



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



LE
STAGIONI
D'ITALIA

coltiviamo
bontà



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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

Deloitte & Touche SpA
Until the shareholders' meeting to approve the financial statements at 31.12.2025

Report on operations

1. THE GROUP

BF S.p.A. (hereinafter also the "**Parent Company**", "**Parent**", "**BF**" or the "**Company**"), incorporated on 30 May 2014 (originally under the name of BF Holding S.p.A) for the acquisition of Società per la Bonifica dei Terreni Ferraresi e per Imprese Agricole S.p.A. Società Agricola, is the operating holding company which, at 31 December 2023, exercises control within the meaning of IFRS 10 over the companies listed below and, together with them, forms the B.F. Group. (hereinafter also referred to as the "**Group**").

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.

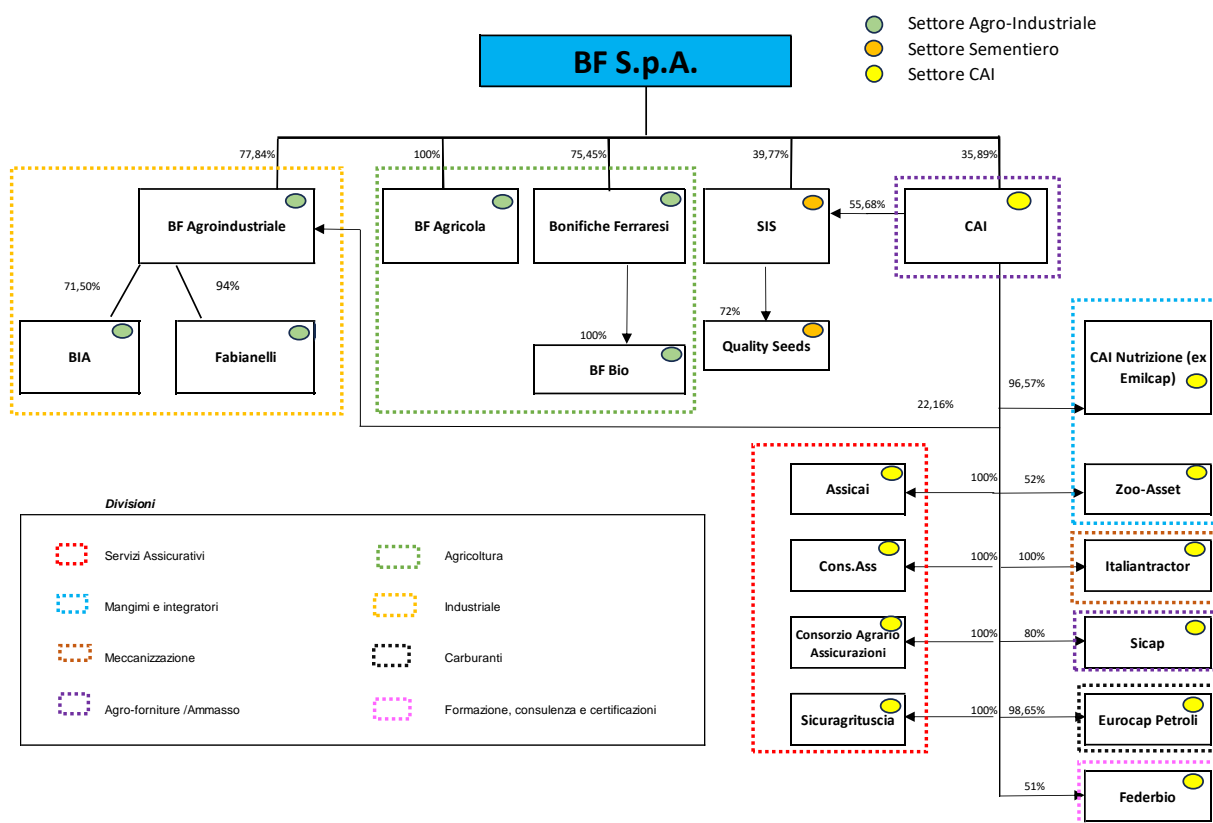
It is, therefore, a single player for the agricultural and agro-industrial world, unique in its size, business model and completeness of the goods and services offered that make the BF Group the main player in the Italian agro-industrial sector.

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 Educational.

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.



The composition of the Group is described below.

- 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. ("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: (a) the overall transaction (the "Transaction") involving: (i) the transfer by Consorzio Agrario Nordest Società Cooperativa ("Consorzio Nordest") to CAI of the business unit consisting of the company assets instrumental to the marketing, production and supply of agricultural services and products (i.e. all the assets, tangible and intangible, relative to the core business carried out by Consorzio Nordest) together with certain real estate instrumental to the core business, plant and equipment (with the exception of machinery relating to the mechanisation sector), intangible assets,

working capital, personnel and related liabilities, and a portion of the financial debt, to release the share capital increase reserved for the same (the "Consorzio Nordest Capital Increase") and (ii) the subscription by BF of a Euro 25 million cash capital increase reserved for the same (the "BF Capital Increase"); and (iii) the signing of the investment agreement between BF, the other current shareholders of CAI (Società Consortile Consorzi Agrari D'Italia S.c.p.A., Consorzio Agrario dell'Emilia Società Cooperativa, Consorzio Agrario Del Tirreno Società Cooperativa, Consorzio Agrario Centro Sud Società Cooperativa and Consorzio Agrario Adriatico Società Cooperativa, the "Current Shareholders' Consortia"), CAI and Consorzio Nordest (the "Agreement") containing the terms and conditions of the Transaction. The transaction was executed in July 2022.

On 28 July 2022, Consorzio Agrario Nordest Società Cooperativa, following the reorganisation process aimed at integrating into CAI the activities developed by the agrarian consortia started during the year 2020, transferred its Operating Business Unit to CAI, with legal effectiveness postdated 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 Imed 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 company also holds jointly controlled shareholdings, pursuant to and for the purposes of IFRS 11. Below are the details:

- **Leopoldine S.p.A. ("Leopoldine")**: company incorporated on 17 April 2018 as a result of the completion of the partial proportional demerger of Bonifiche Ferraresi and, in particular, of 21 properties owned by the same, located in Tuscany, of the type of typical Tuscan farmhouses; the company's purpose is to develop a real estate project aimed at the recovery and valorisation of these properties, which will be sold to be used for residential or tourist purposes. As already highlighted, on 28 June 2019, BF entered into with Lingotto Hotels S.r.l. and its parent company IPI S.p.A., a binding framework agreement concerning: i) the sale to Lingotto Hotels S.r.l. of a shareholding representing 20% of the Leopoldine share capital, consisting of a total of 222,220 ordinary shares; ii) the redefinition of Leopoldine governance lines in order to ensure to BF and IPI S.p.a., directly and indirectly through its subsidiary Lingotto Hotels S.r.l., to exercise joint control over Leopoldine S.p.A., pursuant to and for the purposes of IFRS 11.
- **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.
- **Rurall S.p.A.**: in 2021, BF spa subscribed for a capital increase in the amount of Euro 1,500 thousand, thus acquiring 25%. The company's corporate purpose is the creation of a digital infrastructure for rural areas, exploiting digital technologies to increase yield and land management on a large scale and/or provide consultancy services dedicated to the digitalisation of the agricultural sector.

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.

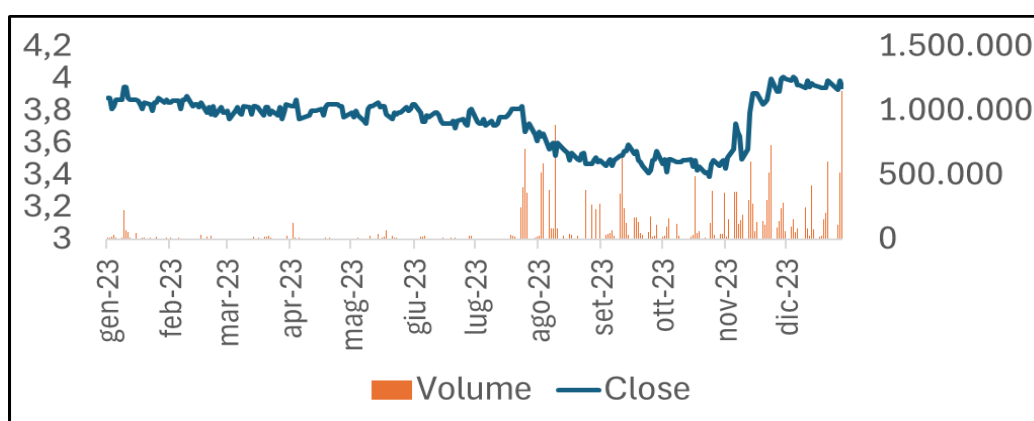
BF, as of 23 June 2017, is listed on the Italian Stock Exchange, following the completion of the public purchase and exchange offer ("OPAS") launched on the shares of Bonifiche Ferraresi then belonging to the market.

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

For information on general economic performance and the one of markets in which the Group operates, please refer to the Consolidated Financial Report at 31 December 2023.

2. STOCK PERFORMANCE

With an official price of Euro 3.95 at 31 December 2023, the BF share rose by 1.8%, as shown in the chart below.



3. ECONOMIC AND FINANCIAL RESULTS FOR THE YEAR 2023

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.

Carrying amounts and Alternative Performance Indicators (in Euro thousands)	31/12/2023	31/12/2022	Changes	%
REVENUES FROM SALES	295	307	(12)	-4%
OTHER REVENUES	32,295	24,231	8,064	33%
PRODUCTION VALUE (PV)	32,589	24,538	8,051	33%
GROSS OPERATING RESULT (EBITDA) (1)	16,990	10,397	6,593	63%
OPERATING RESULT (EBIT) (1)	16,350	9,884	6,466	65%
PRE-TAX RESULT	11,751	8,205	3,546	43%
RESULT FOR THE YEAR	12,226	8,919	3,307	37%

(1) For the calculation, see paragraph 8 "Alternative Performance Indicators".

During 2023, the Company's activities were mainly affected by transactions concerning the operational management of investee companies, as well as extraordinary transactions involving the acquisition and sale of investments. The item Revenues from sales includes activities in the assets cycle related to services rendered by BF S.p.A. The business is mainly conducted towards group companies (about 96%).

