



**21**

**ANNUAL REPORT**

## Governance and statutory bodies

### BOARD OF DIRECTORS

#### Chairman

Mr. Augusto Cosulich

#### Honorary Chairman

Mr. Andrea Cosulich

#### Vice Chairman

Mr. Matteo Cosulich

#### CEO

Mr. Augusto Cosulich

Mr. Matteo Cosulich

Mr. Tomaso Moreno

Mrs. Marta Cosulich

Mr. Timothy Cosulich

#### CFO

Mr. Stefano Abate

### BOARD OF STATUTORY AUDITORS

#### Chairman

Mr. Riccardo Bolla

#### Statutory Auditors

Mr. Sebastiano Bolla Pittaluga

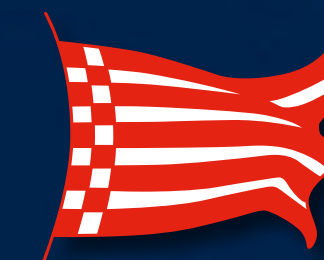
Mr. Paolo Bisio

#### Independent Auditors

Baker Tilly Revisa

Mr. Davide Trincherò (partner)

Mr. Edoardo Beccaro (partner)



# EVOLVING BEYOND

Shipping and logistics have always focused on delivering what we need, when we need it, throughout the centuries of economic evolution. Now, the industry is no longer the same and we are ready to take on the challenge.

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# 01

## **INTRODUCTION OF 2021 RESULTS**

We believe in our employees, our most important

## Letter from our Chairman

I'll be honest with you: 2021 was an unprecedented year for the Fratelli Cosulich Group.

We set a goal for ourselves to deliver change in our industries and with our customers. **We intensified the execution across all our business units, investing in new types of assets, and introducing new solutions for our stakeholders, while also considering more flexible approaches to ensure long-term growth.**

The COVID-19 pandemic continued to impact the planet during the course of 2021. The health and lives of people, as well as the supply chain of enterprises all over the world faced great difficulties. **In a complex and uncertain environment, it is essential to believe and evolve.**

We believe in our people, our most important asset. We believe in constant communication with our customers; if they have problems, it is our job to be there to support them. **We believe in the evolution of the logistics sector**, investing in physical assets and in digital tools to enable real-time decision making and an agile approach to business.

**We believe in long-term investments and we do not get distracted by short-term results.** Our focus is on the industry-specific know-how that we can bring to the table, together with the financial stability brought by years of reinvesting all our profits into growth.

**We evolved last year expanding our activities**, becoming major shareholders in two companies and establishing three new ventures. We evolved confirming that we are back to being solid shipowners with the purchase of 3 general cargo vessels, placing an order for 2 LNG bunker tanker vessels and improving the age and technical profile of our fleet of bunker tankers in Singapore.

We did all of this in 2021 and the results were strong. You will have the chance to get more details in this annual report, and **I am proud to share with you that Fratelli Cosulich Group again posted growing economic results**, marking a significant improvement compared to the – extremely positive – results achieved in the past years.

We delivered change last year and we are already working on several new projects because we are always connected to the future. I am confident in making a promise to you: Fratelli Cosulich Group is now **EVOLVING BEYOND.**



**Augusto Cosulich**  
Chairman

# Delivering results

## 2021 Key facts

# 38<sub>M</sub>

↑ 46%

### EBITDA

Our long term goal is to maintain our solidity, while continuing to leverage on the growth of the operational results, reducing geo-political risks thanks to our diversified activities.

# 30<sub>M</sub>

↑ 93%

### NET RESULT

Our growth YoY has recorded a newest high. We are ready to re-invest this output in new exciting opportunities.

# 1.523<sub>M</sub>

↑ 39%

### TURNOVER

We are back over 1.5b and we are proud that Fratelli Cosulich Group is a member of the exclusive billion' turnover club.

