions of a transaction aimed at consolidating the collaboration relationship started between the Eni Group and the Group with the objective of developing seed production in the non-food sector for the energy chain (the "Agreement"). In particular, the Agreement:

- (i) regulates the ENE investment in SIS for a total amount of Euro 25,000,000, for the purchase of a shareholding representing approximately 17% of the SIS share capital, to be implemented through the subscription of an increase in the SIS share capital reserved to ENE and the transfer to ENE, by CAI, of a shareholding representing 3.45% of the SIS share capital (fully diluted after the execution of the increase in the SIS share capital reserved to ENE);
- (ii) provides for the signing by ENE and SIS of a 10-year commercial framework agreement for the creation and start-up of a non-food seed division within SIS ("Agro-Energy Division") by the end of June 2024, as well as reciprocal obligations and rights regarding the supply of seed by ENE; and
- (iii) includes certain provisions of a shareholders' agreement nature (to be incorporated into the articles of association of SIS) aimed at protecting the ENE investment in SIS, i.e. certain governance rights in favour of ENE and certain limitations on the transfer of shares in CAI, in line with market practice for similar transactions (collectively, the "SIS-ENE Transaction").

At present, it is expected that the SIS-ENE Transaction can be finalised in the coming months, subject to: (i) the prior verification of the relevance of the SIS-ENE Transaction for the purposes of the application of the golden power rules; and (ii) the absence of events that may seriously affect the SIS-ENE Transaction.

The Investment Agreement also regulates the mutual relations between BF, CAI and ENE as shareholders of SIS, in particular, certain governance rights of ENE to protect its investment, as well as limitations on the transfer of investments, in line with market practice for similar transactions, and which will also be incorporated into the SIS Articles of Association. The Transaction is part of the initiatives aimed at the growth of the BF Group in the seed sector envisaged in the BF Group Business Plan for the period 2023-2027, approved by the BF Board of Directors on 21 July 2023, and does not determine any changes with respect to the outlook previously indicated to the market.

It is envisaged that the resources from the investment operation will be allocated to the creation of the Agro-Energy Division, as well as to possible operations aimed at expanding SIS production capacity and know-how, all in line with the objectives of the business plan.

STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

(1) TANGIBLE ASSETS

The breakdown of tangible assets belonging to the Group is shown below, with specific indication of the gross and net carrying amount for each category.

CATEGORY	31/12/2023			31/12/2022			Change
	Gross carry- ing amount	Accumulated depreciation	Net value	Gross carry- ing amount	Accumulated depreciation	Net value	
Land ownership							
Agricultural land	176,861	(3,608)	173,253	173,784	(317)	173,467	(214)
Rice fields, alfalfa and medicinal plants	1,557	(525)	1,032	1,614	(393)	1,221	(189)
Buildings	263,296	(30,373)	232,923	250,876	(23,282)	227,594	5,329
Business centre "L. Albertini"	7,121		7,121	7,077		7,077	44
Assets in progress							
Other assets							
Plants and Machinery	144,175	(55,268)	88,907	123,342	(34,175)	89,167	(260)
Equipment	20,635	(12,640)	7,995	18,534	(10,861)	7,673	322
Other	9,574	(6,022)	3,552	7,262	(4,083)	3,179	373
Assets in progress	37,599	-	37,599	40,863	-	40,863	(3,264)
TOTAL TANGIBLE ASSETS	660,818	(108,436)	552,382	623,352	(73,111)	550,241	2,141

Below is a description of the changes that occurred during 2023 and 2022:

CONSO	Net value 31/12/2022	Increases	Decreases	Depreciation of the period	Reversal accu- mulated depre- ciation	Write-downs	Changes in scope of consol- idation	Reclassifica- tions	Net value 31/12/2023
Land ownership									
Land	173,468	36	(117)	(415)	-	-	-	282	173,253
Rice fields, alfalfa and medicinal plants	1,220	126	(41)	(233)	36	(77)	-	0	1,031
Buildings	227,594	3,583	(395)	(7,414)	190	-	-	9,363	232,921
Business centre "L. Albertini"	7,077	44	-	-	-	-	-	0	7,121
	409,360	3,789	(553)	(8,062)	226	(77)	-	9,645	414,327
Other assets									
Plants and Machinery	89,167	5,162	(1,443)	(8,888)	677	-	-	4,233	88,908
Equipment	7,673	2,465	(1,332)	(1,460)	237	-	-	411	7,994
Other	3,179	1,105	(25)	(846)	6	-	-	133	3,551
Assets in progress	40,864	12,008	(849)	-	-	(2)	-	(14,421)	37,600
	140,883	20,740	(3,649)	(11,194)	920	(2)	-	(9,644)	138,054
TOTAL TANGIBLE ASSETS	550,243	24,529	(4,202)	(19,256)	1,146	(79)	-	1	552,382

CATEGORY	Net value 31/12/21	Increases	Decreases	Depreciation of the period	Reversal accumu- lated de- preciation	Write- downs	Changes in NE transfer	Increase scope of con- solidation	Decrease scope of con- solidation	Reclassifi- cations	Net value 31/12/2022
Land ownership											
Agricultural land	167,179	41	-	(217)	-	-	-	6,465	-	-	173,468
Rice fields, alfalfa and medicinal plants	1,256	209	-	(245)	-	-	-	-	-	-	1,220
Buildings	127,326	782	(16)	(5,372)	-	-	100,835	1,576	-	2,465	227,594
Business centre "L. Albertini"	6,945	59	-	-	-	-	-	-	-	73	7,077
Assets in progress											-
	302,706	1,090	(16)	(5,834)	-	-	100,835	8,041	-	2,538	409,360
Other assets											
Plants and Machinery	48,529	3,211	(651)	(5,452)	139	-	34,761	8,606	(60)	87	89,167
Equipment	7,028	835	(612)	(2,358)	112	(7)	721	914	(223)	1,262	7,673
Other	2,322	619	(45)	(586)	13	-	537	214	(83)	187	3,179
Assets in progress	20,213	19,372	(64)	-	-	-	2,393	1,667	-	(2,717)	40,864
	78,092	24,037	(1,372)	(8,396)	264	(7)	38,412	11,400	(367)	(1,180)	140,884
TOTAL TANGIBLE ASSETS	380,798	25,127	(1,389)	(14,230)	264	(7)	139,246	19,442	(367)	1,358	550,243

INCREASES

The increases on **buildings** mainly refer to the new logistics centre of CAI (Euro 2,863 thousand) and to the work carried out for the construction (renovation, demolition and new construction) of the livestock centre in Marrubiu (OR). As for plant and machinery, they mainly refer to new machinery in the animal feed area (Euro 3,142 thousand), to the irrigation system for the olive grove in the Santa Caterina (Cortona) estate (Euro 255 thousand), to the irrigation system in the Arborea estate (Euro 203 thousand), to new equipment for the barn in Arborea (Euro 239 thousand) and, for Euro 451 thousand, to the new pear orchard built in the Jolanda di Savoia estate. With reference to **equipment**, the increases mainly refer to the new fire-fighting system of the Pastificio Fabianelli for Euro 104 thousand, agricultural machinery for Euro 245 thousand, and equipment for the CAI feed centre (Euro 1,371 thousand). With reference to assets in progress, the increases are mainly attributable to the new warehouse being built at BIA for Euro 595 thousand, land improvements being carried out on the various estates for Euro 1,070 thousand and to refurbishments being carried out on the Jolanda di Savoia and Massa Marittima estates for Euro 471 thousand, to the new sorting plant in the seed sector (Euro 517 thousand); with reference to the CAI sector they mainly refer to the refurbishment of premises and development projects (Euro 3,147 thousand). **Land, rice fields, alfalfa and medicinal plants** refer to improvements to agricultural land in the agro-industrial sector.

In assets in progress, the increases mainly refer to: (i) with regard to the CAI sector, expenses incurred with reference to "supply chain" projects that will also be financed with the measures of the national NRRP and relating to interventions to be carried out in specific sites with the purpose of developing new logistic hubs, with reference to the sector (Euro 3,479 thousand); (ii) with reference to the agro-industrial sector, they mainly concern expenses for the construction of the university campus (Euro 5,361 thousand) and expenses for the construction of new production facilities (Euro 2,652 thousand); (iii) with reference to the seed sector, they mainly concern investments related to the construction of the new SIS plant.

DECREASES AND RECLASSIFICATIONS

The decrease in assets in progress is related to the asset management operations due to the putting into use of the various assets in the production cycle of the individual entities; the remaining decreases in the various items are related to normal operating activities and related disposals.

(2) PROPERTY INVESTMENTS

This item consists of the property investments held by the Group in land and buildings.

CATEGORY	Net value 31/12/22	In- creases	De- creases	Revalua- tions IS	Write-downs IS	Net value 31/12/2023
Land ownership						
Land	7,290	-	-	-	(350)	6,940
Buildings	18,754	208	(2)	1,085	(612)	19,434
TOTAL PROPERTY INVESTMENTS	26,044	208	(2)	1,085	(962)	26,374

Increases in the item Buildings refer to improvements and extraordinary maintenance performed on Group-owned buildings.

Revaluation and impairment items are changed following the measurement of IAS 40 buildings at the corresponding fair value determined on the basis of an appraisal report prepared annually and at year-end by a leading real estate consulting firm.

As required by IFRS 13, it is noted that the fair value adopted for the measurement of property investments falls within hierarchical level 2, and in the measurement carried out by the Group at 31 December 2023, the minimum and maximum values per square metre per municipality used in the valuation of urban buildings at 31 December 2022 were taken as a reference, which remained practically unchanged from that date and are shown below.

	Value (Euro/sqm)	
	Min	Max
URBAN BUILDINGS		
MUNICIPALITY OF ROME	7,500	9,000
MUNICIPALITY OF FERRARA	2,000	2,300
MUNICIPALITY OF JOLANDA DI SAVOIA	800	1,000
MUNICIPALITY OF MESOLA	500	700
MUNICIPALITY OF MIRABELLO	900	1,300
MUNICIPALITY OF POGGIO RENATICO	900	1,300
MUNICIPALITY OF ALTEDO	850	1,850
MUNICIPALITY OF CORTONA	1,075	2,460

	Value (Euro/ha)	
	Min	Max
LAND		
MUNICIPALITY OF ALTEDO	15,000	30,000
MUNICIPALITY OF CORTONA	16,000	40,000

(3) BIOLOGICAL ASSETS

The item includes the value of the Group's biological assets divided into current and non-current.

CATEGORY	31/12/2023			31/12/2022			Change
	Gross carrying amount	Accumulated depreciation	Net value	Gross carrying amount	Accumulated depreciation	Net value	
Non-current	3,347	(354)	2,993	3,340	(290)	3,050	(57)
Non-current in progress	2,408		2,408	1,919		1,919	489
Current	14,839		14,839	12,774		12,774	2,065
TOTAL	20,593	(354)	20,241	18,033	(290)	17,743	2,497

NON-CURRENT BIOLOGICAL ASSETS	31/12/2021	Increases	Decreases	Depreciation	31/12/2022
Gross carrying amount	3,340				3,340
Accumulated depreciation	(226)			(64)	(290)
Non-current in progress	1,632	287			1,919
TOTAL	4,746	287	0	(64)	4,969

NON-CURRENT BIOLOGICAL ASSETS	31/12/2022	Increases	Decreases	Depreciation	31/12/2023
Non-current gross carrying amount	3,340				3,340
Non-current accumulated depreciation	(290)			(64)	(354)
Non-current in progress	1,919	496			2,415
TOTAL	4,969	496	0	(64)	5,401

Non-current biological assets in progress include the value of the olive grove in progress at the S. Caterina estate in the municipality of Cortona.

The following table provides a breakdown of Current biological assets by type and nature:

CURRENT BIOLOGICAL ASSETS	31/12/2023	31/12/2022	Change
Crop advances at Cost	312	587	(275)
Crop advances at Fair Value	3,609	2,352	1,257
Livestock	10,918	9,835	1,083
TOTAL	14,839	12,774	2,065

Current biological assets comprise (i) the valuation of crops for the 2023/2024 marketing year that had not completed their cultivation cycle with harvesting at 31 December 2023, the date of this report ("Crop Advances") and (ii) the value of livestock in the barn at the reference date.

Crop advances are measured at fair value less costs to sell. In some cases, fair value may be approximated by the costs incurred to bring produce to maturity, particularly when only minor biological transformation has occurred since the initial cost was incurred or when biological transformation is not expected to have a material impact on price.

With reference to the **Crop advances at cost**, the changes recorded in 2023 relate to the agro-industrial sector and are to be considered as merely fewer crops valued with this method than at the end of 2022

With reference to **Crop advances at Fair Value**, the increase is mainly related to the different crop plan between the two years.

Livestock current biological assets refer to cattle bred at the barn located in Jolanda di Savoia and the Sardinia barn in Marrubiu; these assets are measured at fair value net of selling costs, taking into account the growth achieved during the year in terms of kg (barns in Jolanda di Savoia and Marrubiu) and type of cattle (cattle at the Le Piane estate). The increase in value of Euro 1,087 thousand is related to the mix of cattle in the barn.