Other revenues, totalling Euro 32,295 thousand, include:

- 1) In the amount of Euro 3.9 million, the overall capital gain realised by the company following the sale of the minority interests in the subsidiary Bonifiche Ferraresi S.p.A., as already fully described in the section on significant events in 2023;
- 2) Approximately Euro 1.5 million was the total capital gain realised by the company following the sale of minority shareholdings in the associate Cerea S.r.l.;
- 3) Approximately Euro 13.2 million in dividends received from subsidiaries;
- 4) Approximately Euro 10.8 million were charge-backs to subsidiaries for costs incurred by BF, but pertaining to them, and management fees;
- 5) Euro 2.9 million was the interest recognised at 31 December 2023 in respect of equity-accounted investees. In detail:
 - a. Euro 1,785 thousand relative to the investment in Leopoldine S.p.A.;
 - b. Euro 1,368 thousand relative to the investment in Progetto Benessere Italia S.r.l.;
 - c. Euro 41 thousand relative to the investment in Rurall S.r.l.;
 - d. Euro (264) thousand relative to the investment in Ghigi S.p.A.

Below is the net financial debt prepared in accordance with Guideline 39, issued on 4 March 2021 by Esma, as implemented by Consob in its Communication 5/2021 of 29 April 2021.

NET FINANCIAL DEBT		31/12/2023	31/12/2022	Change
A	Cash	4	-	4
B	Cash equivalents	224,461	50,302	174,159
C	Other current financial assets	6,100	-	6,100
D	Liquidity (A+B+C)	230,565	50,302	180,263
E	Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	6,814	3,051	3,763
	- of which <i>Financial payables IFRS16</i>	495	425	70
F	Current portion of non-current financial debt	2,494	-	2,494
G	Current financial debt (E+F)	9,308	3,051	6,257
H	Net current financial debt (G-D)	(221,257)	(47,251)	(174,006)
I	Non-current financial debt (excluding current portion and debt instruments)	26,066	20,345	5,721
	- of which <i>Financial payables IFRS16</i>	975	704	271
J	Debt instruments	-	-	-
K	Trade payables and other non-current payables	-	-	-
L	Non-current financial debt (I+J+K)	26,066	20,345	5,721
M	Total net financial debt (H+L)	(195,191)	(26,906)	(168,285)

Lastly, the table of changes in net financial debt is shown:

CHANGE IN FINANCIAL DEBT		31/12/2022	NEW LOANS	REPAY- MENTS	RECLASSIFICA- TIONS	31/12/2023
A	Cash	-	4			4
B	Cash equivalents	50,302	174,159			224,461
C	Other current financial assets		6,100			6,100
						-
D	Liquidity (A+B+C)	50,302	180,263	-	-	230,565
E	Current financial debt (including debt in- struments but excluding the current portion of non-current financial debt)	3,051	26,259	(22,858)	362	6,814
	- of which <i>Financial payables IFRS16</i>	425	216	(508)	362	495
F	Current portion of non-current financial debt	-		(214)	2,708	2,494
G	Current financial debt (E+F)	3,051	26,259	(23,072)	3,070	9,308
H	Net current financial debt (G-D)	(47,251)	(154,004)	(23,072)	3,070	(221,257)
I	Non-current financial debt (excluding cur- rent portion and debt instruments)	20,345	9,048	(257)	(3,070)	26,066
	- of which <i>Financial payables IFRS16</i>	704	850	(217)	(362)	975
J	Debt instruments	-				-
K	Trade payables and other non-current pay- ables	-				-
L	Non-current financial debt (I+J+K)	20,345	9,048	(257)	(3,070)	26,066
M	Total net financial debt (H+L)	(26,906)	(144,956)	(23,329)	-	(195,191)

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 495 thousand and Euro 975 thousand, respectively. The increase in Cash and Cash Equivalents is mainly attributable to the resources from the capital increase promoted by the Company in the fourth quarter of 2023, better described in the next paragraph.

The receivable claimed for the sale of the shareholding in Cerea S.r.l. amounting to approximately Euro 3.8 million is recorded under "Other current assets". The payable to the subsidiary Bonifiche Ferraresi relating to the BF purchase of the BF Agricola investment for a total of Euro 110.5 million at 31 December 2023 is recorded in "Other non-current payables" for Euro 103.3 million (long-term portion) and in "Other payables" for Euro 7.2 million (short-term portion).

4. 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. Ecornaturasi 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, realising a total capital gain of Euro 3.9 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 in the BF Consolidated financial statements. 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 the Group's 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 BF Group's model of supply chain 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 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 is 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 is 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.

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.

5. COMPANY INFORMATION

5.1 SHARE CAPITAL INFORMATION

Share capital at 31 December 2023

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.	22.33%
Fondazione CARIPOLO	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	81.14%

6. OTHER INFORMATION

6.1 HEALTH, SAFETY AND ENVIRONMENT

ACTIVITIES RELATED TO OCCUPATIONAL HEALTH AND SAFETY

The main activities carried out or commenced in the first half of 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 period, with no significant exceptions 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 period, with no significant exceptions noted.

6.2 RISKS AND UNCERTAINTIES

RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

RISK FACTORS

Macroeconomic Context - Conflicts in Ukraine and Palestine

The macroeconomic context, resulting from the combination of the residual pandemic effects and geopolitical risks following the invasion of Russia and the conflict between Israel and Hamas, represented an extraordinary circumstance

that directly and indirectly affected economic activity and created a general context of uncertainty about future developments, with significant challenges in terms of the expected risks including the effects on international logistics and demand. Although the Company and the Group have no direct or indirect commercial interests in the areas affected by the conflict, it must be considered that the continuation of this situation could have an impact on the now global dynamics of procurement with consequent increases in energy and raw material costs with consequent impacts on operations or pressure on margins. In any case, the Company as well as the Group constantly monitors the evolution of the context and the potential impacts on the business.

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

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

- **Credit risk**

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

- **Liquidity and cash flow risk**

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

- **Volume risks**

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.

- **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, 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.

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 the 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.) and, on the other hand, the launch of significant investment plans for the modernisation of infrastructures and assets, reducing consumption and cutting emissions;
- 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.

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 to address climate change 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 Company is exposed, indirectly and through its investments, 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.

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 conflicts between Russia and Ukraine and 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 Company and the Group are subject to the risk of fluctuations in the interest rate on their 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 an increase in interest rates; said hedging derivatives may not fully sterilise the risk associated with the fluctuation.

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 the Company's net financial expenses, related to medium/long-term financial liabilities at variable rates and not hedged against interest rate risk, equal to Euro 142 thousand over a 12-month time horizon.

- **Cyber security risk**

With a view to continuous innovation, which is the hallmark of BF and therefore of the Group, new security systems have also been implemented in the area of IT security, further improving on the measures implemented last year. 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 a clear

indication 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 2022-2023 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. 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.

6.3. 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 Annual Financial Report.

6.4. DISCLOSURE OF INDEPENDENT AUDITORS' FEES

According to the provisions of Article 149-duodecies of the Issuers' Regulations, implementing Legislative Decree no. 58 of 24 February 1998, it is hereby notified that the amount accrued for the audit of the consolidated and separate financial statements of BF and the other Group companies included in the scope of consolidation totalled Euro 611 thousand, considering only fees net of expenses and the supervisory contribution, of which Euro 243 thousand referred to BF alone.

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.

6.5. OTHER INFORMATION

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

- A) BF did not carry out any research and development activities in 2023.
- 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. On this point, it is specified that the subsidiary SIS holds a minority shareholding in BF.
- C) no secondary offices were established in 2023.

Information on the ownership structure and corporate governance is contained in the 2023 Corporate Governance Report; data on shareholdings and remuneration of directors and auditors are contained in the Remuneration Report. Both reports are available on the website www.bfspa.it, "Governance" section.

7. BUSINESS OUTLOOK

The Directors believe that the financial conditions in which the Company currently finds itself, which also benefited from the capital increase at the end of 2023, do not call into question its solvency in the short term and, on the contrary, guarantee greater autonomy to take the measures deemed necessary to preserve the achievement of its objectives. The Directors' expectation is therefore to proceed with the development and growth phases envisaged in the business plan, which sees the parent company BF spa as the driving entity in operating the operational levers outlined for each Group entity, thus pursuing the Group's mission.

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

8. SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023

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

Partnership in Ghana

On 16 January 2024 in London, the Group, through its subsidiary BF International Best Fields Best Food Limited, entered into a corporate partnership with Musahamat Farms Limited, 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, the Group through its subsidiary BF International Best Fields Best Food Limited ("BFI"), signed an MoU with Agrofirma TNK LLP to enter into a strategic partnership aimed at the development of the agricultural sector in Kazakhstan with the objective of developing the agri-food sector 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 CAI, 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, Consorzio Agrario Adriatico Società Cooperativa and Consorzio Agrario Nordest Società Cooperativa) and Consorzio Agrario di Siena Società Cooperativa ("Consorzio Siena") entered into an investment agreement (the "Agreement") setting forth the terms and conditions of an overall transaction (the "Transaction") concerning: (i) the transfer by Consorzio Siena to CAI of a company BU 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 Siena) together with certain real estate instrumental to the core business, plant and equipment, intangible assets, working capital, personnel and related liabilities, and a portion of the financial debt (the "Business Unit"), to be released by a share capital increase reserved for the same (the "Siena Consortium Capital Increase") and (ii) the BF subscription of an increase in the CAI share capital, to be paid for in cash (the "BF Capital Increase" and, jointly with the Consorzio Nordest Capital Increase, the "Capital Increase").

The parties also executed the Agreement and, therefore, finalised the Transaction. In particular, Consorzio Siena fully subscribed and paid up the Share Capital Increase of Consorzio Siena, as resolved by the CAI Shareholders' Meeting, in the amount of Euro 21,418,000.00, plus a share premium of Euro 5,000,000.00, through the transfer of the Company BU, which will be effective as of 1 March 2024. Likewise, BF subscribed to the Capital Increase of BF, resolved by the CAI shareholders' meeting, for Euro 12,500,000.00. The BF cash subscription was financed mainly by using the proceeds from the valuation of the investee company Bonifiche Ferraresi S.p.A. Società Agricola, already the subject of previous announcements to the market.

The total amount of the Capital Increase is therefore Euro 33,918,000.00, plus a share premium of Euro 5,000,000.00. 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 current shareholders of CAI 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, B.F. and its subsidiaries CAI and SIS - the latter being active in the seed sector and, in particular, in the production, processing and marketing of seed products - signed an investment agreement (the "Investment Agreement") with Eni Natural Energies S.p.A. ("ENE"), subsidiary of Eni S.p.A. ("ENI"), setting out the terms and conditions of a transaction aimed at consolidating the cooperation relationship initiated between the ENI Group and the BF Group with the objective of developing seed production in the non-food sector for the energy industry (the "Transaction").