# 7

### NEW COMPANIES

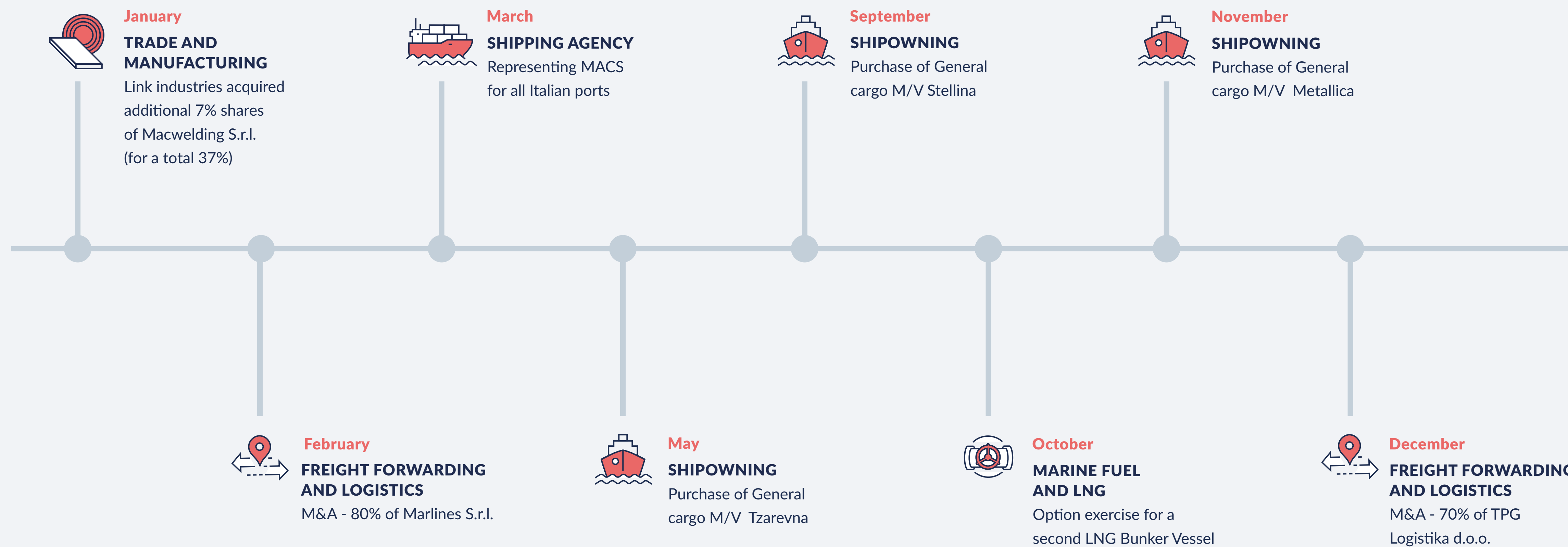
Thanks to the support of financial institutions and our fruitful presence in our network, we have been able to keep our long-run expansion path.

# 106

### GROUP COMPANIES AND SUBSIDIARIES

The Group identified and leveraged M&A opportunities, expanding the boundaries of its global reach.

## 2021 Timeline





# 2022

## OUR MANAGEMENT

We see ourselves as  
captains of a ship,  
who's the first to

## Members of the Board



1  
**Augusto Cosulich**  
Chairman, CEO, Cavaliere del Lavoro

2  
**Andrea Cosulich**  
Honorary Chairman

3  
**Matteo Cosulich**  
Vice Chairman, CEO

4  
**Tomaso Moreno**  
CEO

5  
**Marta Cosulich**  
CEO, Board member University  
of Genoa and Board member Banca  
Sella Holding

6  
**Timothy Cosulich**  
CEO, IBIA Chairman

7  
**Stefano Abate**  
CFO

7

4

5

1

6

3

2

## Our Managers

There is no doubt that managing a sophisticated structure such as our Group is a difficult task.

Our solution is direct involvement of the Board of Directors in everyday operations as well as a strategy, with an “open-door” policy to discuss any topic that arises. But also, it is the first-line management structure relying on trustworthy experts who have long worked with and for the Group that is actually a game-enabler.

Our management is involved in all aspects of the business, from direct interaction with customers to open dialogue with suppliers. They collaborate with their operational teams to develop the strategy, and they forecast the impact of their actions with our financial teams. Most of them have grown inside and together with our Group, moving across several business units of ours, facilitating the information’ spillover within our internal network.

Even though the modern world is going through the so called “great resignation”, our Group remains unique. we have a very low people turnover rate, which allows us to train and enable our people, developing them into the managers of the future.