(4) INTANGIBLE ASSETS

The following table summarises the balances of Intangible assets broken down into their main items at 31 December 2022 and 31 December 2023 and then shows the related changes:

CATEGORY	31/12/2022			31/12/2023		
	Gross carrying amount	Accumulated amortisation	Final net value	Gross carrying amount	Accumulated amortisation	Net value
SOFTWARE	2,180	(908)	1,272	3,596	(1,981)	1,616
INTANGIBLE ASSETS IN PROGRESS	4,181	(4)	4,177	7,517		7,517
INTANGIBLE ASSETS IN PROGRESS FOR PRODUCT DEVELOPMENT	4,597	-	4,597	5,832	(118)	5,714
PRODUCT DEVELOPMENT	7,353	(2,789)	4,564	7,434	(4,198)	3,236
VARIETY RIGHTS	9,329	(3,733)	5,595	9,329	(4,355)	4,973
RIGHTS OF USE	75,228	(10,608)	64,620	77,953	(20,421)	57,532
OTHER INTANGIBLE ASSETS	88,786	(9,833)	78,953	109,053	(23,719)	85,334
TOTAL INTANGIBLE ASSETS	191,653	(27,875)	163,778	220,714	(54,793)	165,920

CATEGORY	Net value 31/12/20 21	In-creases	De-creases	Amor-tisa-tion of the pe-riod	Re-ver-sal ac-cu-mu-late d amo-rti-sa-tion	NE trans-fer	Re-clas-sifi-ca-tions	In-creases from scope of con-soli-dation	De-creases from scope of con-soli-dation	Final net value 31/12/20 22
SOFTWARE	806	592	(79)	(284)			195	42		1,272
INTANGIBLE ASSETS IN PROGRESS AND PRODUCT DEVELOPMENT IN PROGRESS	8,284	7,730	(3,099)	(4)			(1,337)	43	(2,843)	8,773
PRODUCT DEVELOPMENT	6,894	953		(1,170)			354	1	(2,468)	4,564
VARIETY RIGHTS	6,217			(622)						5,595
RIGHTS OF USE	16,316	10,611	(2,468)	(6,350)	288	43,170	186	2,867		64,620
OTHER INTANGIBLE ASSETS	52,349	7,277	(1,245)	(7,484)	-	16,811	788	10,701	(244)	78,953
TOTAL INTANGIBLE ASSETS	90,866	27,163	(6,891)	(15,914)	288	59,981	186	13,654	(5,555)	163,778

CATEGORY	Net value 31/12/20 22	In-crease s	De-crease s	Amor-tisa-tion of the pe-riod	Re-ver-sal ac-cu-mu-late d amo-rti-sa-tion	Other chang-es	Re-clas-sifi-ca-tions	Net value 31/12/20 23
SOFTWARE	1,272	715	-	(431)	-	(0)	59	1,616
INTANGIBLE ASSETS IN PROGRESS AND PRODUCT DEVELOPMENT IN PROGRESS	8,773	7,074	(2,420)	(97)	-	11	(111)	13,232
PRODUCT DEVELOPMENT	4,564	22	-	(1,455)	-	-	105	3,236
VARIETY RIGHTS	5,595	-	-	(622)	-	-	-	4,973
RIGHTS OF USE	64,620	4,019	(2,785)	(9,237)	784	132	(0)	57,533
OTHER INTANGIBLE ASSETS	78,953	16,769	(1,231)	(8,337)	22	154	(1,000)	85,331
TOTAL INTANGIBLE ASSETS	163,778	28,600	(6,436)	(20,178)	806	297	(948)	165,920

Among the aforementioned components that are recognised during the year are "Other intangible assets" and "Rights of use";

The increase in the item **Intangible assets in progress**, amounting to Euro 7,074 thousand, concerns the capitalisations relative to the various development projects implemented to support the Group's activities, aimed at increasing company know-how in the various sectors in which the Group operates and the development of new products under the "Le Stagioni d'Italia" brand. At the conclusion of these projects, i.e. when the products themselves are marketed, the amounts previously capitalised are reclassified under Product Development to reflect said end of the development phase and commencement of the amortisation period. Among the various projects is the project concerning the development of a traceability and sustainability-related information system for the entire agro-industrial supply chain. The increase in **software** of Euro 715 thousand relates to the new Group IT system under development. The increase in the item **Rights of use** of Euro 4,019 thousand is mainly attributable to the lease of the new Milan office and the purchase of new

agricultural tractors, while the decrease of Euro 2,785 thousand is attributable to the early termination of numerous lease contracts during the year.

For the sake of clarity, we report what was allocated to the item Other intangible assets, referring to what was described in the Consolidated Financial Report at 31 December 2021 with regard to the CAI PPA and what emerged from the allocation processes of the newly acquired BIA Spa and Pastificio Fabianelli Spa and from the transfer of the business unit from Consorzi Agrari del Nordest in the Consolidated Financial Report at 31 December 2022. Specifically, the values before the respective accumulated amortisation are:

- Euro 2,796 thousand allocated to Contractual Rights arising from the transfers (i) of the 100% investment of Italian Tractor from Consorzi Agrario dell'Emilia to CAI Spa for Euro 506 thousand and (ii) of the 100% investment of Assicai for Euro 2,288 thousand as of 1/10/2021;
- Euro 11,720 thousand allocated to intangible assets related to customers acquired as a result of the acquisition of the investment in Eurocap Petroli;
- Euro 12,780 thousand allocated as intangible assets related to the "Consorzi Agrari d'Italia" brand and therefore to the value of the sales network brought in with the acquisition;
- Euro 1,799 thousand allocated to Contractual Rights, as an increase in 2022, in continuity with the CAI PPA at 31 December 2021;
- Euro 7,500 thousand allocated in the PPA for BIA as intangible assets from customer lists;
- Euro 491 thousand allocated in the PPA for the BIA Brand;
- Euro 13,256 thousand at the time of the PPA for the contribution of Consorzi Agrari del Nordest to CAI Spa and attributed to the higher value contributed by the brand or the intrinsic value of the sales network;
- Euro 1,722 thousand in the PPA for the acquisition of Pastificio Fabianelli and allocated to the customer list;
- Euro 808 thousand in the PPA for the acquisition of Pastificio Fabianelli and allocated to the brand;
- Euro 1,785 thousand in the PPA for the contribution of Consorzi Agrari del Nord Est and specifically for the customer list related to the specific BU of fuel-lubricants transferred.

The values shown above are gross of the consequent tax effects; the latter are recognised in the appropriate Deferred Tax Provision.

During the year, the relative amortisation was also accounted for, considering the useful life to be 10 years for contractual rights, 15 years for acquired "Customer List" customers, and 12 years for the "Consorzi Agrari d'Italia" and "Consorzi Agrari del Nord Est" brands, respectively.

The increase in the item other intangible assets, with reference to the CAI sector mainly concerns the capitalisation of costs incurred for the development of skills and know-how linked to the development of new products (Euro 4,361 thousand); with reference to the Agro-industrial sector mainly concerns the costs incurred for the creation of the new platform linked to traceability (Euro 4,221 thousand), and the final allocation of the PPA of Pastificio Fabianelli (Euro 2,500 thousand).

The decrease in intangible assets in progress is attributable to the process of asset management of completed projects.

(5) GOODWILL

The table shows the values of Goodwill:

DESCRIPTION	31/12/2023	31/12/2022	Change
Goodwill	64,013	64,576	(563)

The amounts recorded in this item refer to the differences from cancellation, between the purchase cost of the investments and the portion of equity of the subsidiaries attributable to the Parent Company at the time of purchase measured at fair value and not allocable to specific assets.

In the course of 2023, the changes refer to:

- increase of Euro 746 thousand for the higher value allocated to goodwill for the acquisition of BIA as part of the definition of the PPA (Purchase Price Allocation) process and as a further valuation process in the final definition of the method adopted by the parent company in the event of a business combination;
- decrease of Euro 2,130 thousand for the lower value allocated to goodwill for the acquisition of Pastificio Fabianelli as part of the PPA process;
- Euro 822 thousand for the increase in goodwill in Eurocap due to the acquisition of the company BU from Petroltenna S.r.l.

Goodwill at 31 December 2023 is allocated to the following CGU.

Goodwill by CGU	31/12/2022	Increases	Decreases	31/12/2023
Agro industrial CGU	41,628	814	(2,198)	40,244
Seeds CGU	3,479			3,479
Fuels CGU	17,740	822		18,562
CGU ZooAssets	1,727			1,727
	64,576	1,636	(2,198)	64,013

Impairment test

It is specified that at the end of each financial year, this item is subject to a specific impairment test with reference to the possibility of maintaining the value recorded in the consolidated financial statements, pursuant to and for the purposes of IAS 36. In particular, the process consisted in estimating the recoverable amount of the CGU identified by the Company, namely the Agro-Industrial CGU, the Seeds CGU and the CAI CGU with reference to the Fuels and ZooAssets sector. The Group's investment in the Ghigi 1840 joint venture, which will be discussed in the next section on "Investments in joint ventures and associates", was also subject to an impairment test.

Cash flow projections refer to current business conditions; therefore, they do not include cash flows related to any extraordinary operations or development projects. The cash flows are based on the forecasts contained in the Plan approved by the Board of Directors on 21 July 2023 covering the period 2023-2027.

At the board meeting of 20 February 2024, the methodological and application references underlying the 2023 Impairment test were approved.

The Agro-industrial CGU over the plan period envisages initiatives aimed at strong growth and efficiency in both core businesses (agricultural and industrial) as well as a specific focus on Group synergies.

The strategic pillars of the CGU from the point of view of the Agricultural Division (BF Agricola, Bonifiche Ferraresi and BF Bio) are ascribable to: (i) "as a service" development of the agricultural business and cultivation plan with a focus on the rotational mix of the cultivation plan and reduction of tillage on the land and development of best practices to be borrowed at a national and international level by carrying out advisory activities and (ii) development of land leadership in food and non-food with investments in new agricultural land (e.g., Tuscany, Emilia-Romagna, Sardinia) for the strengthening of the agricultural food business and the development of an agro-industrial supply chain for energy use in Italy with the putting into production of the first 2,000 national hectares for oilseed crops.

The strategic pillars of the CGU from the point of view of the Industrial Division (BF Agroindustriale and its subsidiaries) are ascribable to: (i) brand expansion: expansion of the product portfolio, agreements with large-scale distribution and multi-channel positioning with "premium" products (change of mix); (ii) creation of the Agri-Food Hub and Group synergies; and (iii) efficiency and focus on central costs, i.e. optimisation of purchasing and logistics costs and focus on core central costs (centralisation and integrated systems).

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 2024 Budget forecasts and in the economic development lines outlined by the Group in the medium-long term. In the Business Plan, the Group plans to continue implementing certain measures to guard against climate and environmental change risks: (i) the geographical and crop diversification of directly managed farms; (ii) the efficient use of water systems; (iii) the development of more soil-friendly and less invasive farming methods (through geo-referencing and precision farming practices); (iv) the installation of photovoltaic systems and the transition to the use of sustainable materials and resources (e.g. the use of bio-methane and the signing of energy contracts that provide for the supply of energy from renewable sources); (v) the conduct of analyses of soil characteristics and morphology in order to define ad hoc crop plans for farms and determine intervention measures in the event of acute climatic and environmental adversity; (vi) the stipulation of specific insurance policies to cover potential damage to crops caused by acute climatic and environmental adversity; (vii) research into seed genetics in order to obtain seeds that can grow even in the event of less rainfall; (viii) implementation of research programmes (in the future also within BF University) in order to obtain forecast/statistical indicators for use in the market.

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, the cash flows expected from the single entities were used, determined at nominal values and applying a discount rate of 6.6% (last year's rate was 5.7%). The latter, compared to the assumptions made in the impairment test at 31 December 2022, also takes into account the growth in interest rates on the capital market in 2023. The growth rate ("g") used to extrapolate the cash flow projections beyond the explicit planning period is 2%, which is in line with the medium-term inflation expectations of the International Monetary Fund (2.0%, Oct-23), the long-term ECB (2.0%, Jan-2024), the European Commission (2.3%, Feb-24) and Consensus Economics (2.0%, Feb-24).

For the purpose of discounting operating flows, the rate was identified as the post-tax weighted average cost of capital (WACC) according to the application of the Capital Asset Pricing Model financial model. The parameters used to estimate the discount rates were determined on the basis of a basket of comparable companies operating in the relevant sectors. The flow for the estimated terminal value ("TV") was estimated on the basis of the Ebitda and Capex values recorded in the last year.

In light of the assumptions described, using the discount rate of 6.6%, the estimated recoverable amount of the Agro-Industrial CGU is Euro 349 million, with a headroom compared to the carrying amount of about Euro 34 million. In light of the result, no impairment losses were recognised.

Finally, a sensitivity analysis was performed in which tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 50 bps.

The WACC that brings headroom to zero is 7.06% while the g-rate that brings headroom to zero, all things being equal, is 1.47%. Moreover, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 9.76% lower than the current estimates in order to result in a zeroing of the cover described above.