The Investment Agreement provides, in particular:

(i) ENE investment in the share capital of SIS for a total amount of Euro 25 million, after which the ENE investment will be approximately 17%; this investment will be realised through the subscription of a share capital increase of SIS

reserved to ENE and the transfer to ENE of a share in the share capital of SIS owned by CAI; and
(ii) the conclusion between ENE and SIS of a 10-year commercial framework agreement for the establishment 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.

As things stand, the Transaction is expected to be executed by May 2024, subject to the prior verification of its relevance for the purposes of the application of the golden power regulation, and to the completion of the corporate activities instrumental to the implementation of the Transaction as described herein, as well as to the absence of events that may seriously jeopardise the 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.

9. ALTERNATIVE PERFORMANCE INDICATORS

In this 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 Company as a financial target and is a useful unit of measurement for assessing the operating performance of the Company and Group in addition to **EBIT** (or **Operating Result**).

These indicators are determined as follows:

Pre-tax result

- + Financial expenses
- + Financial income

Ebit

- + Amortisation/Depreciation, Provisions and Write-downs

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 company's ability to meet its obligations of a financial nature. Net Financial Debt is determined in accordance with the provisions of paragraph 175 of the recommendations contained in document ESMA32-382-1138 of 4 March 2021 (hereinafter also "ESMA Guidance"), on which Consob issued the Attention Notice 5/21 on 29 April 2021.

➤ **R.O.E.**

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

BF
SpA

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



SITUAZIONE PATRIMONIALE-FINANZIARIA (in migliaia di Euro)	Note	31/12/2023	31/12/2022
ATTIVO			
ATTIVO NON CORRENTE			
Immobilizzazioni materiali	(1)	194	137
Immobilizzazioni immateriali	(2)	2.961	4.174
Partecipazioni	(3)	556.618	546.355
Crediti	(4)	98.090	13.051
- di cui parti correlate		76.302	9.016
TOTALE ATTIVITO NON CORRENTE		657.864	563.718
ATTIVO CORRENTE			
Crediti verso clienti	(5)	20.810	6.706
- di cui parti correlate		16.550	6.370
Altre attività correnti	(6)	22.571	12.437
- di cui parti correlate		15.101	11.297
Titoli negoziabili e altre attività finanziarie correnti	(7)	6.100	0
Disponibilità liquide	(8)	224.465	50.302
TOTALE ATTIVO CORRENTE		273.945	69.445
Attività non correnti destinate alla vendita			
TOTALE ATTIVO		931.809	633.163
PASSIVO			
PATRIMONIO NETTO			
Capitale Sociale	(9)	261.883	187.060
Altre riserve	(10)	487.176	281.585
Utili indivisi	(11)	3.645	4.263
Utile (perdita) dell'esercizio		12.226	8.919
PATRIMONIO NETTO		764.930	481.826
PASSIVO NON CORRENTE			
Benefici ai dipendenti	(12)	349	258
Fondo Imposte e Imposte differite	(13)	145	135
Altri fondi	(14)	542,35	250
Altri debiti non correnti	(15)	105.265	111.252
- di cui parti correlate		103.290	109.550
Debiti finanziari non correnti	(16)	25.091	19.641
TOTALE PASSIVO NON CORRENTE		131.393	131.537
PASSIVO CORRENTE			
Debiti verso fornitori	(17)	16.664	8.106
- di cui parti correlate		3.466	1348
Altri debiti	(18)	10.009	9.069
- di cui parti correlate		8.057	7.349
Debiti finanziari correnti	(19)	8.813	2.626
- di cui parti correlate		1.000	-
TOTALE PASSIVO CORRENTE		35.486	19.800
TOTALE PASSIVO E PATRIMONIO NETTO		931.809	633.163

CONTO ECONOMICO (in migliaia di Euro)	Note	31/12/2023	31/12/2022
VALORE DELLA PRODUZIONE			
Ricavi delle vendite	(20)	295	307
- di cui parti correlate		257	307
Altri ricavi	(21)	32.295	24.231
- di cui parti correlate		24.758	8.127
TOTALE VALORE DELLA PRODUZIONE		32.589	24.538
COSTI OPERATIVI			
Costi per materie prime, sussidiarie, consumo e merci		6	7
Costi per servizi e godimento beni di terzi	(22)	6.034	6.960
- di cui parti correlate		2.323	1.194
Costi per il personale	(23)	3.300	3.099
- di cui parti correlate		81	-
Ammortamento e svalutazioni	(24)	639	558
Altri costi e oneri	(25)	6.259	4.030
- di cui parti correlate		344	-
TOTALE COSTI OPERATIVI		16.239	14.654
RISULTATO OPERATIVO		16.350	9.884
Proventi finanziari	(26)	619	225
- di cui parti correlate		390	-
Oneri finanziari	(26)	(5.218)	(1.904)
- di cui parti correlate		(1.014)	(1.538)
RISULTATO PRIMA DELLE IMPOSTE		11.751	8.205
Imposte correnti e differite	(27)	475	714
- di cui parti correlate		484	713
RISULTATO DELL'ESERCIZIO		12.226	8.919

CONTO ECONOMICO COMPLESSIVO	Note	31/12/2023	31/12/2022
RISULTATO DELL'ESERCIZIO		12.226	8.919
<i>Utile (Perdita) attuariale su piani a benefici definiti</i>	(12)	(39)	72
RISULTATO COMPLESSIVO DELL'ESERCIZIO		12.187	8.991

RENDICONTO FINANZIARIO (in migliaia di Euro)		
	31/12/2023	31/12/2022
ATTIVITA' OPERATIVA		
Risultato ante imposte	11.751	8.205
Rettifiche per :		
- Ammortamenti imm. Materiali , imm. Immateriali e attività per diritto d'uso	639	513
- Accantonamenti a fondi benefici ai dipendenti	1.076	80
- Svalutazioni (rivalutazioni) di partecipazioni valutate con metodo PN	(2.930)	(2.081)
- Plusvalenze/Minusvalenze derivanti dalla cessione di attività	(5.415)	(15.862)
- Altre svalutazioni e rettifiche	(12.939)	119
- Interessi e oneri finanziari (al netto dei proventi finanziari)	4.599	1.679
Flussi di cassa dell'attività operativa ante variazioni del capitale circolante	(3.219)	(7.347)
- Variazione netta dei crediti commerciali	(14.104)	541
- Variazione delle rimanenze finali	0	0
- Variazione delle altre attività correnti	(1.701)	12.344
- Variazione dei debiti commerciali	(4.827)	2.891
- Variazione delle altre passività correnti	871	4.771
Flussi di cassa generati dalla variazione del capitale circolante	(19.761)	20.547
- Imposte sul reddito pagate	0	0
- Oneri finanziari pagatii/incassati	(2.612)	(1.679)
- Variazione fondi	(277)	(101)
- Dividendi incassati	1.506	2.172
A. FLUSSO DI CASSA GENERATO DALL'ATTIVITA' OPERATIVA	(10.978)	13.592
- Variazioni altri crediti non correnti	(84.486)	(5.037)
- (Investimenti) / Disinvestimenti Investimenti immobiliari	0	0
- (Investimenti) / Disinvestimenti titoli e altre attività finanziarie	(6.100)	0
- Investimenti/disinvestimenti in immobilizzazioni immateriali e attività per diritto d'uso	1.234	(1.989)
- Investimenti/Disinvestimenti in immobilizzazioni materiali	(105)	(92)
- Investimenti/Disinvestimenti in immobilizzazioni finanziarie	(16.230)	(69.195)
- Variazioni depositi cauzionali	0	0
B. VARIAZIONI GENERATE DA ATTIVITA' DI INVESTIMENTO	(105.687)	(76.313)
- Aumento capitale sociale	299.295	
- Costi per aumento capitale sociale	(7.968)	(1.121)
- Variazione di interessenze in controllate che non comportano la perdita del controllo	11.510	47.700
- Accesione finanziamenti	34.003	19.641
- Rimborso finanziamenti e altri debiti finanziari correnti	(24.906)	(6.778)
- Variazione debiti per contratti di noleggio	(241)	61
- Dividendi	(7.480)	(5.612)
C. FLUSSO DI CASSA GENERATO DALL'ATTIVITA' FINANZIARIA	304.213	53.890
D. INCREMENTO (DECREMENTO) NETTO DELLE DISPONIBILITA' LIQUIDE (A+B+C)	174.163	(8.832)
E. DISPONIBILITA' LIQUIDE ALL'INIZIO DELL'ESERCIZIO	50.302	59.134
F. DISPONIBILITA' MONETARIE FINALI (E-D)	224.465	50.302

PROSPETTO DELLE VARIAZIONI DEL PATRIMONIO NETTO (in migliaia di Euro)												
	Capitale Sociale	Altre riserve					Utili indivisi				Utile (perdita) dell'esercizio	Totale patrimonio netto
		Riserva da soprapprezzo azioni	Riserva piano incentivazione a lungo termine	Riserva di utili non distribuibili	Riserva da transizione agli IAS	Altre riserve	Riserva Legale	Riserva utili disponibili per distribuzione	Riserva Azionisti c/dividendi	Ripporto utili a nuovo		
Saldi al 31/12/2021	187.059	274.691	0	7.712	(751)	-21	299	1.476	1	0	9.100	479.566
Destinazione Risultato 2021				3.149			298	42			(3.488)	0
Operazioni sul capitale sociale :										0		0
- Spese sostenute per AUCAP		(1.121)										(1.121)
- Incasso dividendi CAI e PBI				(2.146)			107	2.038				0
- Distribuzione dividendi									2		(5.612)	(5.610)
Risultato dell'esercizio												0
- Risultato al 31 dicembre 2022											8.919	8.919
- Reddittività complessiva al 31 dicembre 2022						72						72
Saldi al 31/12/2022	187.059	273.570	0	8.715	(751)	51	704	3.556	3		8.919	481.826
Destinazione Risultato 2022				2.056			343				(2.399)	0
Operazioni sul capitale sociale :												
- Aumento di Capitale	74.824	224.471										299.295
- Spese sostenute		(21.353)										(21.353)
- Distribuzione dividendi								(960)			(6.520)	(7.480)
Altri movimenti di patrimonio netto:												
- Valutazione LTP			455									455
Risultato dell'esercizio												
- Risultato al 31 dicembre 2023											12.226	12.226
- Reddittività complessiva al 31 dicembre 2023						(39)						(39)
Saldi al 31 dicembre 2023	261.883	476.689	455	10.771	(751)	12	1.047	2.596	3	1	12.226	764.930

NOTES TO THE ANNUAL FINANCIAL REPORT

ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

The publication of the Annual Financial Report for the period ending 31 December 2023 was authorised by resolution of the Board of Directors on 15 April 2024.