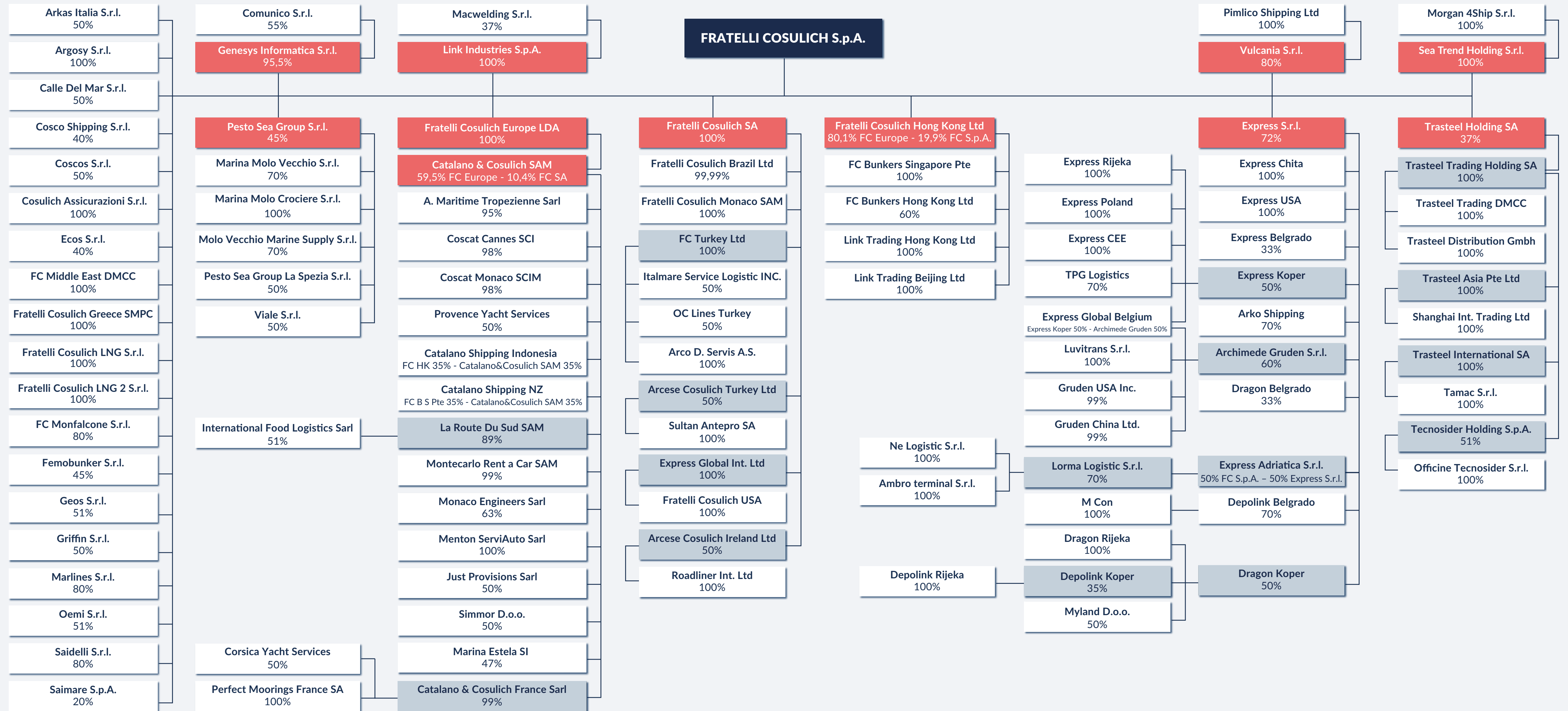


# 03

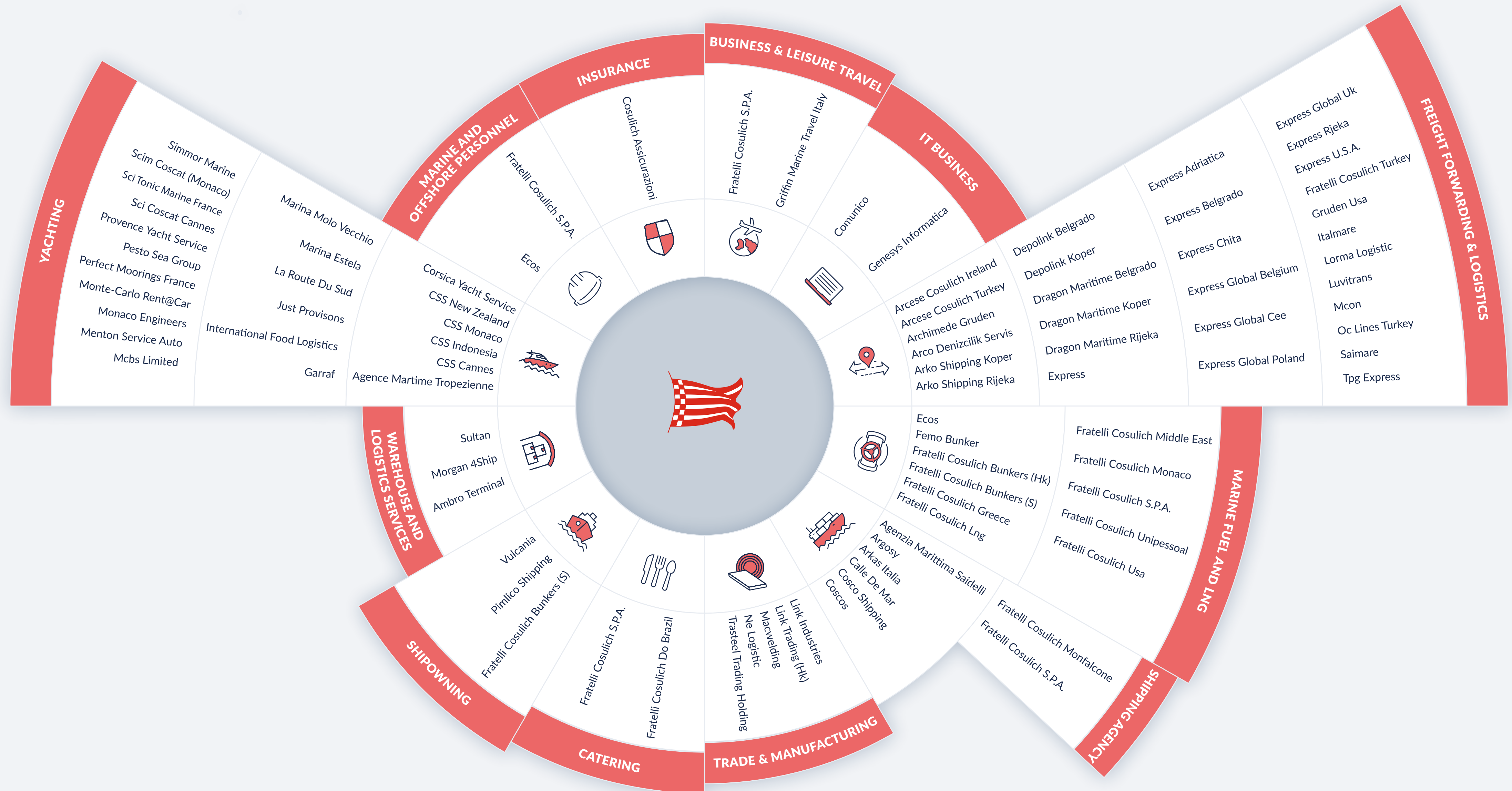
## THE GROUP STRUCTURE



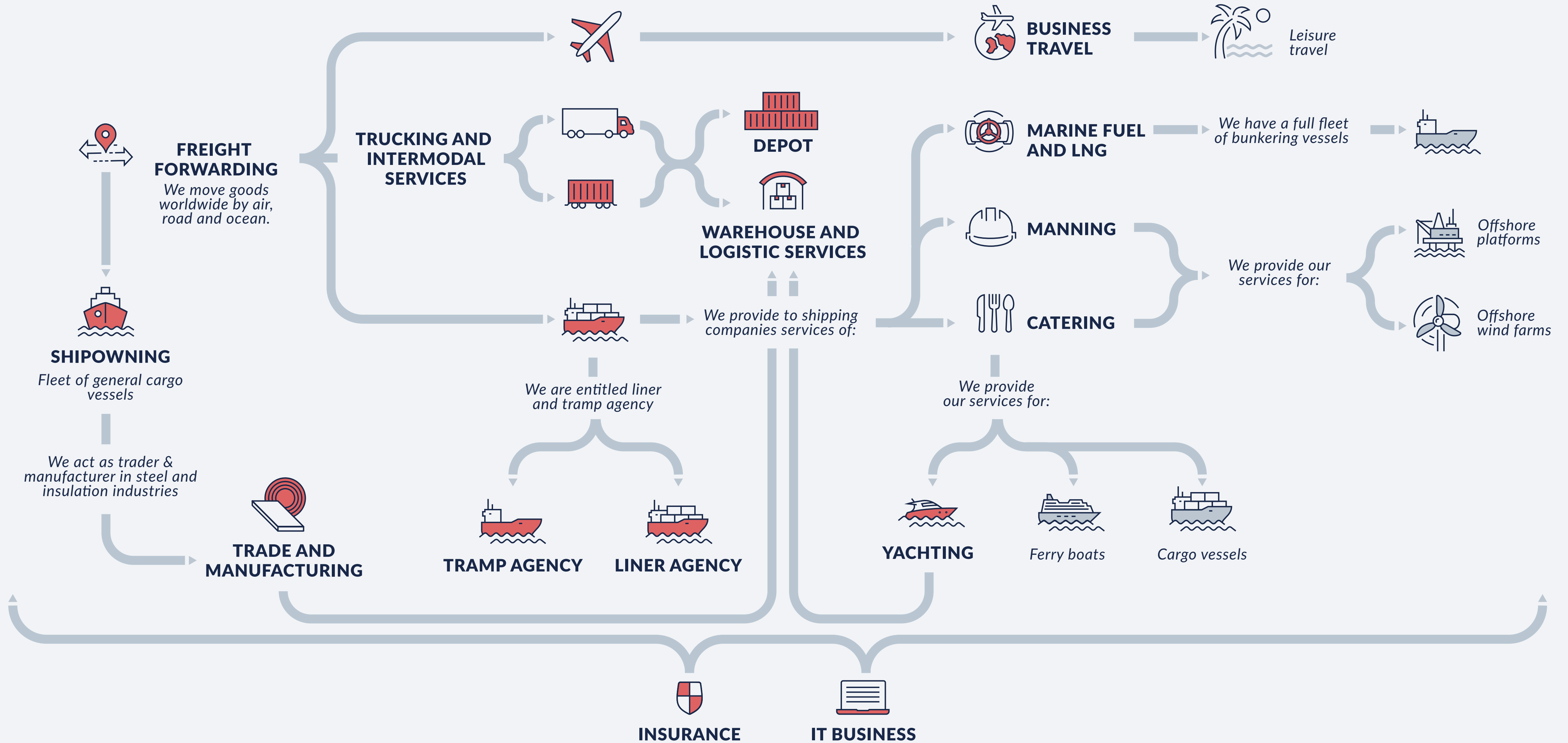
# Organizational chart



# Business Unit chart



# Synergies of the Group



# 04

## THE EVOLUTION OF THE GROUP



## The vision

# C

## COMPETENCIES

We never stop building our competencies through which we deliver on our promises. One of our key focus areas going forward will be on the technological development of the Group and of our offer.

# O

## OUTSTANDING

In order to consistently bring value to our customers we strive to create an environment where superb performance is the norm, not the exception.

# S

## STRATEGY

We are pursuing an acquisition-based strategy aimed at identifying growth opportunities and synergies with our existing business. We create partnerships with players that share our values and that place an equal weight on reputation.

# U

## UNDERSTATED

You will not hear us boasting or bragging about how good we think we are. We would rather have our actions and behaviours remain true to our reputation and we focus on working rather than talking.

# L

## LEARNING

With many “know it all” companies around, we see ourselves as a “learn it all” company, focused on constantly evolving and challenging the way we do things, with the goal of always providing a superior service to our clients.

# I

## INTEGRITY

Everything we do, every decision we take is driven by the importance we place on what our name and brand represent. We are true to the values that have brought us where we are since 1857.

# C

## CUSTOMER CENTRICITY

Everything we do is for our customer. We aim at developing the sort of deep knowledge of our clients that allows us to adapt our own structure to our clients' and make their life easier.

# H

## HUMAN RESOURCES

We are a service company and the value we bring to the industry lies with our People. We invest in them and in their development as professionals and as persons; we want them to be true ambassadors of our Group.

## 10 years past, 10 years ahead

The story of Fratelli Cosulich Group is really many stories.

Since our establishment, we've been expanding into new markets and consolidating our position in others. **We're fighting back in areas we pioneered and at the same time, we are transforming ourselves to achieve our future targets.** In this long ride, successes came alongside some (not many, fortunately!) mistakes, that represented great learning and improvement opportunities for us.