The Seeds CGU over the plan period envisages the development of research and development activities, as well as the strengthening of seed supply activities for Group companies and the industrial partner, and the achievement of greater operational efficiency.

In particular, the strategic pillars are represented by:

- (i) push for innovation on own or licensed products, including through growth by external lines;
- (ii) increase in CGU volumes, i.e:
 - (a) as far as food is concerned, the sale of such seeds to BF International and third-party foreign agricultural operators, as well as their possible production abroad;
 - (b) in the non-food sector, the production of oil seeds and supply to the BF Group's industrial partner for use by the latter in its own oil crops for energy purposes both in Italy and abroad;
- (iii) strengthening the sales network, i.e. developing synergies between the sales network of the CGU and the sales network of the CAI sector, increasing the number of staff and employees in the network and enhancing the training provided by the Group to them;
- (iv) improving productivity through investments (e.g. in new processing plants and research and development on genetics);
- (v) registration, procurement and supply of technical and/or proprietary/licensed genetics seed for international markets (serviced through BF International).

With regard to the test performed to verify the recoverability of the value in use of the invested capital pertaining to the Seeds Sector CGU, the cash flows expected from the single entities were used, determined at nominal values and applying a discount rate of 7.9% for the flows deriving from the domestic activity and 9.3% for the flows of the international activity (last year 7.1%). The latter, compared to the assumptions made in the impairment test at 31 December 2022, also takes into account the growth in interest rates on the capital market in 2023. The growth rate ("g") used to extrapolate the cash flow projections beyond the explicit planning period is 2%, which is in line with the medium-term inflation expectations of the International Monetary Fund (2.0%, Oct-23), the long-term ECB (2.0%, Jan-2024), the European Commission (2.3%, Feb-24) and Consensus Economics (2.0%, Feb-24).

For the purpose of discounting operating flows, the rate was identified as the post-tax weighted average cost of capital (WACC) according to the application of the Capital Asset Pricing Model financial model. The parameters used to estimate the discount rates were determined on the basis of a basket of comparable companies operating in the relevant sectors. The flow for the estimated terminal value ("TV") was estimated on the basis of the Ebitda and Capex values recorded in the last year.

In light of the assumptions described, using the discount rate of 7.9% for the domestic portion and 9.3% for the international portion, the estimated recoverable amount of the Seeds CGU is Euro 125 million, with a headroom compared to the carrying amount of about Euro 51.2 million. In light of the result, no impairment losses were recognised.

Finally, a sensitivity analysis was performed in which tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 50 bps.

The WACC that brings headroom to zero is 11.62% while the g-rate that brings headroom to zero, all things being equal, is -2.97%. Moreover, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 42% lower than the current estimates in order to result in a zeroing of the cover described above.

The Fuels Sector CGU plan foresees growth in continuity with the historical one.

With regard to the test performed to verify the recoverability of the value in use of the invested capital pertaining to the Fuels Sector CGU, the cash flows expected from the single entities were used, determined at nominal values and applying a discount rate of 7.5% (last year's rate was 6.3%). The latter, compared to the assumptions made in the impairment test at 31 December 2022, also takes into account the growth in interest rates on the capital market in 2023. The growth rate ("g") used to extrapolate cash flow projections beyond the explicit planning period is 1%, in view of the plan growth rate being below long-term inflation expectations (International Monetary Fund medium-term inflation expectations 2.0%).

For the purpose of discounting operating flows, the rate was identified as the post-tax weighted average cost of capital (WACC) according to the application of the Capital Asset Pricing Model financial model. The parameters used to estimate the discount rates were determined on the basis of a basket of comparable companies operating in the relevant sectors. The flow for the estimated terminal value ("TV") was estimated on the basis of the Ebitda and Capex values recorded in the last year.

In light of the assumptions described, using the discount rate of 7.5%, the estimated recoverable amount of the Fuels CGU is Euro 144.9 million, with a headroom compared to the carrying amount of about Euro 88.1 million. In light of the result, no impairment losses were recognised.

Finally, a sensitivity analysis was performed in which tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 50 bps.

The WACC that brings headroom to zero is 16.05% while the g-rate that brings headroom to zero, all things being equal, is -12.38%. Moreover, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 62% lower than the current estimates in order to result in a zeroing of the cover described above.

With regard to the test performed to verify the recoverability of the value in use of the invested capital pertaining to the ZooAssets CGU, the cash flows expected were used, determined at nominal values and applying a discount rate of 12.70%. The growth rate ("g") used to extrapolate the cash flow projections beyond the explicit planning period is 2%, which is in line with the medium-term inflation expectations of the International Monetary Fund 2.0%.

For the purpose of discounting operating flows, the rate was identified as the post-tax weighted average cost of capital (WACC) according to the application of the Capital Asset Pricing Model financial model. The parameters used to estimate the discount rates were determined on the basis of a basket of comparable companies operating in the relevant sectors. The flow for the estimated terminal value ("TV") was estimated on the basis of the Ebitda and Capex values recorded in the last year.

In light of the assumptions described, using the discount rate of 12.70%, the estimated recoverable amount of the ZooAsset CGU is Euro 8.5 million, with a headroom compared to the carrying amount of about Euro 4.8 million. In light of the result, no impairment losses were recognised.

Finally, a sensitivity analysis was performed in which tests were assumed to combine decreases or increases in the discount rate (WACC) and the long-term growth rate (g) for intervals of +/- 50 bps.

The WACC that brings the headroom to zero is 25.51%. Moreover, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 81% lower than the current estimates in order to result in a zeroing of the cover described above.

Finally, it should be noted that estimates and forecasts are determined by the Parent Company's management on the basis of past experience and expectations of developments in the markets in which the Group and its companies operate. However, estimating the recoverable amount of investments requires discretion and the use of estimates by management. The Company cannot guarantee that there will be no impairment of the investments in future periods. In fact, various factors, also related to changes in the market context, may require a revaluation of the value of investments. Circumstances and events that could cause a further impairment test will be continuously monitored by the Company and the Group.

(6) INVESTMENTS IN JOINT VENTURES, ASSOCIATES AND OTHER FINANCIAL ASSETS

Investments in joint ventures and associates refer to investments held by the Group at 31 December 2023. Please refer to the table below for a detailed list and changes in the year. A brief description of the Group's main associates follows.

In relation to the investment in **Leopoldine SpA** - which has as its object the development of a real estate project aimed at the recovery and valorisation of the properties owned by the same, located in Tuscany, of the type of typical Tuscan farmhouses - it should be noted that the same has been included among investments in associates and JV as early as 2019, following the binding framework agreement entered into by BF with the company Lingotto Hotels Srl and with the parent company IPI SpA, concerning the sale to Lingotto Hotels Srl of an investment representing 20% of the share capital of Leopoldine and the adoption of governance lines (made operative also in the interim phase preceding the final stipulation of the deed of sale, based on the agreements made) aimed at ensuring that BF and IPI SpA, directly and indirectly through the subsidiary Lingotto Hotels Srl, exercise joint control over Leopoldine SpA, pursuant to and for the purposes of the provisions of international accounting standard IFRS 11. Leopoldine has undertaken to promote the regeneration of this important historical property, with their consequent "valorisation", also economically, as part of the "Leopoldine in Val di Chiana" landscape project promoted by the Region of Tuscany. In relation to the above, the Company has initiated a first concrete intervention that has led to the decision to create a diffuse "Resort" involving the Farm and Villa covering an area of sqm 9,800 approximately with a total of 101 rooms plus a restaurant, salus per aquam and wellness path, conference centre and related services. By virtue of the transaction underway, and following the change of use carried out in the first half, Leopoldine remeasured, on the basis of an appraisal prepared by an independent professional and in accordance with IAS40, taking into account that this asset is classified as an investment property measured at fair value, the property that will be redeveloped and will be contributed to a dedicated vehicle. Based on the results obtained in 2023, the measurement at equity was positive by approximately Euro 1,785 thousand.

Milling Hub SpA is a company whose purpose is to build and operate milling plants in JV with Ocrim SpA of Cremona. Milling Hub proposes itself as an aggregating hub for a better control of the territory, guaranteeing the traceability of Italian raw materials from the field to the finished product through the control of the food chain. The project involves the construction of milling plants of which the individual customer will have exclusive use, with the dual advantage of having a customised plant and the absence of operating and running costs. At 31 December 2023, the financial result for the year was essentially balanced; during the first half, the parent company made a payment as a future capital increase in the amount of Euro 1,030 thousand. At 31 December 2023, the valuation of the investment changed negatively by Euro 100 thousand.

RurAll S.p.A., is a company whose purpose is the realisation of: (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; (ii) a digital 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 vision objective is to accelerate the digital infrastructure of rural territories, harnessing digital technologies to increase yield and land management on a large scale.

The year-end of 2023 shows a substantially balanced operating result. At 31 December 2023, the valuation of the investment changed positively by Euro 41 thousand.

Ghigi 1870 SpA ("Ghigi") is a leading Italian industrial pasta factory located in the province of Rimini. Ghigi, now a long-standing industrial partner of the Group as a subcontractor, for the production of pasta under the Stagioni d'Italia brand, became part of the Group as an associated investment in 2019, following the subscription of a paid capital increase of

approximately Euro 3.8 million in kind, through trade receivables, as part of a financial restructuring of the company, which culminated on 21 November 2019 with the signing of the interbank agreement. The subscription of the capital increase by the Group in Ghigi was finalised on 29 November 2019 and, following the same, the Group holds an associated investment in Ghigi equal to 76.7% of the share capital (held in total by BF, SIS and Cai).

The Ghigi business plan envisages the consolidation of its commercial presence in the markets currently covered, growth in foreign markets through the synergies developed with other group companies, growth in the on-trade sector and positioning on premium private label production.

At Group level, the total investment in the company is 79.36%; although it exceeds the 50% shareholding, it was not consolidated because, according to current shareholders' agreements, there is joint control with a minority shareholder.

At 31 December 2023, BF, with the assistance of an independent expert, performed an impairment test to verify the resilience of the carrying amount of the investment with respect to the equity value of the company, which took into account the expected value of two different scenarios with equal probability of occurrence, from which an equity value of Euro 23.4 million emerged against a total Group value of the investment of Euro 24.4 million, and consequently a negative differential of about Euro 0.9 million emerged from the above analysis.

The cash flows used are those estimated by the company on a 2024-2027 time horizon.

The long-term growth rate was assumed to be 2% in line with long-term inflation expectations.

The WACC used was 6.8% for the 2024-2026 plan flows and 8.1% for the 2027 and TV flows. Even using a rate of 8.1% for the years 2024-2026, the test result would not have been significantly different.

BF Energy Srl was created from a partnership in the sustainable energy sector between the BF Group and Graded SpA. In particular, the BF Group established a newco through the transfer of two photovoltaic plants and, subsequently, the company Graded SpA entered into the capital of BF Energy through a reserved Capital Increase for a value of Euro 2,070 thousand, through which Graded SpA acquired ownership of a 60% shareholding in the investee company. Due to the Group's 40% shareholding and the low relevance of the data in 2023, a valuation adjustment of Euro 29 thousand was made to equity.

Progetto Benessere Italia Srl: set up following an extraordinary transaction involving the company Master Investment Srl, the holding company of the group leader in the production and sale of food supplements, functional and organic foods and wellness cosmetics. The company's financial results resulted in a positive equity measurement of approximately Euro 1,368 thousand at 31 December 2023. During the year, the investee company paid dividends of Euro 875 thousand to the parent company BF spa.

With reference to the investment held in **La Pioppa S.r.l. Società Agricola**, It should be noted that the Group, with a view to enhancing the value of the land investments made, has implemented a transaction for the sale of a 20% shareholding in the company (out of a total share held of 48%) to the majority shareholder of La Pioppa. Following this transaction, any form of connection with the subsidiary ceased, leading to a reclassification of the share being sold among non-current assets available for sale. Please refer to the comments in the table below and in the section "Non-current assets held for sale" below.

Erba del Persico S.r.l. and Terra del Persico S.r.l. are companies active respectively in the drying of alfalfa for the production of feed mainly for the livestock sector and in the cultivation of alfalfa; the 2023 results led to a decrease of Euro 12 thousand on Erba del Persico and an increase of Euro 13 thousand on Terra del Persico, producing an almost neutral effect.

The investment held in **K.Z. srl (formerly Agricorporate Finance srl)** was incorporated by the Group as a contribution from the consolidation of CAI. In this regard, it should be noted that this investment is equal to 76.2%. However, even though the Group holds a shareholding of over 50%, it has not consolidated the investee company due to the insignificance of its economic, equity and financial contributions resulting from its substantial non-operating status. Consequently, the shareholders' meeting resolved in early 2022 to put the company into liquidation; the liquidation plan is mainly conditional on the sale of the investment held in turn by K.Z. in CAI Real Estate Spa, on which discussions are underway with third parties in order to allow the sale and consequent closure of the liquidation of K.Z. srl at the carrying amount of the investment.

The 45% shareholding in **Sementi Maremma srl** was sold by CAI in the first half of 2023 to the majority shareholder.