CONTENT AND FORM OF THE FINANCIAL STATEMENTS

The separate financial statements of BF S.p.A. for the period 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 accounting standards and measurement criteria applied in the preparation of the 2023 separate 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 Company's economic prospects, capitalisation and financial position, it is a going concern.

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

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

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Company 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 Parent Company's 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 Parent Company's 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 Company. Please refer to said section for details. The introduction of the amendment to IAS 8 had no impact on the Company's separate 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. In accordance with the disclosure requirements of IAS 12, BF carried out an analysis, with the support of an external consultant, in order to identify the scope of application of the Pillar Two rules, as well as the potential impacts resulting from the application of the regulations. Please refer to paragraph 27 of these notes for further information.

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 are assessing the possible impacts of the introduction of said amendment on the Company's 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 are assessing the possible impacts of the introduction of said amendment on the Company's financial statements.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION 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 Parent Company's financial statements from the adoption of said 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 Parent Company's financial statements from the adoption of said 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.

FINANCIAL STATEMENTS

The statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement are prepared in expanded form and are the same as those adopted for the separate financial statements at 31 December 2022.

The results for 2023 are presented in comparison with the previous year ended 31 December 2022.

The Company's financial statements have the following characteristics:

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

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

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

The Company holds controlling shareholding and, as required by law, has prepared Consolidated Financial Statements, which are presented separately from the Separate Financial Statements of BF.

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 Company 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.

It should be noted, however, that at present, despite the strong fluctuations that the world stock markets might undergo as a result of the ongoing conflicts, the current stock market value of the shares of B.F. S.p.A. is higher than the corresponding values implied in equity at 31 December 2023.

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

ACCOUNTING STANDARDS

Relevant information on the accounting standards applied by the Company is given below.

a) Intangible assets

Intangible assets are recognised at acquisition or development cost.

The measurement is made net of accumulated amortisation, determined on a straight-line basis over the expected period of use, on average 3/10 years, unless specific cases arise, and of any impairment losses.

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

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

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

Rights of use (IFRS 16)

Assets held by the Company under lease contracts, including operating leases, in accordance with IFRS 16 are recognised as assets with a balancing entry of a financial 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). 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 Company identifies contracts under which it obtains the right to use an identifiable asset for a period of time in exchange for consideration as leases.

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.

Rights of use are shown under intangible assets.

Lease payables are included in the statement of Net Financial Debt under financial liabilities, current and non-current, together with the Company's other financial payables.

b) Tangible assets

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:

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.

c) Investments

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

c.1.) Investments in joint ventures and associates

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

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

d) Financial assets

IFRS 9 provides for the following types of financial instruments: financial assets at amortised cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. Initially, all financial assets are recognised at fair value, increased, in the case of assets other than those at fair value, by ancillary charges.

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 and changes in fair value are recognised in profit or loss in the period in which they arise.

Derecognition of financial assets and liabilities

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

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

If the Company has transferred the right to receive cash flows from an asset while it has neither retained nor transferred substantially all of the risks and rewards or has retained control over the asset, the Company continues to recognise the asset to the extent to which it has a continuing involvement in the asset. The continuing involvement, which consists of a guarantee on the transferred asset, is measured at the lower between the initial carrying amount of the asset and the maximum amount that the Company could be required to pay.

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

Impairment of tangible, intangible and financial assets

At each reporting date, the Company reviews the carrying amount of its tangible, intangible and financial assets to determine whether there is any indication of impairments of value. Should it be impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If there are signs of impairment, the Group estimates the recoverable amount of the assets to calculate any impairment losses.

Intangible assets with an indefinite useful life, such as goodwill, are tested for impairment annually or whenever there is indication of impairment.

The recoverable amount is the higher of the fair value less costs to sell and its value in use. In calculating the value in use, estimated future cash flows are discounted to present value at a gross rate that reflects current market valuations of the value of capital and the specific risks connected to the asset. Various cash flow scenarios (sensitivity analyses) are utilised in determining this value.

If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative carrying amount, it is reduced to the lower recoverable amount. An impairment loss is recognised immediately in the Income Statement.

When the impairment loss of an asset is successively removed or reduced, the carrying amount of the asset is increased to the new estimated recoverable amount and cannot exceed the value that would have been determined if no impairment loss had been reported. Reversals of impairment losses are immediately recognised in the income statement.

e) Receivables

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

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

f) Cash and cash equivalents

The item includes:

- cash and cash equivalents: i.e. cash on hand (e.g. bank and bank drafts, etc.), bank and postal sight deposits;
- cash equivalents: 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.

g) Trade payables, other payables and financial payables

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

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

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

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.

h) Revenues and costs

Revenues are recognised in the administrative period in which the services are rendered.

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

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

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

i) Medium- and long-term incentive plans (stock options)

Equity-settled share-based payment transactions are transactions whereby the company receives goods or services in exchange for its equity instruments (including shares or share options).

According to IFRS 2, stock option plans may be considered equity-settled share-based payment transactions, as the payment of a portion of the compensation to employees or third parties providing similar services is made through the free or paid assignment of shares or other equity instruments of the company or other subsidiaries or parent companies.

Recognition of labour costs and the corresponding increase in equity (through a "stock options" reserve) must be at the fair value of the shares or other equity instruments that will be paid to the employee or directors, since it is normally impossible to reliably estimate the fair value of the goods or services received.

The fair value of the shares or other financial instruments must be recognised at the so-called grant date. Upon maturity, the company assigns shares or other agreed equity instruments to the counterparty.

The granting of shares to employees in respect of their services over a period of a number of years relates to the services rendered during those years; therefore, the labour costs calculated at the grant date must be spread over that period. The total cost related to the payment will correspond to the product of the total of the assigned instruments and their fair value at the date of assignment.

The fair value used in the calculation does not have to be re-measured during the time frame during which the employees perform the work, as the date of fair value measurement is the grant date.

The measurement of the work performance received by the company must be recorded in the income statement at the fair value of the shares or financial instruments granted (and not at the fair value of the work performance itself).

l) Income taxes

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

The Company adheres to the National Tax Consolidation (CFN) Scheme pursuant to Article 117 et seq. of the Consolidated Income Tax Act (TUIR) as consolidator. The subsidiaries Bonifiche Ferraresi, BF Agricola and BIA participate in the CFN.

m) Earnings (loss) per share

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

n) 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.

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

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

Level 3 inputs are those that are unobservable, for which no market data are available, and which reflect the assumptions that a market participant would make in trying to attribute a price to an asset or liability, including assumptions about risk.

The fair value of financial instruments falls under level 3 in respect of investments in unlisted companies.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Directors to make estimates and assumptions based on best possible estimates that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. If in the future, these estimates and assumptions should differ from the actual circumstances, they would be modified as appropriate.

The following is a brief description of those items in the financial statements that require greater subjectivity than others on the part of the Directors in developing estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the financial data.

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

In accordance with the accounting standards applied, investments in subsidiaries are subject to an impairment test to determine whether an impairment loss has occurred, which is to be recognised by means of impairment, when there are indicators that the realisation of the relevant recoverable amount is unlikely. To establish the presence of said indications, Directors must make subjective assessments on the basis of information available within the Company and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may be generated, the Company calculates this loss using appropriate measurement techniques. The correct identification of the elements indicating the existence of a potential impairment, as well as the estimates for determining it, depend on factors that may vary over time influencing the assessments and estimates made by the Directors.

The current macroeconomic context was also taken into account in the assessments of the economic prospects of its subsidiaries. In fact, this context, resulting from a combination of geopolitical risks following the still ongoing invasion of Ukraine by Russia and the conflict between Israel and Hamas, represents an extraordinary circumstance that could have direct and indirect repercussions on economic activity and create a general context of uncertainty.

It should be noted that, at the date of this report, 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 macroeconomic framework. However, the Group has been and continues to be affected in all sectors of its business by the indirect consequences of the Russian-Ukrainian conflict, such as the increase in raw material prices, the increase in energy costs, transport costs and interest rates, as well as other aspects related to the inflationary trend, while the verticalisation model of the agro-industrial supply chain adopted by the Group has guaranteed and continues to guarantee the procurement of raw materials for the processing and marketing of agro-industrial 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 in the course of 2023, without significantly affecting the profitability and results recorded with respect to the forecasts made.

PROPOSAL FOR ALLOCATION OF THE RESULT FOR THE YEAR

The Board of Directors will propose to the Shareholders' Meeting convened at the Marchetti Notary Office, in Milan, via Agnello 18, on 22 May 2024 at 11 a.m., in a single call, to allocate the profit for the year amounting to Euro 12,225,867.68 as follows:

- Euro 3,193,918.62 to the Non-Distributable Profit Reserve, unavailable pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005;
- Euro 451,597.45 to the Legal Reserve;
- Euro 200,083.09 to "Profits available for distribution reserve";
- Euro 8,380,268.51 to the Shareholders as dividend, equal to Euro 0.032 per share;

The proposal to distribute an additional dividend in the amount of Euro 3,142,600.69, through the utilisation of the "Profits available for distribution reserve" in the amount of an additional 0,012 per share, will also be submitted to the aforementioned Shareholders' Meeting.

Based on the above, the total amount of the dividend is 11,522,869.20 or 0.044 for each of the 261,883,391 currently outstanding shares.

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 Company is shown below, with specific indication of the gross and net carrying amount for each category at 31 December 2022 and 31 December 2023.

CATEGORIA	31/12/2023			31/12/2022		
	Valore contabile lordo	Fondi Ammortamento	Valore netto	Valore contabile lordo	Fondi Ammortamento	Valore netto
Altri beni						
Impianti e Macchinari	18	(11)	7	18	(10)	8
Attrezzature	4	(1)	3	3	(0)	2
Altri	422	(238)	184	318	(191)	127
Immobilizzazioni in corso		-	-			
TOTALE IMMOBILIZZAZIONI MATERIALI	444	(250)	194	339	(201)	137

Below is a description of the changes that occurred during the financial year 2023.