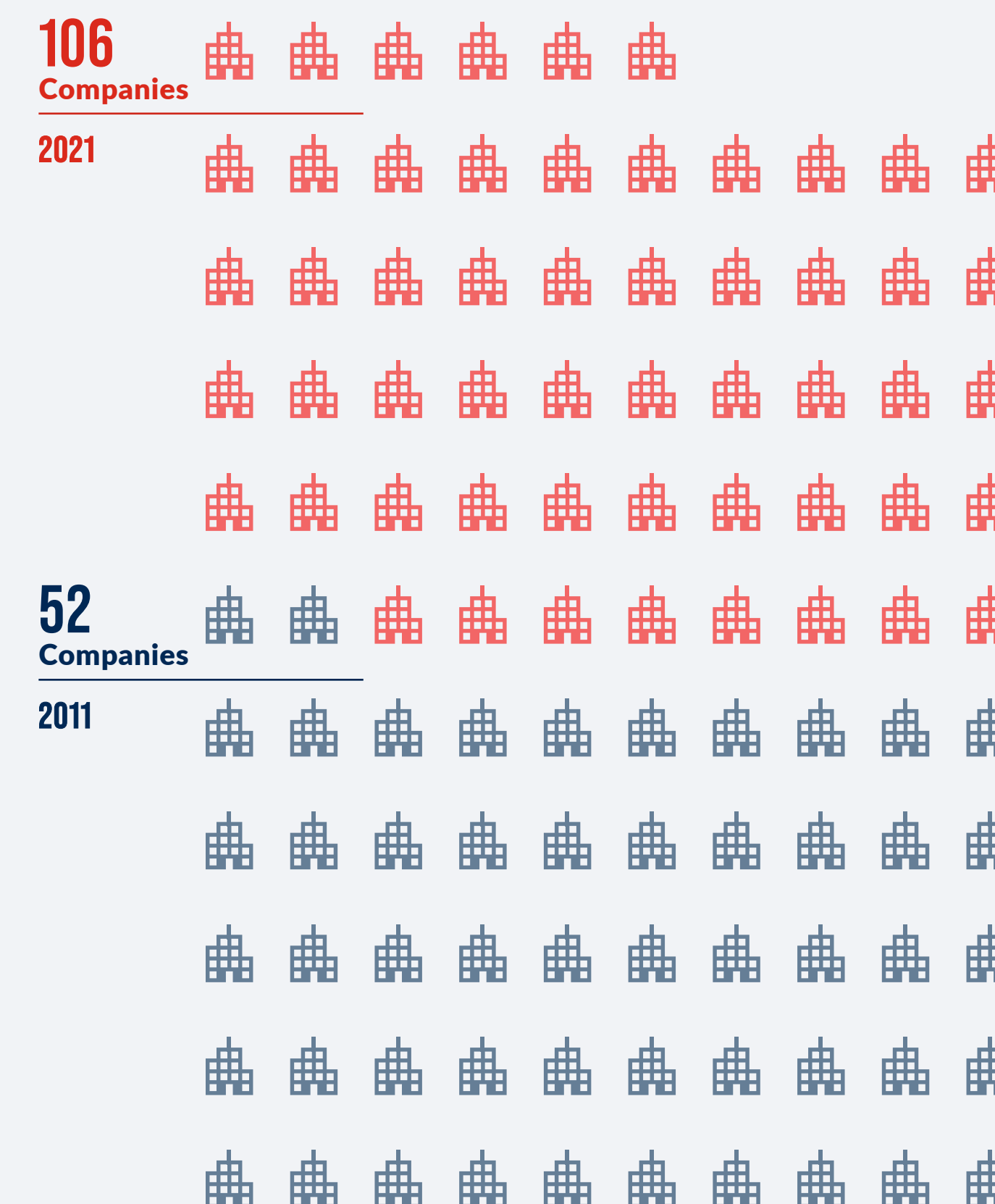
The 10 years we just concluded are significantly relevant compared to our long history. At the very beginning of this period, our consolidated net equity has almost doubled from € 84.4M to € 154.3M. So, while this year's report is not a straightforward narrative, it does provide to the external world a recurring element. **By definition, entrepreneurs must undertake risks, otherwise they would never achieve success: investing and creating real value is the primary key for success.**

We have invested € 250 million in new projects over the last five years. The Group is now composed of 106 companies with a combined annual revenue of 1.5 billion euros. We expect to end 2022 with an EBITDA that will be even higher than 2021. We never had so many enterprises or such a high profitability before. It is ultimately the narrative of hundreds of thousands of individuals confronting the most difficult commercial, political and technological obstacles over this 10 years period.

**We developed our activities, diversifying both horizontally and vertically.**

**Our current position enables us to create some interesting advantages for the 10 years ahead.** The competitive environment is changing with old competitors going to play new roles and new competitors rising from the vertical logistic-chain. But, we adore competing. When we think of a long-distance race, our adrenaline rises. We embrace and like the pragmatic, tactical, roll-up-your-sleeves-and-dive-in components of planning, process development, and management systems. It's not tedious. It feels like you're building something meaningful.

What are we going to do in the next decade? We will be stronger on assets-based investments. We will be even more global than today, with new markets served by our activities. We will still be the Fratelli Cosulich Group, we will be beyond the Fratelli Cosulich Group paradigm.



In 2022, to produce profitable, organic growth, we will

## 2022 Targets

It is well documented that most of the information contained in annual reports are anticipated through the daily communication by the Group, CEOs and its business managers.