OltreBosco S.r.l. was established on 13 October 2023 and has as its object the management of forests as well as the purchase and sale of timber and biomass from agricultural products and similar and related activities. BF, as well as CAI, hold 32% of the share capital. At 31 December, the investment was not impaired.

The following table shows the changes in the Group's investments in joint ventures and associates at 31 December 2023:

Investment	% interest	31/12/2022	Measurement using the equity method	Other changes	31/12/2023
Progetto Benessere Italia Srl	35.00%	28,615	1,368	(98)	29,885
Leopoldine SpA	90.00%	10,642	1,785		12,427
Rurall Spa	25.00%	1,500	41		1,541
Milling Hub SpA	51.00%	3,086	(107)	3,530	6,509
Ghigi S.p.A.	79.36%	25,973	(264)	(1,553)	24,156
Erba del Persico Srl	45.00%	2,615	(12)		2,603
Terra del Persico Società Agricola	45.00%	179	13		192
La Pioppa Srl	48.00%	4,357		(4,357)	0
Cerea Srl	60.00%	1,971		(1,971)	0
BF Energy Srl	40.00%	1,416	29	600	2,045
Bio Energy Agriculture	40.00%	10			10
Agri Energy	50.00%	190	(8)		182
Agreen Energy Srl	30.00%	0		150	150
K.Z Srl	76.22%	6,300			6,300
Sementi M. Srl	45.00%	872		(872)	0
AGRI HOLDING SPA	20.00%	8,438		(8,438)	0
Other securities and non-current financial assets		11,410		(4,989)	6,421
Other investments		8,534		55,381	63,915
Financial instruments receivable		2,077		(1,123)	954
TOTAL INVESTMENTS IN JV AND ASSOCIATES		118,185	2,845	36,260	157,291

In addition to what has already been highlighted in the previous notes, below is some information on the other significant changes recorded during the year.

At 31 December 2022, the associate **La Pioppa S.r.l.** (share held by BF Agricola 48%) was measured using the equity method pursuant to IAS 28. During the first half of the year, the value of the investment increased by Euro 1,440 thousand as a result of a capital increase (at 31 December 2022 it was Euro 4,357 thousand). Due to the agreement reached with the majority shareholder of La Pioppa on 30 June 2023 for the sale of 20% of the associate, as part of the process of valuing the investments made by the Group, this share was reclassified, in accordance with IFRS5, under the item "Non-current assets held for sale" at the lower of its carrying amount (Euro 2,415 thousand) and its realisable value of approximately Euro 5.1 million. The remaining investment of 28% does not qualify as an associate shareholding since the Group, following the agreements entered into and also following substantial changes in the governance of this investee, no longer holds significant influence over it and consequently, it has been measured in accordance with IAS

28 paragraph 22 and reclassified under "Other investments". Specifically, (i) as of the date on which the investment ceased to qualify as an associate, the use of the equity method was discontinued, (ii) the residual interest in this investee is measured at fair value. Considering the fair value upon initial recognition as a financial asset, in accordance with IFRS 9. The Group recognised in the income statement the difference between the fair value of the residual interest in this company and its carrying amount at the date the use of the equity method was discontinued. Based on the aforementioned valuations, the value of the 28% share held in La Pioppa is approximately Euro 7.1 million.

The investment in **Agri-Holding S.p.A.** at 31 December 2022 for the amount of Euro 8,438 thousand, corresponding to a 20% shareholding, was acquired on 30 December 2022 and as part of the broader transaction involving the sale of IBF Servizi S.p.A. and its subsidiary Agronica Srl, as mentioned in the Report on Operations at 31 December 2022, to which reference should be made. The purchase was made in a logic consistent with the strategic development plan of the digitalisation activity in agribusiness; BF Agricola reinvested part of the consideration received for the sale of IBF Servizi in Agri-Holding S.p.A.

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.

In 2023, the subsidiary BF Agricola made a payment of Euro 9,509 thousand to Agri-Holding for a capital increase to provide Agri-Holding with the financial resources necessary to acquire a shareholding representing the entire capital of a company operating in the supply of vertical technologies for the agricultural sector, Abaco Spa, with the aim of integrating the latter into IBF Servizi and through specific synergies creating the main player offering management software for farms at an international level in a market with few competitors in terms of product and service offerings, turnover and profitability. At 31 December 2023, following the capital increase described above, the Group held 19.71% of the Agri-Holding share capital.

Following an analysis of the governance rules, the investment does not qualify as an associate as the Group does not have significant influence over it as of the last four months of 2023, following the termination of the operating powers given to the General Manager appointed by the BF Group, and consequently, it has been measured in accordance with IAS 28 paragraph 22 and reclassified under "Other investments". Considering the fair value upon initial recognition as a financial asset, in accordance with IFRS 9, the Group recognised the difference between the fair value of the interest in this company and its carrying amount, as adjusted by the equity method, in the income statement. The fair value at 31 December 2023 was determined using a financial method equal to the pro-rata equity value of Agri-Holding, taking into account a minority discount, by applying a Discounted Cash Flow to the consolidated plan of the investee covering the explicit years 2023-2030, a WACC of 9.18% and growth rate of 2.30%, estimating a terminal value equal to the flows of the last year of the plan. The main method was also corroborated by other control methods that supported the range of values in which the Agri-Holding fair value at 31 December 2023 was estimated. As a result of the aforementioned valuations, the value of the 19.71% shareholding held in Agri-Holding was Euro 31 million, which resulted in an impact on the income statement of about Euro 13 million.

In addition to the above information on the two investee companies La Pioppa S.r.l. and Agri-Holding S.p.A., the item "Other investments" includes the following investments in minority shareholdings:

Investment	31/12/2023	31/12/2022	Change
Agriholding	31,000	-	31,000
La Pioppa	7,077	-	7,077
Physis	4,900	-	4,900
Ecomaturasi	5,000	-	5,000
Naturalia	5,150	-	5,150
Consorzio Casalasco	2,660	2,660	-
Hypermeteo	250	-	250
Il Melograno Barrette	715	715	-
Happy Pig	383	383	-
Ma.Mar	292	292	-
Cap Service	662	662	-
Edelweiss S.r.l.	3,000	-	3,000
Banca di Cambiano	-	1,000	(1,000)
Other minors	2,826	2,822	(4)
TOTAL OTHER INVESTMENTS AND NON-CURRENT ASSETS	63,915	8,534	55,381

On 16 November 2023, BF and CAI respectively acquired a 30% and a 19% shareholding in **Physis S.r.l.**, a company active in the development, production and marketing of innovative products and services with high technological value in urban and suburban green areas, agriculture, vegetation control in the road, motorway and railway sectors.

OltreBosco S.r.l. was established on 13 October 2023 and has as its object the management of forests as well as the purchase and sale of timber and biomass from agricultural products and similar and related activities. BF, as well as CAI, hold 32% of the share capital with an investment of Euro 3 thousand each. At 31 December 2023, the company was still in a start-up phase.

The investment agreement concerning **EcorNaturasi**, better described in the section "Significant events in 2023", provides for the subscription of a divisible paid capital increase of Naturasi intended for BF, or a company controlled by the same, for a total amount of Euro 25 million (the "Naturasi Capital Increase"). At 31 December 2023, BF has subscribed to the first tranche of the capital increase in the amount of Euro 5 million and holds, as of today, 2.47% of the share capital.

The item includes the investment in **Edelweiss** aimed at indirectly supporting - through the assumption of minority shareholdings in special corporate vehicles - Banca Cambiano 1884 S.p.A.

The operation is part of a complementary activity, provided for in the Articles of Association, which links BF activity to that of Banca Cambiano. The latter, in fact, operates in an area where BF is active, both directly (through farms located in the provinces of Arezzo and Grosseto) and indirectly, through its subsidiary CAI.

The activity of Banca Cambiano, like that of many local banks, has a strong value for those who operate in it, particularly small and medium-sized enterprises. It is in fact to local banks that artisans and small entrepreneurs turn for the necessary financing of their business. Among these, agricultural operators, a category to which Banca Cambiano pays great attention, are particularly important. Hence, the interest that the link between the activities of BF and that of Banca Cambiano should be in a logic of complementarity.

On 30 October 2023, BF Agroindustriale and CAI acquired a 25% and a 24% shareholding, respectively, in **Naturalia S.r.l.**, a company active in the development, production and marketing of natural fruit sugars in crystalline form.

"Other securities and other non-current financial assets" underwent a net decrease of Euro 4,989 thousand during the year, mainly due to the reclassification to cash and cash equivalents of Anima fund securities held by CAI (decrease of Euro 11,331 thousand) and the reclassification of the receivable from Ghigi (increase of Euro 6,342 thousand).

The table shows the main 2023 figures of the financial statements for the Group's main investments in joint ventures and associates:

Investments in JV and associates	Production value	Result	Equity
Progetto Benessere Italia S.r.l.	1,500	2,953	12,316
Ghigi 1840 S.p.A.	26,219	(493)	14,196
Leopoldine S.p.A.	3,175	1,983	12,141

(7) RECEIVABLES

The following table shows the values for the item "Receivables" at the respective dates:

DESCRIPTION	31/12/2023	31/12/2022	Change
Receivables	58,178	42,965	15,213

Below is the breakdown for the year 2023, which shows an increase of Euro 15,213 thousand compared to the year ended 31 December 2022 and includes the following items and related amounts:

DESCRIPTION	31/12/2023	31/12/2022	Changes
Deferred tax assets	19,035	19,586	(551)
Security deposits	3,705	5,605	(1,900)
Prepaid expenses	352	214	138
Other receivables from third parties	13,512	3,229	10,283
Public tax credits as per I 57	7	38	(31)
Receivables from investee companies	21,566	14,294	7,272
Total	58,177	42,966	15,211

Receivables from investee companies include: (i) interest-bearing loans to La Pioppa in the amount of Euro 9,650 thousand (for further information, see paragraphs 5 and 12), (ii) interest-bearing loans to Fondazione Bonifiche Ferraresi in the amount of Euro 950 thousand (iii) interest-bearing loans granted by the Parent Company to the associates Ghigi, Erba del Persico, BF Energy, and Leopoldine, in addition to CAI receivables from associates. The change is mainly attributable to the increase in interest-bearing loans to La Pioppa

Below is a breakdown of receivables from investee companies

DESCRIPTION	31/12/2023	31/12/2022	Change
Financial receivables from Leopoldine	1,000	2,000	(1,000)
Financial receivables from Cerea	-	300	(300)
Financial receivables from Ghigi	4,760	7,480	(2,720)
Financial receivables from La Pioppa	9,650	2,650	7,000
Financial receivables from L'Erba del Persico	2,250	1,350	900
Financial receivables from BF Energy	1,000	-	1,000
Financial receivables from BF International	500	-	500
Financial receivables from other minor investees	1,690	514	1,176
TOTAL	25,566	15,944	9,622

Also in consideration of what has already been reported with regard to the measurement of investments in associates, there are no critical issues with regard to the recoverability of receivables recognised in the foreseeable future.

For deferred tax assets, the recognition of which derives from the assessments of recoverability in relation to the positive results expected in the Group's strategic guidelines and confirmed by the final figures for 2023, the following is detailed below:

1. Euro 2,799 thousand, relating to tax losses for the year and previous years and the excess of the ACE (Aid to Economic Growth) benefit generated in 2017 by the company BF SpA;
2. Euro 1,703 thousand, relating to tax losses and the excess of the ACE benefit of the 2017 and 2018 financial years of the company Bonifiche Ferraresi;
3. Euro 336 thousand, mainly relating to tax losses and the excess of the ACE benefit of the 2017 and 2018 financial years of the company BF Agro-Industriale;
4. Euro 764 thousand, relating to temporary differences deductible in subsequent years of SIS, mainly attributable to provisions not recognised for tax purposes;
5. Euro 584 thousand, relating to temporary differences deductible in subsequent years of BF Agricola (mainly attributable to: (i) allocation to the bad debt provision and (ii) costs deductible under the rules of the TUIR only at the time of payment);
6. Euro 758 thousand related to temporary differences deductible in subsequent years for BIA related to tax losses and adjustments for the application of IFRS16;
7. Euro 12,266 thousand related to temporary differences deductible in subsequent years for CAI mainly due to provisions not recognised for tax purposes;
8. Euro 131 thousand, relating to temporary differences deductible in subsequent years for Pastificio Fabianelli;
9. Euro 242 thousand related to consolidation adjustments.

Finally, the item other receivables from third parties includes:

- the investments made in the Fondo Italiano Agri&Food (FIAF) and the Fondo Nextalia Private Equity. Both are to be considered strategic investments made by the parent company in order to pursue the Group's development and leadership objectives. In particular:
 - (i) Commitment undertaken by the Parent Company on 21 November 2022, to subscribe units of the "Fondo FIAF" for a total of Euro 60,000 thousand, of which Euro 6,983 thousand had already been paid at 31 December 2023. On 24 January 2024, following the completion of the third partial closing of subscriptions, the Fund paid BF Euro 2,290 thousand as reimbursement of advance payments due.
 - (ii) Commitment undertaken by the Parent Company on 13 October 2021, to subscribe units of the "Fondo Nextalia" for a total of Euro 3,000 thousand, of which Euro 2,067 thousand had already been paid at 31 December 2023.
- Loans to Alimentagri Piemonte for Euro 4,717 thousand (Euro 1,650 thousand in 2022).