CATEGORIA	Valore netto 31/12/2022	Incrementi	Decrementi	Ammortamento del periodo	Altri movimenti	Riclassifiche	Valore netto 31/12/2023
Altri beni							
Impianti e Macchinari	8			(1)			7
Attrezzature	2	1		(1)			3
Altri	127	104		(47)			184
Immobilizzazioni in corso	-		-	-	-	-	-
	137	105	-	(49)	-	-	194
TOTALE IMMOBILIZZAZIONI MATERIALI	137	105	-	(49)	-	-	194

The increase in the item "Other" refers to costs incurred for furniture for the Milan office.

(2) 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:

CATEGORIA	31/12/2023			31/12/2022			Variazione
	Valore contabile lordo	Fondi Ammortamento	Valore netto	Valore contabile lordo	Fondi Ammortamento	Valore netto	
SOFTWARE	1.122	(386)	736	508	(222)	286	450
IMMOB. IMMAT. C.SO	737		737	2.820		2.820	(2.082)
DIRITTI D'USO	2.331	(908)	1.422	1.719	(659)	1.060	362
ALTRE IMMOB. IMMATERIALI	78	(13)	65	12	(4)	8	57
TOTALE IMMOBILIZZAZIONI IMMATERIALI	4.269	(1.307)	2.961	5.059	(885)	4.174	(1.213)

CATEGORIA	Valore netto 31/12/2022	Incrementi	Decrementi	Ammortamento del periodo	Storno fondo amm.to	Altri movimenti	Riclassifiche	Valore netto 31/12/2023
SOFTWARE	286	614		(164)				736
IMMOB. IMMAT. C.SO	2.820	338	(2.420)					737
DIRITTI D'USO	1.060	1.035	(423)	(418)	168			1.422
ALTRE IMMOB. IMMATERIALI	8	66		(9)				65
TOTALE IMMOBILIZZAZIONI IMMATERIALI	4.174	2.054	(2.843)	(591)	168			2.961

The increase in the item **Intangible assets in progress** of Euro 338 thousand mainly refers to costs related to ongoing IT development projects. The decrease refers to projects whose costs were advanced by the Parent Company and then re-invoiced to the subsidiaries.

The increase in the item **Software** refers to new applications that came into use and were utilised by the Company, as well as to the cessation of certain completed projects put into use with the start of the amortisation period.

The increase in the item **Rights of use** of Euro 1,035 thousand was mainly due to the lease of the new Milan office, while the decrease of Euro 423 thousand was due to the early termination of a lease contract during the year.

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

At 31 December 2023, this item amounted to Euro 556,618 thousand (Euro 546,355 thousand at 31 December 2022) and was composed as follows:

INVESTMENTS IN SUBSIDIARIES

The following tables show the changes during the year in the item investments in subsidiaries, with the corresponding values at the beginning and end of the year.

Ragione sociale	% Interessenze dirette 31/12/2023	% Interessenze indirette 31/12/2023	31/12/2022	Incrementi	Decrementi	31/12/2023
BF AGRICOLA SRL	100,00%	100,00%	125.203	50		125.253
SOCIETA' ITALIANA SEMENTI SPA	39,77%	59,75%	8.747	5.118		13.865
BF AGRO- INDUSTRIALE SRL	77,84%	85,79%	15.562	23.584		39.146
BONIFICHE FERRARESI SPA	75,45%	75,45%	209.125		(7.609)	201.516
CAI SPA	35,89%	35,89%	111.067			111.067
BIA SPA	0,00%	61,34%	15.743		(15.743)	-
PASTIFICIO FABIANELLI SPA	0,00%	80,64%	3.679		(3.679)	-
BF EDUCATIONAL SRL (*)	100,00%	100,00%	-	10		10
BF INTERNATIONAL SRL (*)	100,00%	100,00%	-	10		10
BF INTERNATIONAL BEST FIELDS BEST FOOD LTD (*)(**)	100,00%	100,00%	-	-		-
Totale partecipazioni in società controllate			489.127	28.772	(27.032)	490.867

(*) not consolidated as newly established or insignificant

(**) entry value Euro 1

The main changes in investments in subsidiaries are described below. For more details on the activities of the investee companies, please refer to the Report on Operations.

SIS

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 BF for Euro 4 million) led CAI and BF (which purchased additional shares equal to 5.32% for a total of Euro 1,118 thousand 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.

BF AGRO INDUSTRIALE

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.

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).

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 a share capital increase in favour of BF, to be paid in kind through the contribution at the BF carrying amount of the investments in BIA, in Pastificio Fabianelli and in Milling Hub for a total of Euro 23,584 thousand.

BONIFICHE FERRARESI

The decrease in the investment refers to the sale of shares as part of the valuation of the land asset, equal in total to 2.88% of the share capital of the subsidiary Bonifiche Ferraresi for a total countervalue of Euro 11.5 million and realising a total capital gain of about Euro 3.9 million, as already illustrated in the events that characterised the 2023 financial year. As mentioned above, the higher value of the investment with respect to the portion of equity is supported by the results of the impairment tests as well as the values expressed by the sale transactions of minority interests that took place during the year.

BIA and PASTIFICIO FABIANELLI

The investments in BIA and Pastificio Fabianelli were transferred to the subsidiary BF Agro Industriale as described above.

Other relevant information on investments

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

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

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

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

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

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

On 28 July 2022, Consorzio Agrario Nordest Società Cooperativa, following the reorganisation process aimed at integrating into CAI the activities developed by the agrarian consortia started during the year 2020, transferred its Operating Business Unit to CAI, with legal effectiveness postdated at 00.01 on 1 September 2022. As a result of this transaction, the controlling shareholding in CAI S.p.A. is currently 35.89%.

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

Specifically, a new shareholders' agreement was drawn up between CAI current shareholders, which not only confirmed all the elements previously outlined, but further strengthened the powers to direct relevant activities following certain additions to the powers of the CAI CEO appointed by BF.

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

- directing and regulating the activities for the management and implementation of the Business Plan, selecting the consequent investments and monitoring their compliance with the Company's strategic direction;

- developing and promoting actions in agro-industrial development projects, innovation and technological development, supply chain, both upstream and downstream, defining business and corporate opportunities with all potential stakeholders;
- representing the company in ordinary and extraordinary shareholders' meetings of investee companies;
- performing Merger and Acquisition (M&A) and industrial relations transactions.

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

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

As was done at the time of the closing of the 2022 financial statements, at the time of the closing of the consolidated financial statements at 31 December 2023, the Company updated the qualitative and quantitative analysis prepared last year, aimed at verifying whether these powers attributed to the CEO appointed by BF continue to give the latter the ability to direct CAI relevant activities, i.e. those activities that significantly affect the returns of the entity being invested in.

This analysis showed that:

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

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

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

Ragione sociale	% Interessenze dirette 31/12/2023	Valore di iscrizione	Patrimonio Netto (*)	Capitale sociale	Risultato 31/12/2023	Pro-quota patrimonio netto	Differenziale
BF AGRICOLA SRL	100,00%	125.253	64.304	5.000	2.476	64.304	(60.949)
SOCIETA' ITALIANA SEMENTI SPA (**)	39,77%	13.865	48.771	35.164	1.806	19.396	5.532
BF AGRO- INDUSTRIALE SRL	77,84%	39.146	72.308	2.513	(4.531)	56.285	17.139
BONIFICHE FERRARESI SPA	75,45%	201.516	237.387	8.111	836	179.108	(22.407)
CAI SPA (**)	35,89%	111.067	276.811	239.606	10.231	99.347	(11.719)
Totale partecipazioni in società consolidate detenute direttamente		490.847	699.581	290.394	10.818	418.441	(72.406)
GHIGI SPA (*)	31,86%	9.000	14.196	19.257	(493)	4.523	(4.477)
PROGETTO BENESSERE ITALIA SRL	35,00%	29.885	12.316	100	2.953	4.311	(25.574)
LEOPOLDINE SRL	90,00%	12.427	10.157	1.111	1.983	9.141	(3.285)
RURALL SRL	25,00%	1.541	5.815	6.000	166	1.454	(88)
Totale partecipazioni in società collegate e JV		52.853	42.484	26.468	4.609	19.428	(33.424)

(*) As resulting from the latest Consolidated Financial Statements (individual or consolidated) approved by the relevant Boards of Directors or, if not available, from the reporting packages.

(**) IFRS sub-consolidated equity and result figures pertaining to the Group

As at the end of each financial year, the investments that made losses during the year, also showing significant discrepancies between their carrying amount and the value of the pro-quota equity held by BF, were subjected to a specific impairment test with reference to the possibility of maintaining the respective values recorded in the financial statements pursuant to and for the purposes of the provisions of IAS 36, following which, with the exception of the investment Ghigi, discussed below, it was deemed that the value recorded should not be subject to impairment.

It should be noted that although there was a negative differential in CAI, no impairment test was carried out, taking into account the constant actual and expected positive performance of the subsidiary.

Introduction

The Company (and the Group), as a result of the general market context, influenced by continuing international geopolitical tensions, particularly the conflicts in Ukraine and Palestine, and in which the financial markets have reflected expectations on the outlook for the monetary policies of the main central banks and their potential effects on the trend of economic growth and inflation, has paid particular attention to the items of the financial statements mainly affected by these situations of uncertainty, with consequent updating of the relative estimates.

The assumptions and strategic assumptions underlying the update of the Group Plan reflect Management's best estimates of the main assumptions underlying the company's operations.

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 Company and the Group in the medium-long term. In the Business Plan, the Company and the Group plan 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.

These assumptions and the corresponding financials take into account the scenarios summarised in the Plan Update and are deemed appropriate for the purpose of the impairment test performed with the assistance of an independent expert.

Impairment test

Since BF is the operational head of the entire BF Group, the impairment test for investments was derived from that performed for the purposes of the consolidated financial statements.

In particular, the process consisted in estimating the recoverable amount of the Agro-Industrial CGU, which includes the investments in BF Agricola S.r.l., Bonifiche Ferraresi S.p.A and its subsidiary BF BIO S.r.l., BF Agro-Industriale S.r.l. and its subsidiaries BIA S.p.A and Pastificio Fabianelli S.p.A. 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.

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 under the Agricultural Division (BF Agricola and Bonifiche Ferraresi) 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).

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

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.

It should be noted that the criterion for estimating the equity value of the CGU led to the recognition of values higher than the carrying amount of the investments in question at 31 December 2023. Therefore, no impairment losses were recognised in light of the results of the impairment test. In fact, against a total value of the investments pertaining to the Agro-Industrial Sector of Euro 420 million, an equity value of Euro 441 million emerges from the test results.