Various formal and informal sources are used by stakeholders to collect information on the Group. Even though the focus of this Annual Report is on 2021, we have a lot of exciting and valuable news to share on current year.

**We are now able to promote our long-term transformation, digitization (the process of converting an item into a digital format), and lower carbon footprint investments thanks to 2021's record-high financial performance that are providing extensive financial solidity to reinvest.**

In 2022, to produce profitable, organic growth, we will continue to focus on diversifying our activities, extending our offering across all key business units and increasing synergies linked to our companies' portfolio to our clients. While relying on the growing impact from the acquisitions announced in 2021, we are still looking to find new opportunities.

As a result, we've already completed several critical tasks in the early months of 2022.

**Here the list of major events happened so far after last year end:**



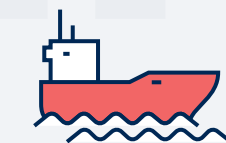
### Express Global Belgium

Two Group companies Express Global Slovenia and Archimede Gruden cooperate to establish a new company close to one of the most important ports in the world



### MCON

A new intermodal operator focused on rail logistics established in Balkans area to sustain the strong business in that nevralgic area



### Margherita Cosulich

Fratelli Cosulich Bunkers Singapore continues to invest in the renovation of its fleet. The latest addition is Margherita Cosulich, built in 2019, with a 8.000 DWT



### Fratelli Cosulich France

The establishment of the latest addition of Marine Fuel trading offices in our Group



### Nowtilus Project

Partner of the Sea Innovation Hub, the Group will sustain and mentor new ideas and start-ups focused on innovation and digitalisation in the maritime sector



### Trasteel Turkey

Established Trasteel Turkey that will support and develop our presence in the country



# 05

## OUR ACTIVITIES

**Our curiosity brings us to always look for better ways to serve our customers and this, right now, revolves around the transition to clean Marine Fuels. We are passionate and dedicated: this is why our Freight Forwarding and Logistics activities will always look forward to the future. Evolving the role of being agents for our customers is what Shipping Agency means for our Group. Going beyond customers' expectations is our present, and bringing innovation to the Yachting industry is our future. For us, Catering is not about ensuring meals on board, but about building memories for people on board. Our commitment is to keep the individual at the centre of an evolving Manning sector. We are ready to collect in our Warehousing and logistics facilities the success of our customers and business partners. Simple, Historic, Innovative, Persistent: this is the Shipowning made in Cosulich. We are willing to make the future our next Travel destination. Growing beyond the core business: this is what Trade & Manufacturing means for us. There is no technology without information, and there is no future business without IT. We work hard because our Insurance activities will transform the future from a risky to a tempting place to be.**



Timothy Cosulich

## Marine Fuel and LNG

2021 was, once again, a positive year for the Marine Fuel business unit, with a strong performance from our existing businesses, complemented by the opening of new offices, as well as significant investments in the new fuels space.

The year started with the inauguration of our new office in Greece where Fratelli Cosulich now counts on an experienced team of traders who have quickly integrated with the Group, sharing the same focus on integrity and customer centricity.

Later in the year, the growth trend brought us to open Fratelli Cosulich France, further expanding our reach both on the customer and on the supplier side.

These additions bring the Marine Fuel Business Unit to 9 offices around the world; we are confident that the growth will continue, driven by the goal of improving the service we offer to our customers.

**Our trading offices in Genoa, Monaco, Dubai, Hong Kong, Vietnam, Singapore, France, New York, and Madeira traded 4 million tons** in the course of 2021, aligned to 2020 performances.

Our physical supply set-up in Singapore and Genoa (Italy), delivered 2.9 million tons, confirming how the collaboration with energy majors and large independent trading houses continues to generate good results, driven by a focus on transparency and reliability.

Our fleet of bunker tankers in Singapore stands now at 6 units, after the sale of two older units, and the acquisition of a 2019 built, 8,000dwt bunker tanker that was named Margherita Cosulich.

**Our priority, on the physical side, is to proactively manage our fleet mix in order to maintain a low average age and a high technical quality – something that our clients and partners consistently look for.**

While demand for traditional bunkering remains solid, Fratelli Cosulich has now set its eyes on the future and in April 2021 it completed its first investment in the new fuels space, with the order of two high-specs LNG Bunkering Vessels, which will be built at the CIMC shipyard in China and delivered between 2023 and 2024.

**The investment, of nearly USD 100m, reaffirms the Group's commitment to a greener and more sustainable shipping industry,** leveraging LNG as the only solution currently available at scale allowing for a significant reduction in emissions.