It should be noted that the aforementioned investments will be financed by resources deriving from the extraordinary transactions for the sale of minority shareholdings in Bonifiche Ferraresi by the Parent Company.

CURRENT ASSET

(8) INVENTORIES

DESCRIPTION	31/12/2023	31/12/2022	Change
Raw and ancillary materials and consumables	20,396	12,869	7,527
Finished products and goods	267,444	280,486	(13,042)
TOTAL	287,840	293,355	(5,515)

Raw and ancillary material and consumable saw an increase of about Euro 7,527 thousand, mainly due to the growth in business volume.

The decrease in **Finished products and goods** totalling Euro 13,042 thousand was due to the combined effect: (i) of the decrease in CAI inventories (approx. Euro -19.1 million), of which Euro 15.1 million related to the transfers of the business units to SIS and BF Agroindustriale, about 76% of which consisted of final products such as cereals, pesticides, fertilisers, seeds, and irrigation materials, (ii) of the increase in SIS inventories (about Euro 12.6 million), largely explained by the transfer of the CAI seed business unit to SIS (about Euro 11 million) and (iii) of the decrease in BF Agricola inventories (about Euro 9.7 million) (iv) of the increase in BF Agroindustriale inventories (about Euro 0.5 million); it should be noted that, net of the transfer of the industrial BU of CAI (approximately Euro 3.3 million), BF Agroindustriale would have a decrease of approximately Euro 2.8 million. For the other Group companies, changes in inventories do not contribute significantly to the total changes.

In addition, it is noted that the value of the inventories attributable to CAI, amounting to Euro 212,229 thousand, is shown net of the inventory adjustment provisions at 31 December 2023 for a total value of Euro 3,674 thousand (last year Euro 2,275 thousand).

(9) RECEIVABLES FROM CUSTOMERS

The changes between 31 December 2022 and 31 December 2023 are shown below and amount to Euro 24,633 thousand as the sum of both "Receivables from customers" and "Bad debt provision".

DESCRIPTION	31/12/2023	31/12/2022	Change
Receivables from customers	354,805	378,288	(23,483)
Provision for risks on receivables	(33,139)	(32,991)	(148)
TOTAL	321,665	345,298	(24,633)

The table below examines the contributions to these changes by entity included in the scope of consolidation, highlighting the significant contribution of CAI Spa.

Description	31/12/2023			31/12/2022		
	Receivables from Customers	Bad debt provision	Total	Receivables from Customers	Bad debt provision	Total
BF Spa	7,344	0	7,344	2,939		2,939
Bonifiche ferraresi	3,119	(349)	2,770	2,446	(249)	2,197
BF Agricola	7,061	(1,107)	5,954	6,050	(1,107)	4,943
BF Agro Industriale	13,041	(398)	12,643	9,805	(98)	9,707
BF BIO	17	0	17			
SIS spa	23,101	(2,641)	20,460	18,143	(2,550)	15,593
CAI Spa	288,298	(28,012)	260,286	325,650	(28,826)	296,824
Fabianelli	5,104	(452)	4,652	5,431		5,431
Bia	7,721	(181)	7,540	7,824	(161)	7,663
Total	354,805	(33,139)	321,665	378,288	(32,991)	345,298

The increase in the bad debt provision, amounting to Euro 33,139 thousand at 31 December 2023, net of utilisations for the year, derives from allocations made by the Group and consequent to the increase in the estimate of expected losses on outstanding receivables or the likelihood of events that may indicate possible bad loan positions in accordance with the simplified model provided for by IFRS9. All estimates made in application of the simplified model provided for by IFRS9 support the assessment made and confirmed that there is no further information on doubtful positions not covered by the bad debt provisions recorded for each Company.

The Group's companies have set up appropriate assessment and management tools to monitor credits with greater regard to those with higher seniority with the aim of maximising the recovery of obsolete positions already known and foreseeing any expected losses, thus taking appropriate measures.

The Group's companies have set up appropriate assessment and management tools to monitor credits with greater regard to those relating to the "over 90 days" bracket with the aim of maximising the recovery of obsolete positions already known and foreseeing any expected losses, thus taking appropriate measures.

As further detail and analysis, the table below shows trade receivables broken down by seniority bracket before the bad debt provision.

Description	Not due	0-30 days	31-60 days	61-90 days	> 90 days	Total Receivables
BF SpA	1,568	3,214	58	6	2,498	7,344
Bonifiche Ferraresi	1,619	64	351	37	1,048	3,119
BF Agricola	4,995	440	444	997	183	7,061
BF Agroindustriale	6,410	149	173	266	6,043	13,041
BIA	4,258	2,839	487	51	86	7,721
SIS	13,977	4,132	894	298	3,800	23,101
Pastificio Fabianelli	2,416	1,043	640	206	800	5,104
CAI	208,374	8,658	11,709	8,700	50,857	288,298
BF BIO	3	-	3	-	10	17
TOTAL	243,619	20,540	14,759	10,560	65,327	354,806

Lastly, it should be noted that the receivables under this item are due within 12 months of the following year (31 December 2024).

(10) OTHER CURRENT ASSETS

DESCRIPTION	31/12/2023	31/12/2022	Change
Tax receivables	24,354	19,360	4,994
Contributions in the year	6,308	3,660	2,648
Other sundry receivables	24,084	11,476	12,608
Short-term prepaid expenses	1,753	3,647	(1,894)
Sub total	56,499	38,143	18,356
Provision for risks on other receivables	(7)	(7)	-
TOTAL	56,492	38,136	18,356

The item **Tax receivables** include IRAP credits and advances, withholding taxes, IRES credits and refunds, and VAT credits. The increase was mainly due to higher VAT receivables of the subsidiary CAI in view of the increase in its turnover compared to 2022.

Contributions in the year mainly include amounts due from AGREA/AGEA for CAP subsidies and, in general, amounts payable in respect of applications for subsidies for the primary sector by Group Companies.

Short-term prepaid expenses and accrued income include the portion pertaining to subsequent periods of advertising contracts for sponsorship activities that have already been scheduled but not yet executed, insurance premiums, maintenance fees for photovoltaic systems, and certain other service costs such as consultancy and software expenses not pertaining to the year.

In **Other sundry receivables**, the most significant items refer to other receivables from third parties, i.e. generally all receivables from others of a current nature. The category of receivables related to this item mainly derives from advances to suppliers, employees, agents, associates and third parties with whom the entities have contractual relationships. The increase was mainly attributable to the Parent Company and the subsidiary CAI and related mainly to advances and pre-payments to suppliers.

(11) MARKETABLE SECURITIES AND OTHER CURRENT FINANCIAL ASSETS

DESCRIPTION	31/12/2023	31/12/2022	Change
Marketable securities and other current financial assets	15,739	-	15,739
TOTAL	15,739	-	15,739

The item Marketable securities and other current financial assets mainly includes securities held for immediate sale for Euro 9,515 thousand (at 31 December 2022, they were classified under the item "Investments in JV, associates and other financial assets" in non-current assets as they cannot be liquidated in the short term) and securities, subscribed during the second half of 2023, for Euro 6,100 thousand consisting of bonds listed on the Euronext Access Milan Market and recognised in the financial statements at their fair value at 31 December 2023.

(12) CASH AND CASH EQUIVALENTS

DESCRIPTION	31/12/2023	31/12/2022	Change
Cash	240,434	173,729	66,705
Cash equivalents	106,000	-	106,000
TOTAL	346,434	173,729	172,705

This item includes the cash and cash equivalents recorded in the financial statements of the companies included in the consolidation. For a more detailed discussion of the change in financial resources, please refer to the consolidated cash flow statement, noting that the largest changes in cash and cash equivalents during the year were mainly attributable to the parent company BF (about Euro 300 million) and CAI (about Euro 38 million). The item includes 3-month restricted cash for a total amount of Euro 106,000 thousand at 31 December 2023

(13) NON-CURRENT ASSETS HELD FOR SALE

DESCRIPTION	31/12/2023	31/12/2022	Change
Non-current assets held for sale	2,415	-	2,415

At 31 December 2023, "Non-current assets held for sale" amounted to Euro 2,415 thousand and related to the reclassification of assets held for sale in accordance with IFRS5, i.e., the 20% shareholding of the company La Pioppa.

In particular, on 30 June 2023, an agreement was signed with the majority shareholder of La Pioppa for the sale of 20% of the company (48% owned by BF Agricola and measured at 31 December 2022 using the equity method pursuant to IAS 28) to be formalised by 30 June 2024; therefore, the portion to be sold is represented in these Financial Statements in line with the provisions of IFRS5.

The measurement of the investment reclassified in this item was carried out at the lower of historical cost and estimated realisable value.

For the measurement of the BF Agricola residual share, please refer to section 6 above, "Investments in joint ventures, associates and other financial assets".

EQUITY

The individual items of equity are summarised below, and reference is made to the table on changes in consolidated equity at 31 December 2023 for details.

With regard to share capital, it changed due to the capital increase of the parent company BF SpA and amounted to Euro 261,883,391 at 31 December 2023.

(14) OTHER RESERVES AND RETAINED PROFITS

The item "Other reserves" mainly includes the share premium (Euro 224,471 thousand at 31 December 2023) paid at the incorporation of the Parent Company first and at the subsequent capital increase, net of costs incurred and for the 2023 capital increase net of costs of Euro 21,353 thousand. A negative reserve of Euro 15,094 thousand relating to the change in the scope of consolidation, pursuant to IFRS 10, following the sale of 2.8% of the share capital of the subsidiary Bonifiche Ferraresi S.p.A. Società Agricola for a total value of Euro 11.5 million. At 31 December 2023, the stock option reserve of Euro 455 thousand was also recognised in this item relating to the measurement in accordance with IFRS2 of the variable compensation of the Chief Executive Officer and certain of the Group's executives (Long Term Incentive Plan). For more details on the incentive plan, please refer to the information document published on the Company's website www.bfspa.it under the section Investor Relation/Meetings/Ordinary and Extraordinary Meeting 10.05.2023.

Retained profits include the allocation of the Group's retained results, net of consolidation adjustments.

Consolidated equity changed mainly as a result of:

- Dividend distribution of Euro 0.040 per share, amounting to Euro 7.48 million by the parent company;
- Dividend distribution of the subsidiaries CAI, Bonifiche Ferraresi and BIA with an effect towards minority shareholders of Euro 3.5 million;
- Change in the scope of consolidation, pursuant to IFRS 10, following the sale of 2.8% of the share capital of the subsidiary Bonifiche Ferraresi S.p.A. Società Agricola for a total countervalue of Euro 11.5 million, which led to an increase, net of transaction costs, of about Euro 8.2 million, in addition to the effects of the transfer transactions described above for the creation of the agrifood and seed cluster, which led to a recalculation of minority interests;
- The recognition, in accordance with IAS 32, of costs related to capital transactions, directly deducted from equity in the amount of Euro 21,353 thousand, specifically related to costs of the 2023 capital increase;
- The capital increase of Euro 299,295 thousand, with Euro 78,824 thousand allocated to share capital and Euro 224,471 thousand to additional paid-up capital;
- The segregation of the portion of profit for the year 2023 to the Non-Distributable Profit Reserve unavailable pursuant to Article 6, Paragraph 1, Letter a) of Legislative Decree no. 38/2005 in the amount of Euro 2,056 thousand.

The following is a reconciliation of the parent company's equity and results with the respective consolidated balances.

STATEMENT OF RECONCILIATION OF PARENT COMPANY EQUITY AND GROUP EQUITY (in thousands of Euro)	NET RESULT	EQUITY
Parent company result and equity	12,226	764,930
Subsidiaries' results and equity	14,239	715,189
Consolidation adjustments	(20,900)	(63,244)
Carrying amount of investments in BF	(1,300)	(563,184)
<i>Consolidation difference allocated to:</i>		
- <i>Goodwill</i>		39,200
- <i>Fair value measurement of land and buildings net of taxes</i>		17,376
- <i>Higher value of intangible assets net of taxes</i>	(2,958)	38,209
- <i>Higher value of inventories net of taxes</i>		
- <i>Risk provisions</i>	2,890	(500)
Consolidated result and equity	4,198	947,987
Group result and equity	1,174	748,802
Result and equity attributable to minority interests	3,023	199,185

NON-CURRENT LIABILITIES

(15) PROVISIONS FOR TAXES AND DEFERRED TAXES

The composition of the deferred tax provision at 31 December 2023 compared to that at 31 December 2022 is detailed below.

DESCRIPTION	31/12/2023		31/12/2022	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Deferred tax liabilities:				
Higher value of tangible assets and investment property	183,561	45,054	178,264	44,584
Higher value of intangible assets	60,068	12,122	50,070	13,392
Lower value of employee severance indemnity	6,779	1,609	6,079	1,758
Suspended amortisation	5,759	1,282	5,759	1,255
Effect IFRS 16	132	(58)	182	40
Higher value product inventories/advances	5,418	2,325	6,699	1,362
Ordinary gains taxed over five years	11	3	91	22
Gains and investments measured at equity	1,221	187	803	193
Total deferred taxes	262,950	62,524	247,947	62,607

The balance of this item, amounting to Euro 62,524 thousand, is mainly related to CAI, as already recognised at 31 December 2022, and is attributable to temporary differences taxable in subsequent years, broken down by type as described in the table.