In further support of the values recognised for the Agro-Industrial CGU, reference should be made to what has been described in the Report on Operations on the sale of minority interests in Bonifiche Ferraresi by the Company, which, as

in previous years, confirm a recognition of the overall equity value of the subsidiary that is higher than the estimated impairment value at 31 December 2023 and consequently the corresponding carrying amount.

The WACC that brings headroom to zero is 6.88% while the g-rate that brings headroom to zero, all things being equal, is 1.7%.

Moreover, from further analysis carried out by the Company, the EBITDA values used in the terminal flow would have to be 6.12% 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 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.

INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates refer to investments held by the Company at 31 December 2023. Please refer to the table below for a detailed list and changes in the year 2023. For a description of the associates and JV, please refer to the Report on Operations.

Ragione sociale	% Interessenze 31/12/2023	31/12/2022	Valutazione con metodo del Patrimonio Netto	Incrementi	Decrementi	Rivalutazioni	Svalutazioni	31/12/2023
GHIGI SPA (*)	31,86%	9.518	(264)				(253)	9.000
PROGETTO BENESSERE ITALIA SRL	35,00%	28.615	1.368	777	(875)			29.885
LEOPOLDINE SRL	90,00%	10.642	1.785					12.427
RURALL SRL	25,00%	1.500	41					1.541
MILLING HUB SPA	0,00%	3.086		1.030	(4.116)			-
CEREA SRL	0,00%	1.971			(1.971)			-
Totale partecipazioni in società collegate e JV		55.333	2.930	1.807	(6.963)			52.853

(*) carrying amount subject to impairment test

Ghigi 1870 SpA ("Ghigi") is a leading Italian industrial pasta factory located in the province of Rimini. The Group holds a 79.36% associate investment in Ghigi (held overall by BF, SIS and CAI).

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. Based on the results obtained in the financial year 2023, the valuation using the equity method was negative by Euro 264 thousand.

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. The test showed an equity value of Euro 23.4 million against a total Group value of the investment of Euro 24.4 million and, consequently, the above analysis showed a negative differential attributable to BF (at 31.86%) of Euro 0.3 million.

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, again taking into account the uncertainty surrounding the expected growth in the final year of the Plan.

Even using a rate of 8.1% for the years 2024-2026, the test result would not have been significantly different.

After the adjustments and write-downs made, the investment is recognised in the BF financial statements for Euro 9,000 thousand.

It should be noted that with regard to other investments in associates or JV, no impairment test was conducted, as no events were observed that led to the presumption of impairment.

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 of 2023, 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 the financial year 2023, the valuation using the equity method was positive by Euro 1,785 thousand.

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 valuation of approximately Euro 1,368 thousand at 31 December 2023. During the period, the investee company paid dividends of Euro 875 thousand to the parent company BF spa.

With reference to the associate **Rurall**, the investment increased by Euro 41 thousand in 2023, i.e., for the share of the company's profit for the year, due to the measurement using the equity method.

The investment held in **Milling Hub SpA** was transferred to BF Agro with an effective date of 1 July 2023, as part of the broader operation to set up the Cereal cluster hub.

The investment in **Cerea** was sold at the end of the 2023 financial year, realising a capital gain of about Euro 1.5 million.

OTHER INVESTMENTS AND NON-CURRENT FINANCIAL ASSETS

Ragione sociale	31/12/2022	Incrementi	Decrementi	Riclassifiche	Altri movimenti	31/12/2023
FONDAZIONE ITS ACADEMY	15					15
FONDAZIONE AGRITECH	100					100
FIDUCIARIA SEGRE	15					15
IL MELOGRANO-BARRETTE	716					716
FONDAZIONE BONIFICHE FERRARESI	50					50
PHYSIS SRL	-	3.000				3.000
ECORNATURASI' SPA	-	5.000				5.000
OLTREBOSCO SRL	-	3				3
ALTRE ATTIVITA' FINANZIARIE NON CORRENTI	1.000	3.000				4.000
Totale altre partecipazioni	1.896	11.003	-	-	-	12.899

On 16 November 2023, BF acquired a 30% 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. 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.

Other non-current financial assets mainly include investments to indirectly support - 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.

(4) RECEIVABLES

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

DESCRIPTION	31/12/2023	31/12/2022	Change
Receivables	98,090	13,051	85,038

Below is a breakdown of the item.

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
			-
Crediti per finanziamenti fruttiferi	86.090	9.016	77.074
- di cui verso parti correlate	76.300	7.366	68.934
Crediti per finanziamenti infruttiferi	2	-	2
- di cui verso parti correlate	2	-	2
Credito verso Fondo Nextalia	2.067	706	1.361
- di cui verso parti correlate	0	-	-
Crediti verso Fondo FIAF	6.983	531	6.452
- di cui verso parti correlate	-	-	-
Crediti per imposte anticipate	2.798	2.798	-
Altri crediti non correnti	150	-	150
Totale altri crediti non correnti	98.090	13.051	84.889

The item includes for Euro 2,798 thousand the items connected to deferred tax assets related to (i) the Company's tax losses recorded in the year 2014 and 2015 (Euro 839 thousand), (ii) the tax losses recorded by the Company in the year 2017 (in the amount of Euro 981 thousand), (iii) the tax loss generated in the year 2018 and not utilised within the national tax consolidation (Euro 408 thousand) and (iv) the excess of the ACE (Aid to Economic Growth) benefit, generated in

2017 (Euro 570 thousand). Deferred tax assets are recognised in accordance with the criteria set forth in IAS 12, believing their future recovery to be probable, in consideration of the expected economic results for the next few years as confirmed by the multi-year plan used to support the impairment tests described above.

This item includes a total of Euro 86,090 thousand (of which Euro 76,300 thousand to related parties) connected to interest-bearing loans granted as detailed below:

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Crediti per finanziamenti fruttiferi vs SIS	-	1.916	(1.916)
Crediti per finanziamenti fruttiferi vs CAI	8.100	-	8.100
Crediti per finanziamenti fruttiferi vs BF Agricola	56.940	-	56.940
Crediti per finanziamenti fruttiferi vs BF Agro-Industriale	5.000		
Crediti per finanziamenti fruttiferi vs BF International	500		
Crediti per finanziamenti fruttiferi vs Leopoldine	1.000	2.000	(1.000)
Crediti per finanziamenti fruttiferi vs Ghigi	4.760	1.250	3.510
Crediti per finanziamenti fruttiferi vs La Pioppa	4.000	1.900	2.100
Crediti per finanziamenti fruttiferi vs Cerea	124	300	(176)
Crediti per finanziamenti fruttiferi vs Fondazione Bonifiche Ferraresi	950		950
Crediti per finanziamenti fruttiferi vs Agralimentari Piemonte	4.716	1.650	3.066
Totale altri crediti non correnti	86.090	9.016	71.574

Finally, this item includes 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.

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

(5) RECEIVABLES FROM CUSTOMERS

The changes between 31 December 2022 and 31 December 2023 are shown below and amount to Euro 14,104 thousand.

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Totale crediti verso clienti	20.810	6.706	14.104
- di cui verso parti correlate	16.550	6.370	10.180
Fondo rischi su crediti (-)	-	-	-
TOTALE	20.810	6.706	14.104

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Clients	9.609	5.578	4.031
- di cui verso parti correlate	5.368	5.441	- 73
Invoices to issue	11.201	1.129	10.072
- di cui verso parti correlate	11.182	929	10.253
Notes of credit to issue	-	(1)	1
- di cui verso parti correlate	-	-	-
Provision for risks on credits (-)	-	-	-
- di cui verso parti correlate	-	-	-
TOTALE	20.810	6.706	14.104

Receivables from customers refer to services rendered by the Company in the context of service contracts stipulated with investee companies, relative to activities of an administrative/managerial nature, as well as, to a marginal extent, consultancy services rendered to third-party customers in the technical and agro-economic fields in 2023. The increase compared to 2022 is mainly due to higher income related to the recognition of intra-group charge-backs for general services provided by the Company, as better described in note 21.

It should be noted that these receivables do not present any critical issues with regard to their recoverability.

Descrizione	31/12/2023	Not due	Scaduto				Totale crediti
			0-30 days	31-60 days	61-90 days	> 90 days	
Crediti verso clienti*		11.205	4.058	78	8	5.460	20.810
- di cui verso parti correlate		11.182	1.624	78	6	3.660	16.550
		11.205	4.058	78	8	5.460	20.810

(6) OTHER CURRENT ASSETS

Below is a breakdown of the item.

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Tax receivables	1.025	175	850
Accounts payable	2.157	411	1.746
Contributions in c/esercizio	-	-	-
Other receivables	19.108	11.345	7.763
Prepaid expenses	282	507	- 225
Totale	22.571	12.438	10.133
- di cui verso parti correlate	15.101	11.297	3.804

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

Tax receivables include withholding taxes, IRES credits and refunds, and VAT credits, the latter amounting to Euro 755 thousand (Euro 288 thousand payable in 2022).

Other receivables mainly include (i) other receivables for advance payments to BF Agricola (for Euro 1,812 thousand), (ii) receivables from subsidiaries for dividends (for Euro 11,686 thousand), (iii) other current receivables from subsidiaries or associates of which Euro 1,098 thousand related to receivables accrued in the context of the Group's tax consolidation and (iv) the receivable from the purchaser of the company Cerea (for Euro 3,808 thousand) contractually due by the end of the 2024 financial year.

Prepaid expenses mainly refer to costs for consultancy contracts concluded during the year 2023, but partly pertaining to the following year.

(7) MARKETABLE SECURITIES AND OTHER CURRENT FINANCIAL ASSETS

DESCRIPTION	31/12/2023	31/12/2022	Change
Marketable securities and other current financial assets	6,100	-	6,100
TOTAL	6,100	-	6,100

The item Marketable securities and other current financial assets includes securities consisting of bonds listed on the Euronext Access Milan Market and recorded in the financial statements at their fair value at 31 December 2023.

(8) CASH AND CASH EQUIVALENTS

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Cassa	4	-	4
Depositi bancari e postali	224.461	50.302	174.159
TOTALE	224.465	50.302	174.163

The significant change in cash and cash equivalents compared to 31 December 2022, amounting to about Euro 174 million, is attributable to the resources from the capital increase promoted by the Company in the fourth quarter of 2023. This item includes term deposits of up to 3 months for a total amount of Euro 106 million.