(16) OTHER PROVISIONS

The item "Other Provisions" is detailed in the following table:

DESCRIPTION	31/12/2023	31/12/2022	Change
Incentive and Bonus provision	667	250	417
Tax provision	14,303	12,973	1,330
Provision for dispute risks	977	2,062	(1,085)
Provision for energy tariff risks	-	613	(613)
Other provisions	309	552	(243)
Environmental restoration provision	3,350	2,650	700
TOTAL	19,606	19,100	506

The incentive and bonus provisions refer mainly to allocations for MBO managers; 25% of the short-term incentive plan, as well as the long-term incentive plan, is linked to ESG performance parameters (i.e. reduction of diesel consumption, energy consumption from renewable sources).

The change in the tax provision item is mainly due to the provisions made during the year for CAI, which has a significant network of agents. Residual amounts totalling Euro 225 thousand are recognised in SIS and BIA.

The Provisions for dispute risks, energy tariff risks (energy-intensive companies) and the Environmental restoration provision are also mainly attributable to CAI and specifically to the subsidiaries Emilcap and Eurocap Petroli respectively. With regard to the latter provision, it should be noted that the allocation made in past years was made in anticipation of bringing certain fuel storage stations owned by Eurocap and CAI into compliance. Finally, against a total amount of Euro 19,606 thousand recorded under the item Provisions, the CAI Group's contribution was Euro 19,353 thousand.

(17) EMPLOYEE BENEFITS

The total payable to employees at 31 December 2023 changed as follows compared to the balances at 31 December 2022:

DESCRIPTION	31/12/2022	Increases	Decreases	31/12/2023
BF Spa	258	128	(37)	349
SIS	526	267	(93)	701
BF Agro Industriale	109	80	(11)	179
Bonifiche Ferraresi	-			-
BF Agricola	137	16	(13)	141
CAI	7,319	1,763	(2,612)	6,470
BIA	716	67		783
BF BIO	0	1	0	1
FABIANELLI	1,165	62		1,227
TOTAL	10,229	2,386	(2,765)	9,851

Below is the number of employees at 31 December 2023 compared to 31 December 2022, broken down by category and expressed in annual average units (FTE):

CATEGORY	31/12/2023	31/12/2022	Change
Executives	29	28	1
Clerks	644	546	98
Workers	352	244	108
SUBTOTAL	1,025	818	207
Labourers	82	92	(10)
TOTAL	1,107	910	197

The change is due to the expansion of the scope of consolidation that took place at the end of 2022, i.e. (i) with the integration into CAI S.p.A. of the Consorzio Agrario del Nordest BU, (ii) with the integration of Fabianelli S.p.A., (iii) with the integration of BIA S.p.A. and (iv) with the deconsolidation of IBF Servizi S.p.A.

(18) LONG-TERM LOANS

DESCRIPTION	31/12/2023	31/12/2022	Change
Long-term loans	121,833	100,737	21,096
TOTAL	121,833	100,737	21,096

The increase in the item **Long-term loans** of about Euro 21,096 thousand is mainly explained by the combined effect of (i) the contribution for long-term bank payables to SIS and CAI, which increased during the year, (ii) the reclassification between bank payables over 12 months and within 12 months, (iii) the reduction of the above item for repayments, (iv) the long-term portion of other non-current financial payables; and (v) payables to insurance companies for recourse.

Loans were recorded at amortised cost, i.e. at nominal value less costs incurred (notary fees and bank commissions). At year-end, therefore, the value of payables measured at amortised cost is equal to the present value of future cash flows, at the effective interest rate.

The following table shows the breakdown of the Group's net financial debt at 31 December 2023 compared to 31 December 2022:

NET FINANCIAL DEBT		31/12/2023	31/12/2022	Change
A	Cash	240,434	173,729	66,705
B	Cash equivalents	106,000	-	106,000
C	Other current financial assets	15,739	-	15,739
D	Liquidity (A+B+C)	362,173	173,729	188,444
E	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(154,160)	(149,085)	(5,075)
F	Current portion of non-current financial debt	(41,718)	(45,358)	3,640
G	Current financial debt (E+F)	(195,878)	(194,443)	(1,435)
H	Net current financial debt (G+D)	166,295	(20,714)	187,008
I	Non-current financial debt (excluding current portion and debt instruments)	(174,162)	(159,185)	(14,977)
J	Debt instruments	-	-	-
K	Trade payables and other non-current payables	-	-	-
L	Non-current financial debt (I+J+K)	(174,162)	(159,185)	(14,977)
M	Total net financial debt (H+L)	(7,868)	(179,899)	172,031

There are covenants on certain outstanding loans with leading banks, calculated on the basis of the ratios between NFP and Equity on the one hand, and between NFP and EBITDA on the other, and that are respected at 31 December 2023. The Group's financial debt is secured for Euro 49.7 million by guarantees issued by third parties (in particular, guarantees issued by Mediocredito Centrale S.p.A. and guarantees issued by SACE) and by real estate mortgages for Euro 24.6 million.

Financial indebtedness at 31 December 2023 included, in accordance with IFRS16, the short-term portion and the long-term portion of lease contracts, which accounted for Euro 9,751 thousand and Euro 52,330 thousand, respectively. Liabilities, totalling Euro 60.59 million, related to put options arising from the agreement with ENI, CVA, Equiter, and Regolo subsequent to the transactions for the sale of the investment in the subsidiary Bonifiche Ferraresi, are recorded under the item "Other payables" under non-current liabilities as described below. The CAI Spa payable to CCFS (Consorzio Cooperativo Finanziario per lo Sviluppo), amounting to Euro 7,939 thousand, based on the agreements signed for the purchase of the additional 49% investment in Eurocap Petroli on 28 September 2021, is recognised for Euro 5,292 thousand under "Other payables" in non-current liabilities and for Euro 2,647 thousand under "Other payables" in current liabilities, as described below.

In accordance with the provisions of IAS7, the following table shows the changes in the Group's financial debt in 2023 compared to the balance at 31 December 2022:

CHANGE IN FINANCIAL DEBT		31/12/2022	NEW LOANS	REPAYMENTS	RECLASSIFICATIONS	31/12/2023
A	Cash	173,729	80,700	(13,995)	-	240,434
B	Cash equivalents	-	106,000	-	-	106,000
C	Other current financial assets	-	6,508	(2,100)	11,331	15,739
						-
D	Liquidity (A+B+C)	173,729	193,208	(16,095)	11,331	362,173
E	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(149,085)	(46,891)	51,406	(9,590)	(154,160)
F	Current portion of non-current financial debt	(45,358)	-	45,573	(41,932)	(41,718)
G	Current financial debt (E+F)	(194,443)	(46,891)	96,979	(51,522)	(195,878)
H	Net current financial debt (G+D)	(20,714)	146,316	80,884	(40,191)	166,295
I	Non-current financial debt (excluding current portion and debt instruments)	(159,185)	(66,756)	257	51,522	(174,162)
J	Debt instruments	-	-	-	-	-
K	Trade payables and other non-current payables	-	-	-	-	-
L	Non-current financial debt (I+J+K)	(159,185)	(66,756)	257	51,522	(174,162)
M	Total net financial debt (H+L)	(179,899)	79,561	81,141	11,331	(7,867)

Finally, it is emphasised that in line with the guidance contained in ESMA document ESMA32-382-1138 of 4 March 2021 (hereinafter also "ESMA Guidance"), there are no additional trade and/or other non-current payables with a significant implicit or explicit financing component.

(19) OTHER NON-CURRENT PAYABLES

DESCRIPTION	31/12/2023	31/12/2022	Change
Security deposits	1,105	1,094	11
Deferred income	2,906	1,223	1,684
Other sundry payables	63,237	37,489	25,749
Payables for rental contracts	52,330	58,447	(6,117)
TOTAL	119,579	98,253	21,326

The item **Security deposits** includes the amounts paid by the partner Lingotto Hotels S.r.l., with reference to the agreement reached with it on the sale of the investment in Leopoldine; this value is therefore recognised by the parent company BF Spa in the amount of Euro 998 thousand. The remaining amounts refer more generally to advances received from customers.

The item **Deferred income** includes the non-current portion pertaining to future years of the plant contributions received. The value was determined on the basis of the depreciation schedule of the assets to which the contributions relate.

The item **Other sundry payables** mainly derives from:

- the recognition of the put option related to the agreements entered into with the partner Eni Spa in the definition of the agreements for the entry of Eni into the capital of the subsidiary Bonifiche Ferraresi for the transaction concluded in December 2022 (for Euro 18,303 thousand), the recognition of the first put option underwritten with the same transaction concluded in December 2021 (for Euro 18,791 thousand) and subsequent valuations for a total of Euro 1,347 thousand;
- the recognition of the put option related to the agreements entered into with CVA for the entry into the capital of the subsidiary Bonifiche Ferraresi for Euro 10,662 thousand and subsequent valuations for a total of Euro 80 thousand;
- the recognition of the put option related to the agreements entered into with Equiter for the entry into the share capital of the subsidiary Bonifiche Ferraresi for Euro 4,698 thousand and the put option related to the agreements entered into with Rolli for the entry into the share capital of the subsidiary Bonifiche Ferraresi for Euro 2,424 thousand and subsequent valuations for a total of Euro 46 thousand;
- the recognition of the put option related to the agreements entered into with Regolo for the entry into the capital of the subsidiary Bonifiche Ferraresi for Euro 4,203 thousand and subsequent valuations for a total of Euro 37 thousand.

As a result of said previous valuations, and in consideration of the classification as FVTP&L options pursuant to IFRS 9, the total value of the recognition in the consolidated financial statements is Euro 60,592 thousand.

This item also includes the non-current portion of the payable by CAI Spa to CCFS (Consorzio Cooperativo Finanziario per lo Sviluppo) based on the agreements signed for the purchase of the additional 49% shareholding in Eurocap Petroli on 28 September 2021 and amounting to Euro 2,646 thousand. The total payable, including the short-term portion, amounted to Euro 5,292 thousand; the short-term portion therefore amounted to Euro 2,646 thousand.

Payables for rental contracts refer to the debt beyond 12 months related to lease contracts and the decrease is strictly related to what has already been described with regard to Rights of use classified as Intangible Assets. This item includes the values recorded for the concession obtained on the land known as "Le Piane - Poggione - Macchia al Toro", the concession for land in the locality known as Laore - Sardegna, other leases for land, buildings (production sheds) or instrumental goods, and leases of offices other than the registered office.

CURRENT LIABILITIES

(20) PAYABLES TO SUPPLIERS

DESCRIPTION	31/12/2023	31/12/2022	Change
Payables to suppliers	542,840	579,115	(36,275)

This item includes payables for production supplies, investments in tangible assets and services received by the Group at 31 December 2023. The balance at 31 December 2023 showed a decrease, compared to the year 2022, of Euro 36,275 thousand. The decrease was mainly due to a deflationary context that saw commodity prices fall compared to 2022.

(21) SHORT-TERM LOANS

DESCRIPTION	31/12/2023	31/12/2022	Change
Short-term credit lines	140,521	138,203	2,318
Portion of loans due within 12 months	41,718	45,358	(3,640)
Other current financial payables	3,888	1,589	2,299
TOTAL	186,127	185,150	977

The table above shows the change for the year from the closing date of 31 December 2022.

(22) OTHER CURRENT PAYABLES

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

DESCRIPTION	31/12/2023	31/12/2022	Change
Advances	7,857	11,707	(3,850)
Tax payables	4,863	7,145	(2,282)
Payables to pension and social security institutions	3,036	3,561	(524)
Payables to others	30,617	38,316	(7,699)
Accrued expenses and deferred income	8,513	10,170	(1,657)
Short-term portion of rental contracts	9,751	9,293	458
TOTAL	64,638	80,192	(15,555)

Advances mainly comprise advances from customers. The balance of Euro 7.9 million was mainly attributable to CAI and related to advances received on the sale of cereals.

Tax payables mainly comprise payables for employee withholdings, IRES and IRAP payables, and VAT payables. It should be noted that this item also includes VAT payables generated by the parent company BF Spa following the adoption of the general pro-rata method due to VAT-exempt transactions carried out by Parent Company (sale of investments on a systemic basis). Please refer to the comments on economic components in the notes for details of the effect in the year. The decrease was mainly due to the payment by the subsidiary Eurocap Petroli of the Temporary Solidarity Contribution provided for by paragraphs 115 to 119 of Law 197 of 2022 allocated at 31 December 2022 in the amount of Euro 1,500 thousand, recording a contingent asset of Euro 389 thousand.

Payables to pension and social security institutions include social security and welfare contributions for the year.

Payables to others primarily include payables to employees for the year and accruals for personnel costs (e.g., holidays, 13th and 14th pay) in the amount of Euro 10,230 thousand, payables to corporate bodies, such as the Board of Directors, Board of Statutory Auditors and Supervisory Body in the amount of Euro 537 thousand, payables to consortium bodies in the amount of Euro 890 thousand, payables to agents in the amount of Euro 1,053 thousand (CAI), and the remainder are classified as payables to others.

In addition, the item also includes the payable by CAI to CCFs (Consorzio Cooperativo Finanziario per lo Sviluppo) for the purchase of the additional 49% of the investment in Eurocap Petroli on 28 September 2021, and of Euro 2,646 thousand for the current portion.

Accrued expenses and deferred income refer to rental fees and the current portion of plant contributions collected in previous years but pertaining to subsequent years.

The **short-term portion of rental contracts** refers to the payable within 12 months related to all lease and concession agreements, which therefore contain the lease component as defined by IFRS 16.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The table below provides a breakdown of "Financial Assets and Liabilities" in accordance with IFRS 9:

Amounts in thousands of Euro	Financial assets at amortised cost	Financial assets at FV through profit or loss	Financial assets at FV through OCI	31/12/2023
Non-current financial assets				
Other non-current financial assets (6)		113,386	955	157,291
Receivables (7)	58,178			58,178
Current financial assets				
Receivables from customers (9)	321,665			321,665
Other current assets (10)	56,492			56,492
Marketable securities and other current financial assets (11)		15,739		15,739
Total	436,335	129,125	955	609,364

Amounts in thousands of Euro	Financial liabilities at amortised cost	Financial liabilities at FV through profit or loss	Financial liabilities at FV through OCI	31/12/2023
Non-current financial liabilities				
Long-term loans (18)	121,833			121,833
Other non-current payables (19)	58,987	60,592		119,579
Current financial liabilities				
Payables to suppliers (19)	542,840			542,843
Short-term loans (21)	186,127			186,127
Other payables (22)	64,638			64,638
Total	974,425	60,592	-	1,035,020

INCOME STATEMENT

Introduction

It should be noted that the income statement figures at 31 December 2023, unlike the year ended 31 December 2022, include the contribution of Consorzio Agrario del Nordest (BU transferred to CAI), BIA and Pastificio Fabianelli included in the scope of consolidation in September, October and December 2022, respectively. Therefore, most of the changes in the economic items analysed below are influenced by the above.

(23) REVENUES FROM SALES

The following table shows revenues from sales broken down by product type:

Revenues by product type	31/12/2023	31/12/2022	Change
Fuels	376,685	335,659	41,026
Pesticide fertilisers	221,744	138,077	83,667
Grain cereals	191,636	226,796	(35,160)
Fodder crops and Feeds	164,637	91,961	72,676
Sales of seeds	102,055	101,357	698
Packaged product	100,307	34,889	65,418
Mechanisation/Plant Engineering	35,352	32,830	2,522
Garden	27,818	20,813	7,005
Plastics / irrigation	22,994	16,036	6,958
Fruit and vegetables	20,684	13,624	7,060
Breeding	18,108	18,035	73
Insurance	12,928	8,995	3,933
Sundry services	11,304	3,990	7,314
Other revenues	8,580	7,683	897
Cellar	6,083	2,920	3,163
Horticulture	2,080	4,527	(2,447)
Farmhouse	1,495	1,347	148
Royalties on seeds	1,319	343	976
Oleaginous	586	1,030	(444)
Medicinal	28	-	28
Paddy rice	-	435	(435)
Legumes	-	531	(531)
Total	1,326,421	1,061,878	264,543

The increase in Revenues from sales recorded in 2023, compared to the previous year, was Euro 264,543 thousand, and was mainly attributable to the following factors:

- a substantial increase resulting from the consolidation of the Consorzio Agrario del Nordest BU in CAI S.p.A. for a 12-month period, especially for sales of Fertilisers, Pesticides, Fuels, Insurance, and Cereals. Sales in the Fertilisers and Pesticides Division at CAI S.p.A. account for 16.72% of the Group's total sales;
- the increase in fuel sales is due to the contribution of CAI S.p.A. Nordest division and accounts for 28.40% of the group's total sales;
- the sale of grain cereals represents the most important segment of the agro-industrial chain for the Group, accounting for 14.45% of sales at 31 December 2023, a decrease compared to 2022 due to the trend of the agricultural year, which had lower yields and falling sales prices throughout 2023 compared to 2022;
- the production of fodder crops and animal feed, and therefore sales, increased sharply during the year when compared to 31 December 2022, confirming the strategic nature of the business for the Group, also considering

the objectives of verticalisation of the livestock chain thanks to the contribution of the Nordest division of CAI S.p.A;

- sales related to the livestock business are up also thanks also to the contribution of the Marrubiu estate's barn;
- sales of packaged products recorded an increase of Euro 65,418 thousand, mainly due to the expansion of the product portfolio, and in particular, thanks to the entry into the couscous market through the acquisition of BIA (for Euro 44,802 thousand) and the strengthening of the presence in the dry pasta market (for Euro 20,616 thousand), as well as the effect of commercial policies aimed at promoting Le Stagione d'Italia brand and the first shelf positioning in the large-scale distribution;
- sales for the seed division are the sum of sales made by the CAI S.p.A. sales network (for Euro 28,169 thousand), for the seed production site SIS S.p.A. (for Euro 67,678 thousand) already net of intercompany eliminations. The objective of the seed division was achieved thanks to the synergies developed in the commercial sphere between CAI and SIS, aimed at increasing market penetration by exploiting the capillarity of the CAI S.p.A. distribution network;
- sales for Royalties receivable amounting to Euro 1,319 thousand are entirely attributable to the seed sector (specifically, to SIS Spa);
- the decrease in sales for Services is explained by the valuation transaction of IBF Servizi S.p.A. implemented on 30 December 2022, which led to its deconsolidation.

It should be noted that the business items, "Mechanisation and Plant Engineering", "Plastics", "Garden", "Insurance", "Other revenues" and "Other services" and related amounts for Revenues from sales relate entirely to the contribution of CAI.

Please refer to the sector information for further details on the individual operating sectors in which the Group operates and for which Management has identified specific financial statement items as defined by IFRS 8.

(24) CHANGES IN INVENTORIES OF BIOLOGICAL PRODUCTS AND ASSETS

DESCRIPTION	31/12/2023	31/12/2022	Change
Finished products	(8,517)	964	(9,481)
Agricultural crop advances and Livestock biological assets	2,066	1,470	596
TOTAL	(6,451)	2,434	(8,885)

The item **Change in inventories of products and crop advances** in 2023 compared to 2022 shows a decrease of Euro 8,885 thousand due to the following factors:

- inventories of finished products were affected both by a price effect due to the deflationary context in 2023, which, volume being equal, led to a lower valuation than in 2022, and by an effect related to the lower volumes of 2023 cereal stocks due to lower yields;
- the increase in crop advances and livestock biological assets is mainly attributable to the livestock activity, which saw the start-up of activities in the Marrubiu barn during the year.

(25) OTHER REVENUES AND MEASUREMENT OF INVESTMENTS AT EQUITY

The following is a classification of Other revenues at 31 December 2023:

DESCRIPTION	31/12/2023	31/12/2022	Change
Contributions in the year	5,847	5,624	223
Reimbursements and recoveries	6,962	2,219	4,744
Property income	2,399	1,394	1,005
Gains and measurements at equity	24,554	20,955	3,599
Contingent assets	5,271	7,162	(1,892)
Other income and revenues	18,123	11,776	6,347
TOTAL	63,155	49,129	14,026

Below is a breakdown of the item:

- CAP (Common Agricultural Policy) contributions and other operating contributions requested in adherence to public tenders or subsidies are detailed in the table. Pursuant to Law no. 124 of 2017 (Annual Market and Competition Law), the contributions received from public administrations and other entities as defined by Article 1, paragraph 125, Law no. 124 of 2017, which the companies belonging to the BF Group and included in the scope of consolidation accounted for during 2023, are set forth below;

Description	Disbursing entity	31/12/2023
Contributions "common agricultural policy" (i.e. CAP) 2023-2027 - Securities - Crops	AGREA	1,946
Contributions "common agricultural policy" (i.e. CAP) 2023-2027 - Livestock	AGREA	418
Community Contributions P.A.I. 2023-2027 - Crops	AGEA	632
Community Contributions P.A.I. 2023-2027 - Livestock	AGEA	7
P.S.R. (EAFRD) Agro-environment measure	AGREA	618
Bonus for agricultural fuel companies - Article 18 DL21/2022	Revenue Agency	15
Transition 4.0 investment tax credit	Revenue Agency	254
Other - contributions 4.0 previous years	Other	82
Credit for Advertising inv. Article 57-bis, paragraph 1 Decree Law no. 50/2017	Revenue Agency	28
Company bonus energy products	Revenue Agency	1,081
Energy and methane gas tax credit	Revenue Agency	165
Training tax credit	Revenue Agency	74
Photovoltaic Incentive	Revenue Agency	75
Industry 4.0 tax credit	Revenue Agency	127
Industry 4.0 tax credit NE area	Revenue Agency	125
Capital contributions	AVEPA	1
Tax credit for assets eligible for tax relief pursuant to Article 1 L.16/2019 - 178/2020	Revenue Agency	199
TOTAL		5,847

- Property income: including leases on land and buildings owned by the Group, the increase stems mainly from the transfer of the Consorzio del Nordest BU to CAI S.p.A.;
- Damages and reimbursements also increased with the contribution of the Consorzio del Nordest BU to CAI S.p.A.;
- The item "Gains and measurements at equity" for Euro 24,554 thousand mainly refers (i) for Euro 2,845 thousand to measurements of investments at equity as indicated below and (ii) to the gain as per IAS 28 paragraph 22 realised with reference to the company La Pioppa for Euro 3,695 thousand (i.e. the difference between the

fair value of the residual interest in the former associate and the carrying amount of the investment at the date the use of the equity method was discontinued) (iii) to the gain as per IAS 28 paragraph 22 realised with reference to the company Agri-Holding for Euro 13,053 thousand (iv) for Euro 1,487 thousand to the sale of the associate Cerea (v) to the gain on the sale of land located in Jolanda di Savoia for Euro 815 thousand (vi) to the gain on the revaluation of IAS 40 investment property for Euro 1,085 thousand;

- Revenues realised from the sale of consultancy services (Other income and revenues) in the agronomic-industrial field offered to third parties in the national agronomic market, as well as consultancy services in the commercial field specifically dedicated to the development of the market for packaged products increased thanks to the consultancy services provided by the Group to the agro-industrial sector.

The item Measurements of investments at equity comprises the following values:

DESCRIPTION	31/12/2023	31/12/2022	Change
Measurements of investments at equity	2,845	1,630	1,215

Details of the individual amounts for equity measurement for each investment held are detailed in the tables in the section on Investments (note 6). A brief summary is therefore provided;

- Euro 1,368 thousand for the investee Progetto Benessere;
- Euro 1,784 thousand for the investee Leopoldine;
- Euro 41 thousand for the investee RurAll;
- Euro 29 thousand for the investee of BF Agricola, BF Energy;
- Euro 13.5 thousand for the investee of BF Agricola, Terra del Persico;
- Euro (263.1) thousand for the investee Ghigi;
- Euro (107.2) thousand for the investee of BF Agroindustriale, Milling Hub; Euro (12.2) thousand for the investee of BF Agricola, Erba del Persico;
- Euro (8) thousand for the investee of BF Agricola, Agri Energy.

(26) INCREASES FOR INTERNAL WORKS

They refer to the valuation and subsequent reporting of work performed with company means and personnel for land and property improvements, product development projects and development and innovation projects carried out by Group companies. The results at the reporting date of the consolidated financial statements are shown below:

DESCRIPTION	31/12/2023	31/12/2022	Change
Increases for internal works	3,513	6,952	(3,439)

The decrease in the year was mainly due to the valuation of the Precision Farming Services Division and, thus, the deconsolidation of IBF Servizi S.p.A.

(27) CHANGES IN INVENTORIES OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

DESCRIPTION	31/12/2023	31/12/2022	Change
Change in inventories of raw materials	6,980	(11,865)	18,845

At 31 December 2023, at consolidated level, there was a change in the value of inventories of raw and ancillary materials and consumable for Euro 18,845 thousand, mainly due to the inclusion of the Consorzio Agrario Nordest BU in CAI for a period of 12 months.

(28) COSTS FOR RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

DESCRIPTION	31/12/2023	31/12/2022	Change
Seeds	69,121	72,365	(3,244)
Fertilisers, Pesticides and Herbicides	177,691	106,796	70,895
Spare parts, building materials	24,502	26,439	(1,936)
Fuels, lubricants, electricity	346,269	314,530	31,739
Dryer consumption	230	149	81
Various goods	389,336	267,108	122,228
Purchase of raw materials	67,244	116,247	(49,003)
TOTAL	1,074,394	903,634	170,760

The entire change of Euro 170,760 thousand for costs of raw materials, supplies, consumables and miscellaneous good compared to 2022 is attributable to CAI and to a lesser extent to SIS.

For the item examined, it is necessary to mention the increase in balances recorded due to the contribution of the new entities mentioned above.