EQUITY

Descrizione	31/12/2023	31/12/2022	Variazione
Capitale Sociale	261.883	187.060	74.824
Riserva di Fair value	-	-	-
Altre riserve	487.176	281.585	205.591
Utili indivisi	3.645	4.263	(617)
Utile (perdita) dell'esercizio	12.226	8.919	3.307
Totale Patrimonio netto	764.930	481.826	283.104

(9) SHARE CAPITAL

The share capital at 31 December 2023, fully paid-up, amounted to Euro 261,883,391 and consisted of 261,883,391 ordinary shares, with no nominal value.

(10) OTHER RESERVES

Other Reserves (which amounted to Euro 487,176 thousand at 31 December 2023 compared to Euro 281,585 thousand at 31 December 2022) mainly consisted of i) the additional paid-up capital reserve, amounting to Euro 476,689 thousand, ii) the negative IFRS transition reserve in the amount of Euro 751 thousand, iii) the reserve established in 2020 "Non-distributable profit reserve" in the amount of Euro 10,771 thousand, to which the profit for the year ended 31.12.2022 was allocated for Euro 2,056 thousand and (iv) the "Long-term incentive plan reserve for Euro 455 thousand.

Reserves changed mainly as a result:

- (i) of the recognition, in accordance with IAS 32, of costs related to capital transactions, directly deducted from equity in the amount of Euro 21,353 thousand, specifically related to costs of the 2023 capital increase;
- (ii) of the capital increase with allocation to additional paid-up capital of Euro 224,471 thousand;

- (iii) of the segregation of the portion of profit for the year 2021 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.

(11) RETAINED PROFITS

This item mainly consisted of (i) the legal reserve, which amounted to Euro 1,047 thousand (which increased by Euro 343 thousand compared to 31 December 2022), (ii) the "Profits available for distribution reserve" (established in 2020), which amounted to Euro 2,595 thousand.

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

Voci del patrimonio netto	Importo	Possibilità di utilizzazione	Quota disponibile	Riepilogo utilizzazioni effettuate negli ultimi tre esercizi	
				per copertura perdite	per altre ragioni
Capitale sociale	261.883	-	-		
Riserve di capitale					
Riserva sovrapprezzo azioni	476.689	A,B,C	475.938		
Riserva di transizione agli IFRS	(751)	A,B,C	-		
Riserva di utili non distribuibili	10.771	A	10.771		
Riserva piano incent. lungo termine	455				
Riserve di utili					
Riserva legale	1.047	B	1.047		
Utile (perdite) a nuovo	2.595	A,B,C	2.595		960
Altre riserve	14	-	-		
Totale	752.705		490.352		

LEGENDA: A per aumento capitale; B per copertura perdite; C per distribuzione ai soci

NON-CURRENT LIABILITIES

(12) EMPLOYEE BENEFITS

DESCRIZIONE	31/12/2022	Accantonamenti	Service cost	Interest cost	(Utile)/perdita attuariale	Rilasci/utilizzi	31/12/2023
TFR	258	79		11	39	(37)	349
TOTALE	258	79	-	11	39	(37)	349

This item refers to the provision for severance indemnities accrued in respect of employees at 31 December 2023.

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):

CATEGORIA	31/12/2023	31/12/2022	Variazione
Dirigenti	6	6	0
Impiegati	28	16	12
Operai	0	0	0
SUBTOTALE	34	22	12
Operai avventizi	0	0	0
TOTALE	34	22	12

(13) PROVISION FOR DEFERRED TAXES

The provision for deferred taxes changed as follows during the year.

DESCRIZIONE	31/12/2022	Accantonamenti	Rilasci/utilizzi	31/12/2023
Fondo imposte differite	135	38	(29)	145
Totale fondo imposte differite	135	38	(29)	145

DESCRIZIONE	Differenze temporanee	Effetto fiscale
Plusvalenze partecipazioni valutate a PN	18.173	218
Dividendi	(6.075)	(73)
Totale imposte differite	12.098	145

(14) OTHER PROVISIONS

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
F.do Incentivi e Bonus	542	250	292
TOTALE	542	250	292

The incentive and bonus provision refers to the MBO allocations of the CEO and executives. Of the short-term incentive plan, as well as the long-term incentive plan, 25% is linked to ESG performance parameters (i.e. reduction of diesel consumption, energy consumption from renewable sources).

(15) OTHER NON-CURRENT PAYABLES

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Depositi cauzionali	1.000	998	2
- di cui verso parti correlate	-	-	-
Altri debiti	103.290	109.550	(6.260)
- di cui verso parti correlate	103.290	109.550	(6.260)
Quota a lungo dei contratti di noleggio	975	704	271
- di cui verso parti correlate	-	-	-
Totale altri debiti non correnti	105.265	111.252	(12.247)

Other non-current payables refer to the long-term liability to the subsidiary Bonifiche Ferraresi in connection with the BF purchase of the investment in BF Agricola. The decrease is attributable to the repayment of the six-monthly instalments under the purchase and sale agreements.

As contractually agreed, the payment of the consideration is envisaged over a period of 20 (twenty) years and will be divided into 40 equal half-yearly instalments in arrears until 30 June 2041. Half-yearly interest accrues on each of the instalments.

Payables for rental contracts refer to the debt beyond 12 months related to lease contracts and the increase is strictly related to what has already been described with regard to Rights of use classified as Intangible Assets.

DESCRIZIONE	31/12/2022	Accensioni	Rimborsi/chiusure	Riclassifiche	31/12/2023	Variazione
Quota a lungo termine contratti di locazione	668	738	(217)	(264)	925	257
Quota a lungo termine contratti di noleggio	36	112		(98)	50	14
TOTALE	704	850	(217)	(362)	975	271

(16) LONG-TERM LOANS

Descrizione	31/12/2022	Accensioni	Incremento per contabilizzazioni e interessi	Rimborsi	Riclassifiche	Effetto costo ammortizzato	Altri movimenti	31/12/2023	Variazione
Finanziamenti a lungo termine	19.641	7.960	86		(2.708)	153	(40)	25.091	5.450
- di cui da parti correlate	-								
Totale debiti finanziari non correnti	19.641	7.960	86	-	(2.708)	153	-	25.091	5.450

Loans were recorded at amortised cost, i.e. at nominal value less costs incurred (notary fees and bank commissions). At period-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.

Istituto di credito	Importo originario	Data sottoscrizione	Scadenza	Tasso	Debito residuo al 31/12/2023 (quota a lungo termine)	Debito residuo al 31/12/2023 (quota a breve dei finanziamenti a lungo termine)
Banca Intesa Sanpaolo (bullet)	20.000	13/10/2022	13/10/2024	Euribor 3m +3,90%	19.879	-
Banca Popolare del Lazio	4.000	06/10/2023	31/10/2026	Euribor 1M + 1	2.487	1.463
Credit Agricole	4.000	23/11/2023	23/11/2026	Euribor 6M + 1,5	2.725	1.245
Totale finanziamenti					25.091	2.708

For the composition of and changes in the Company's net financial debt at 31 December 2023 compared to 31 December 2022, please refer to the previous section "Economic and financial results for the year 2023" of the Report on Operations.

CURRENT LIABILITIES

(17) PAYABLES TO SUPPLIERS

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Totale debiti verso fornitori	16.664	8.106	8.558
- di cui verso parti correlate	3.466	1.348	2.118
TOTALE	16.664	8.106	8.558

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Fornitori	11.392	4.716	6.676
- di cui verso parti correlate	3.450	582	2.868
Fatture da ricevere	5.436	3.512	1.924
- di cui verso parti correlate	16	766	- 750
Note di credito da ricevere	- 164	- 122	- 42
- di cui verso parti correlate	- 1	-	- 1
TOTALE	16.664	8.106	8.558

This item mainly includes payables for services received by the Company and not paid at 31 December 2023. The increase in payables is mainly explained by the provision of consultancy services initiated during the year and related to the extraordinary transactions undertaken by the Company.

(18) OTHER CURRENT PAYABLES

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Totale altri debiti	10.009	9.069	940
- di cui verso parti correlate	8.057	7.349	708
Totale altri debiti	10.009	9.069	940

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

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Debiti tributari	347	617	- 270
Debiti verso istituti di previdenza e di sicurezza sociale	201	38	163
Debiti verso altri	8.964	7.988	975
Ratei e risconti passivi	2	-	2
Quota a breve contratti di noleggio	495	425	70
			-
TOTALE	10.009	9.069	940

Tax payables mainly comprise payables for self-employed and employee withholding taxes.

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

The item **Payables to others** is mainly made up of payables to employees (for Euro 418 thousand) and to the Company's directors and control bodies (for a total of Euro 272 thousand), as well as the payable to the subsidiary Bonifiche Ferraresi relating to the short-term portion of the payable for the purchase of the investment in BF Agricola for Euro 7,190 thousand. Other current payables to subsidiaries or associates are reported as a residual item.

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

(19) SHORT-TERM LOANS

DESCRIZIONE	31/12/2022	Accensioni	Rimborsi	Riclassifiche	31/12/2023	Variazione
Scoperti di conto corrente/linee di credito	2.405	5.071	(2.405)		5.071	2.666
Ratei passivi finanziari	221	27			248	27
Quota a breve dei finanziamenti a lungo termine			(214)	2.708	2.494	2.494
Altri finanziamenti bancari a breve		19.945	(19.945)		-	-
Altri debiti finanziari correnti		1.000			1.000	1.000
TOTALE	2.626	26.043	(22.564)	2.708	8.813	6.187

The table above shows the change for the period from the closing date of 31 December 2023. Please refer to note 16 above for details of the amount recognised in "Reclassifications", which represents the short-term portion of long-term loans.

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 (3)*		65,751		65,751
Receivables (4)	98,090			98,090
Current financial assets				0
Receivables from customers (5)	20,810			20,810
Other current assets (10)	22,571			22,571
Marketable securities and other current financial assets		6,100		6,100
Total	141,471	71,851	-	213,322

* excluding investments in subsidiaries

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				
Non-current financial payables (16)	25,091			25,091
Other non-current payables (15)	105,265			105,265
Current financial liabilities				0
Payables to suppliers (17)	16,664			16,664
Current financial payables (19)	8,813			8,813
Other payables (18)	10,009			10,009
Total	165,842	-	-	165,842

COMMITMENTS

Below is a list of the Company's main investments in progress at 31 December 2023 and which have been definitively committed to by the Company:

- (i) commitment undertaken on 21 November 2022, to subscribe units of the "*Fondo Italiano Agri & Food - FIAP*" for a total of Euro 60,000 thousand, of which Euro 6,983 thousand had already been paid at 31 December 2023; and
- (ii) commitment undertaken on 13 October 2021, to subscribe units of the "*Fondo Nextalia Private Equity*" for a total of Euro 3,000 thousand, of which Euro 2,067 thousand had already been paid at 31 December 2023.