For the Group's other activities and entities, the cost item analysed shows a substantial linearity of the amounts recorded referring to the respective closing dates of the financial year, thanks also to a careful procurement policy in a global context of rising raw material prices.

(29) COSTS FOR SERVICES AND USE OF THIRD-PARTY ASSETS

This item relates to costs for services incurred by the Group as detailed below:

DESCRIPTION	31/12/2023	31/12/2022	Change
Provision of production services	120,177	90,512	29,665
Provisions of general services	6,032	4,421	1,611
Legal, notary and technical fees	8,092	6,012	2,079
Directors and Auditors	5,971	4,346	1,625
Subtotal costs for services	140,271	105,291	34,980
Use of third-party assets	6,952	3,046	3,906
TOTAL	147,222	108,336	38,886

The following is a commentary on the most significant items that changed the most during the year.

Costs for **Provisions of production services** mainly relate to the maintenance of production plant and machinery, logistics costs for handling incoming and outgoing product at Group companies, product storage in the case of outsourcing, and cultivation work outsourced to third parties. The increase in this item is attributable to the transfer of the Consorzio Agrario del Nordest BU to CAI S.p.A.

Costs for **Provisions of general services** include maintenance, consultancy, insurance, and other costs of running general corporate structures, i.e. supporting business functions.

The item **Legal, notary and technical fees** mainly includes consultancy expenses for the parent company BF as a consequence of the extraordinary transactions affecting the Group and the consequent dynamic nature of its conformation.

The item **Use of third-party assets** primarily includes rental costs for low-value capital goods for which the Group has exercised the option granted by IFRS 16:5(b) to not recognise the right of use and to continue to recognise the lease payments in the income statement on a straight-line basis over the term of the respective contracts. The increase in this item is attributable to the transfer of the Consorzio Agrario del Nordest BU to CAI S.p.A.

The item **Directors and Auditors** includes costs of Euro 116 thousand for the Chief Executive Officer's long-term incentive plan.

(30) PERSONNEL COSTS

This item includes accrued expenses for the year 2023:

CATEGORY	31/12/2023	31/12/2022	Change
Wages and salaries	40,758	35,943	4,815
Social security charges	12,561	10,787	1,774
Employee benefits	2,059	2,396	(337)
Share-based payment costs	339	-	339
Other costs	2,247	1,293	954
TOTAL	57,964	50,418	7,546

Please refer to the table in the section on Employee Benefits for a comparison between 2023 and 2022 for the breakdown of the average number of employees between categories. The reason for the change is the expansion of the scope of consolidation at the end of 2022, i.e. with the integration of Consorzio Agrario Nordest, BIA and Pastificio Fabianelli. It should be noted that the cost of the IFRS2 measurement of the variable incentive plan for certain executives in the amount of Euro 611 thousand was recorded in the item Employee benefits.

(31) AMORTISATION/DEPRECIATION AND WRITE-DOWNS, PROVISIONS FOR RISKS AND CHARGES

Below is a table summarising amortisation/depreciation and write-downs for 2023 compared with 2022:

DESCRIPTION	31/12/2023	31/12/2022	Change
Amortisation of intangible assets	20,178	15,916	4,262
Depreciation of tangible assets	19,320	14,297	5,023
Write-downs	2,477	3,178	(702)
TOTAL	41,974	33,391	8,583

The increase in 2023 is attributable to the following primary factors:

- amortisation of intangible assets: the increase is attributable to both the normal process of completion of projects that were classified as "in progress" in the previous year and the consequent amortisation of the asset, and the amortisation of assets allocated to intangible assets as part of the purchase price allocation of subsidiaries (PPA);
- contribution of amortising assets resulting from the integration of the entities indicated above.

The item write-downs totalling Euro 2,477 thousand mainly refers to bad debt provisions made by all Group entities.

Provisions for risks and charges of Euro 2,915 thousand were mainly attributable to CAI.

DESCRIPTION	31/12/2023	31/12/2022	Change
Provisions to Fisc	1,785	1376	409
Provision for energy tariff risk	130	107	23
Other allocations	1,000	20	980
TOTAL	2,915	1,503	1,412

(32) OTHER COSTS AND EXPENSES

This item is detailed below:

DESCRIPTION	31/12/2023	31/12/2022	Change
Taxes and duties other than income taxes	5,920	2,873	3,047
Consortium contributions	972	930	42
General expenses	11,464	6,915	4,549
Other operating costs	6,792	4,006	2,786
TOTAL	25,149	14,725	10,424

Taxes and duties other than income taxes primarily include IMU property tax for the year and all taxes and duties arising from the normal operations of the Group's business.

Consortium contributions relate to contributions paid to the consortia that manage the infrastructure, mainly for irrigation purposes, of the areas where the agricultural estates owned by the companies are located.

General expenses are expenses not related to core business and typically have a fixed component. It is noted that, in 2023, in continuity with last year, the amounts relating to the calculation of non-deductible VAT measured according to the general pro-rata method for the parent company were recorded under this item. The method, first adopted by the parent company BF in 2022, emerges from the different tax treatment of the tax due to the turnover generated by the Company for exempt transactions (sale of equity interest 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 Parent Company assisted by leading tax advisors, it has opted for the treatment of non-deductible VAT using the pro-rata method. The effect of this application on the income statement for 2023 is Euro 2,454 thousand.

(33) FINANCIAL INCOME AND EXPENSES

DESCRIPTION	31/12/2023	31/12/2022	Change
Other financial income	3,739	2,529	1,210
Interest income and other financial income	3,739	2,529	1,210
Interest expense and other financial expenses	(28,844)	(9,173)	(19,670)
TOTAL	(25,105)	(6,644)	(18,461)

Other financial income includes interest on deferrals granted to customers, interest income accrued on securities held as current assets, and interest receivable from customers for charge-backs.

Interest expense and other financial expenses refer to interest expenses accrued on drawn credit lines and outstanding loans, as well as bank fees. This item also includes the economic effect of the subsequent valuation of Eni

Spa put options, in the amount of Euro 476 thousand.

The increase compared to 2022 is mainly due to the increase in long-term financial debt due to the change in the scope of consolidation as well as the increase in interest rates in 2023. It should be noted that during the year, financial expenses paid by the Group amounted to approximately Euro 8.3 million.

(34) INCOME TAXES OF THE YEAR

The individual Group entities estimated taxes for the year on the basis of the application of current tax regulations. Taxes for the year consist of current taxes (IRES and IRAP), deferred tax liabilities and deferred tax assets, relating to positive or negative income components respectively subject to taxation or deduction in different years from those in which they are accounted for in the statutory accounts, as well as deferred tax liabilities and assets arising from consolidation entries.

The breakdown of the item Income taxes of the year is as follows:

DESCRIPTION	31/12/2023	31/12/2022	Change
Current taxes	3,134	4,177	(1,043)
Deferred tax assets and liabilities and income from consolidation	(1,042)	98	(1,140)
Taxes of previous years	(1,483)	(4)	(1,479)
TOTAL	609	4,271	(3,662)

The IRAP component at 31 December 2023 was recognised in the amount of Euro 1,243 thousand.

Pillar Two Disclosure

The process of reforming international tax rules initiated by the Base Erosion and Profit Shifting ("BEPS") initiative, undertaken by the OECD and the G20 countries, led to the introduction of the second pillar (so-called "Pillar 2"), a set of rules approved on 14 December 2021 that provides for a coordinated system of taxation aimed at ensuring that large multinational corporate groups are subject to a minimum level of income taxation in each of the jurisdictions in which they operate (Global Anti-Base Erosion rules - GloBE).

In this respect, with Legislative Decree no. 209/2023 the Italian legislator - by implementing Council Directive (EU) 2022/2523 of 14 December 2022 - introduced the GloBE rules within the Italian legal system.

In light of the new rules, IAS 12 has been consistently amended to provide that, for periods in which the GloBE rules are in force (or substantially in force), but not yet effective, a group subject to such rules must disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two taxes.

In particular, since the BF Group abstractly meets the size requirements for application of the GloBE rules, the Parent Company is required to provide information on its Pillar 2 income tax exposure at the end of 2023. B.F. S.p.A. qualifies as an Ultimate Parent Entity ("UPE") for the purposes of Pillar Two regulations.

The assessment of potential exposure to (pri) income taxes was based on the most recent tax returns, country-by-country reporting and financial statements of the companies comprising the BF Group at 31 December 2023. On this assumption, the Parent Company does not expect significant exposure to Pillar 2 income taxes in the jurisdictions in which its Group operates in the next tax period.

Finally, it is not yet clear whether the GloBE rules will create timing differences and whether (and to what extent) recalculation of deferred tax assets and deferred tax liabilities will be required. In this regard, IAS 12 introduces a

temporary exception whereby groups do not recognise and disclose deferred tax assets and deferred tax liabilities related to GloBE rules. Based on the above, the Group applies this temporary exception to 31 December 2023.

(35) EARNINGS (LOSS) PER SHARE

DESCRIPTION	31/12/2023	31/12/2022
Result for the year attributable to holders of ordinary shares of the Parent Company (thousands of Euro)	1,175	4,992
Weighted average number of shares		
- basic	261,883,029	187,059,565
- diluted	261,883,029	187,059,565
Basic earnings (loss) per share (per Euro unit)	0.00448576	0.02668565
TOTAL	0.00448576	0.02668565

Diluted earnings per share are the same as basic earnings per share.

RELATED PARTY TRANSACTIONS

During 2023, transactions were entered into with Related Parties, as identified by the definitions outlined in IAS 24, and the income statement and balance sheet values at 31 December 2023 are shown in the following table:

RELATED PARTIES	Revenues from sales and services	Financial revenues	Costs for raw materials	Costs for services	Other costs	Trade receivables	Other receivables	Trade payables	Other payables
GHIGI 1870 SpA	8,364	49	4,559	108	-	7,589	10,990	4,955	-
L'erba del Persico Srl	318	27	71	-	-	351	2,250	77	-
Terra del Persico Srl	325	-	88	199	-	355	-	301	-
BF Energy Srl	1	5	-	23	-	697	1,000	-	-
Leopoldine Srl	61	17	-	-	-	320	1,656	-	2
Agri-Energy Srl	833	-	-	-	-	1,637	-	-	-
A&D SpA	(39)	-	-	-	-	0	-	27	-
Milling Hub SpA	166	-	-	128	-	430	-	80	-
Progetto Benessere Italia Srl	-	-	-	-	-	-	-	24	-
Rurall Srl	2	-	-	-	-	2	-	-	750
B.F. INTERNATIONAL S.R.L.	74	4	-	-	-	80	502	-	-
B.F. EDUCATIONAL S.R.L.	61	-	-	-	736	797	9	-	-
B.F. INTERNATIONAL LTD	82	-	-	-	893	975	-	-	-
Happy Pig	-	-	-	-	-	-	1,038	-	-
TOTAL	10,247	102	4,719	458	1,629	13,232	17,446	(5,465)	(752)

It should be noted that related party transactions and relations during the year refer to transactions of a commercial and financial nature carried out at normal market conditions and there were no transactions that were unusual in terms of their characteristics, or significant in terms of amount, other than those of an ongoing nature.

SECTOR INFORMATION

Description	Agro-industry		Seeds		CAI		I/C ELIMINATIONS		Group Structure		Consolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Sector PV	168,690	119,426	103,096	51,039	1,192,196	976,064	(95,785)	(28,315)	18,313	2,180	1,386,510	1,120,394
Sector operating costs	(149,899)	(94,052)	(95,317)	(47,959)	(1,146,780)	(944,431)	95,785	28,315	(15,498)	(5,464)	(1,311,709)	(1,063,590)
Sector EBITDA	18,791	25,374	7,779	3,080	45,416	31,633	-	-	2,815	(3,284)	74,801	56,804
Amortisation/Depreciation/Allocations											(44,890)	(34,790)
Integration expenses Cons. N.E.												(1,763)
Sector result											29,911	20,251
Financial income and expenses											(25,104)	(6,644)
Pre-tax result											4,807	13,607
Taxes											(609)	(4,271)
Net result											4,198	9,336

Please refer to the section of the Report on Operations dedicated to the performance of the year's results for the correct identification of the significant operating sectors for the Group and represented by the CGU described therein.

Jolanda di Savoia, 15 April 2024
for the Board of Directors
Chief Executive Officer
Federico Vecchioni

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58/98 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. SpA, 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 consolidated financial statements for 2023.

2. It is also certified that:

2.1 the consolidated financial statements at 31 December 2023:

- a) have been prepared in accordance with the applicable international accounting standards recognised in the European Union, as well as with the provisions issued in implementation of Legislative Decree no. 38/2005;
- b) correspond to the accounting books and records;
- c) provide a true and fair view of the financial position, results and cash flows of the companies included in the consolidation.

2.2 The report on operations includes a reliable analysis of the results of operations, as well as the situation of the issuer and of all entities included in the consolidated financial statements as well as description of principal risks and uncertainties to which they are exposed.

Jolanda di Savoia, 15 April 2024

CHIEF EXECUTIVE OFFICER

Federico Vecchioni

FINANCIAL REPORTING
MANAGER

Simone Galbignani