It should be noted that the investments in the "*Fondo Italiano Agri & Food - FIAP*" and in the "*Fondo Nextalia Private Equity*" referred to in points (ii) and (iii) above, will be financed through resources deriving from the extraordinary transactions for the sale of minority shareholdings in Bonifiche Ferraresi.

INCOME STATEMENT

(20) REVENUES FROM SALES

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Totale ricavi delle vendite	295	307	(12)
- di cui verso parti correlate	257	307	(50)
TOTALE	295	307	(12)

Revenues from sales consist mainly of commercial transactions with Group companies.

(21) OTHER REVENUES

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Altri ricavi	32.295	24.231	8.064
- di cui verso parti correlate	24.758	8.127	16.631
TOTALE	32.295	24.231	8.064

Below is a breakdown of Other revenues at 31 December 2023:

Dettaglio altri ricavi	31/12/2023	31/12/2022	Variazione
Contributi in c/esercizio			-
Proventi da partecipazioni	13.192	3.610	9.582
Sopravvenienze	53	182	- 129
Plusvalenze	5.415	15.904	- 10.489
Valutazione partecipazioni metodo PN	2.930	2.081	849
Proventi e ricavi diversi	10.705	2.454	8.251
TOTALE	32.295	24.231	8.063

The item Other Revenues consists mainly of:

- 1) Income related to the measurement of investments using the equity method in the amount of Euro 2,930 thousand, details of which are provided in note 3 above;
- 2) Capital gains from the sale of minority interests in Bonifiche Ferraresi or 2.88% for an amount of Euro 3,901 thousand;
- 3) Capital gain from the sale of the associate Cerea in the amount of Euro 1,486 thousand;
- 4) Income from investments deriving from dividends distributed by Bonifiche Ferraresi for Euro 4,686 thousand, by BIA for Euro 429 thousand, by BF Agricola for Euro 7,000 thousand, and by CAI for Euro 1,077 thousand;
- 5) Other income related to the recognition of intra-group charge-backs for general and specific services provided by the parent company, such as, for example: i) support and assistance in relations with credit institutions and in obtaining loans; ii) support and assistance in extraordinary operations, company reorganisation and streamlining.

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

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

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Prestazioni di servizi generali	2.377	1.433	944
Spese legali notarili e tecniche	2.273	4.379	(2.106)
Amministratori e Sindaci	1.185	991	194
Totale costi per servizi	5.834	6.803	(969)
Godimento beni di terzi	200	157	43
TOTALE	6.034	6.960	(926)
<i>di cui parti correlate</i>	2.323	1.194	1.129

The following is a commentary on the most significant items that changed the most during the period under review.

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

Legal, notary and technical fees mainly comprise expenses for legal, tax and strategic consultancy incurred by the Company in connection with M&A transactions carried out by the Company and the structuring of highly complex corporate transactions. The costs incurred as part of the capital increase promoted by the Company in the fourth quarter of 2023 were recognised as a reduction of equity in accordance with IAS 32.

Use of third-party assets mainly comprise rental expenses of minor value and temporary hire of movable assets, excluded from the application of IFRS 16.

Directors and Statutory Auditors costs include Euro 116 thousand related to the cost, with a balancing entry in an equity reserve, of the IFRS 2 measurement of the Chief Executive Officer's variable incentive plan.

(23) PERSONNEL COSTS

This item includes accrued expenses for the period 2023:

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Salari e stipendi	1.534	2.011	(477)
Oneri sociali	579	548	31
Benefici ai dipendenti	63	118	(55)
Costi per pagamenti basati su azioni	248	-	248
Incentivi all'esodo	180	-	180
Altri costi	696	422	274
TOTALE	3.300	3.099	201
<i>di cui parti correlate</i>	81	-	81

Please refer to the paragraph on Employee benefits for a comparison between 2023 and 2022 and for a breakdown of the average number of employees between categories. It should be noted that the cost of the IFRS 2 valuation of the variable incentive plan for certain BF executives in the amount of Euro 248 thousand was recognised in this item, with a balancing entry in an equity reserve.

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

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

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Ammortamenti beni immateriali	591	468	123
Ammortamento beni materiali	49	45	4
Svalutazioni	0	45	(45)
TOTALE	639	558	81

(25) OTHER COSTS AND EXPENSES

This item is detailed below:

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Imposte e tasse diverse da quelle sul reddito	2.475	482	1.993
Spese generali	3.531	3.548	(17)
Altri costi operativi	253	-	253
TOTALE	6.259	4.030	2.229
<i>di cui parti correlate</i>	344	-	344

Taxes and duties other than income taxes include non-deductible 2023 VAT (for Euro 2,443 thousand) following the Company's adoption of the pro-rata method. The method, first adopted by the Company in 2022, emerges from the different tax treatment of the tax due to the turnover generated by the Company for exempt transactions (sale of the investment in the subsidiary Bonifiche Ferraresi). These transactions are carried out by the Company on a systematic basis and in the context of activities that also involve taxable transactions. Therefore, following various analyses and evaluations carried out by the Company assisted by leading tax advisors, it has opted for the treatment of non-deductible VAT using the pro-rata method.

General expenses are expenses not related to core operations such as institutional expenses, capital losses, travel and transfers, utilities.

(26) FINANCIAL INCOME AND EXPENSES

DESCRIZIONE	31/12/2023	31/12/2022	Variazione
Interessi attivi su c/c	219	0	219
Altri proventi finanziari	10	225	(215)
Interessi su altri crediti	390	0	390
Interessi e altri proventi finanziari	619	225	394
<i>di cui parti correlate</i>	390	-	390
Interessi passivi su c/c	441	17	424
Interessi passivi su finanziamenti	2.048	262	1.786
Interessi passivi diversi	2.094	1.599	495
Altri oneri finanziari	635	26	609
Interessi e altri oneri finanziari	5.218	1.904	3.314
<i>di cui parti correlate</i>	1.014	1.538	- 524
Oneri finanziari netti	4.599	1.679	2.920

Interest on other receivables relates to interest-bearing loans granted to investee companies.

Other interest expense relates to the BF S.p.A. payable to Bonifiche Ferraresi in connection with the purchase of the BF Agricola investment for Euro 1,014 thousand. Interest expenses on loans in the amount of Euro 2,048 thousand represent the interest portion accrued on the debt incurred in 2022 and 2023.

(27) INCOME TAXES FOR THE PERIOD

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

Dettaglio imposte	31/12/2023	31/12/2022
	Importo	Importo
IRAP	-	-
IRES	-	-
Imposte differite attive	-	1
Imposte differite passive	(9)	-
Proventi/oneri da consolidato fiscale	484	713
Totale	475	714

No current taxes were recognised, as the Company has no taxable income for IRES and IRAP tax purposes. Net deferred taxes amounting to Euro 9 thousand derive from the combined effect of i) the provision for deferred taxes against capital gains from valuation according to the equity method for Euro 38 thousand and ii) the release of deferred taxes against the receipt of dividends from BIA, CAI. and Progetto Benessere for Euro 29 thousand.

The tax consolidation income was calculated on the basis of the taxable income of the other companies participating in the tax consolidation. By virtue of the existing consolidation agreements, the consolidation income amounted to Euro 484 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 Company is required to provide information on its Pillar 2 income tax exposure at the end of 2023. BF qualifies as an Ultimate Parent Entity ("UPE") for the purposes of Pillar Two regulations.

The assessment of potential exposure to Pillar 2 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 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 Company applies this temporary exception to 31 December 2023.

RELATED PARTY TRANSACTIONS

During the 2023 financial year, 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:

PARTI CORRELATE (denominazione)	CREDITI	ALTRE ATTIVITA' CORRENTI	CREDITI V/CLIENTI	ALTRI DEBITTI NON CORRENTI	ALTRI DEBITTI	DEBITTI V/FORNITORI	RICAVI DI VENDITA	ALTRI RICAVI (comprese valutazioni metodo PN)	COSTI OPERATIVI	ONERI FINANZIARI NETTI	IMPOSTE
BONIFICHE FERRARESI		4.920	308	103.290	7.302	1.930		4.927	980	(1.014)	230
BF AGRICOLA	56.940	9.256	5.372			422		10.658	142	390	
BF AGRO INDUSTRIALE	5.000	3	1.194		1	633	171	237	184		
CAI	8.100		3.567		3	60	46	2.636	843		
SIS			914			421		875	343		
BIA		254	1.903					2.064			254
PASTIFICIO FABIANELLI			205								
BF ENERGY			465						4		
RURALL			2		750			42			
LEOPOLDINE	1.000	657	319				15	1.846			
AGRI-ENERGY			149				21	51			
GHIGH 1870	4.760		318				4	(154)	253		
BF INTERNATIONAL	502		58					58			
BF EDUCATIONAL		10	797					65			
BF BIO			3					3			
PROGETTO BENESSERE								1.368			
BF INTERNATIONAL LTD			976					82			
Totale	76.302	15.101	16.550	103.290	8.057	3.466	257	24.758	2.749	(624)	484
<i>Totale voce di bilancio</i>	<i>98.090</i>	<i>22.571</i>	<i>20.810</i>	<i>105.265</i>	<i>10.009</i>	<i>16.664</i>	<i>295</i>	<i>32.294</i>	<i>16.239</i>	<i>4.599</i>	<i>475</i>
<i>Incidenza %</i>	<i>77,8%</i>	<i>66,9%</i>	<i>79,5%</i>	<i>98,1%</i>	<i>80,5%</i>	<i>20,8%</i>	<i>87,3%</i>	<i>76,7%</i>	<i>16,9%</i>	<i>13,6%</i>	<i>101,9%</i>

It should be noted that related party transactions and relations during the period 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.

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

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

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the preparation of the 2023 separate financial statements.

2. It is also certified that:

2.1 The separate financial statements at 31 December 2023:

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

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

Milan, 15 April 2024

CHIEF EXECUTIVE OFFICER

Federico Vecchioni

FINANCIAL REPORTING
MANAGER

Simone Galbignani