Finally, our Credit Management Team has grown further, supporting the increasing importance of Credit Risk and of carrying out thorough assessments on customers' creditworthiness. With experienced credit professionals based in Singapore, China, and the UK, we can now leverage a global coverage as well as a close contact with key markets.

**Like the rest of the Group, the Marine Fuel Business unit continues to adopt a learning mindset, challenging the status quo and looking for ways we improve our way of working.**

**Our curiosity brings us to always look for better ways to serve our customers and this, right now, revolves around the transition to clean **Marine Fuels****



Augusto Cosulich

## Freight Forwarding and Logistic

2021 was another challenging year in which we demonstrated that we can provide excellent service even in a strong volatile market. We began the second year of the pandemic in excellent shape, strengthening our market position with crucial steps forward: investments in assets, expansions of our companies' portfolio, and development of new digital procedures. **The freight forwarding and logistics business unit within our Group is made of 30 companies that work under several brands.**

Express Global is our most powerful so far. By 2021, it had made some important turnaround, such as Express Global UK which went through a deep reorganization that led to very positive results. But also, Express Global Group expanded its perimeter, establishing companies in key countries in Europe.

Internally, we refer to the "Balkans region" as the perimeter of companies established under a profitable joint venture with our business partner, Mr. Erich Cossutta, who manages and supervises all its operations. Last year, there were numerous news in this area: **the establishment of Express Global Poland and Express Global CEE (Hungary, Slovakia, Czech Republic) enabled the creation of new synergies among our offices, better serving our customers in an unexplored geographical area.** In addition to this, Express Global Slovenia concluded the acquisition of TPG Logistics, a well-known player in Slovenia and Austria, with over 60 employees that will boost our activities as a whole entity.



Marta Cosulich

We here anticipate that in 2022, a new company will be managed in synergy between Archimede Gruden and Express Global Slovenia in one of the most important ports of the world, Antwerp. The company will take the name of Express Global Belgium. We have not only founded and acquired companies under the Express Global name. The company Fratelli Cosulich Monfalcone was founded. At the same time, **we acquired a majority stake in Marlines Srl, a long-standing operator in North-East Italy that operates as a shipping agency and freight forwarder.** This action allowed the Group to strengthen its position in supplying steel businesses in one of Europe's most significant steel-processing regions.

Synergies is one of the most essential words in our Group's vocabulary. Archimede Gruden, one of the most significant 2020 M&A operations, immediately fitted neatly within our Group flow of operations. It has extended its customer portfolio as a result of internal partnerships, diversifying the core of its activities compared to the past. It also began to offer our most advanced IT web portals, designed in-house by GeneSYS and implementing our Business Intelligence tools provided by Comunico. A long-term approach that immediately helped us maintain our interaction with our customers.

Notably, Lorma Logistic, our Italian major trucking company, invested in the renovation of our fleet of vehicles in 2021 in order to lower our carbon footprint. As a result of the improved power in our commercial activities, we were able to raise

the number of trips we took during the year, boost our income, and provide better service to our final clients. We are looking forward to the next few years, when the company will be able to provide intermodal logistic services as a result of the new cooperation rising.

**Last year, we have also expanded our air-logistics services from and to Turkey. This country is critical to our Group. We have grown our footprint over the last decades, and we expanded our offer.** Turkey plays an important role in the entire European production and we decided to invest heavily to manage the logistics of its output. We now have 6 distinct companies in diversified aspects of logistics, from freight forwarding to intermodal transportation. We look forward to 2022 because we are evaluating a local leading player in the sector, which would reinforce our position, opening up new routes of traffic from and to Turkey. If it will be successfully completed, it will transform us into one of the few leading players in the area.

**We are passionate and dedicated: this is why our freight forwarding and logistics activities will always look forward to the future**

We are passionate and dedicated: this



# Shipping Agency





Augusto Cosulich

## Shipping Agency

At the very core of our Group, we are still rooted in our traditional activities. Despite globalization and the massive transformation of the shipping industry, the head company Fratelli Cosulich S.p.A. is still a “unique” entity. We maintain our traditional role of multi-firm shipping agents, representing several shipping companies in Italian ports, deploying niche-markets services.

We have been representing most of our principals for several decades. **We believe in creating special long-lasting business and personal relationships with the shipping lines we are proud to represent and serve.** We represent Borchard Lines Ltd, Compagnie Tunisienne de Navigation, Ethiopian Shipping & Logistics Services Enterprise, and Liberty Global Logistics. From 2021, we also have the representation in Italy of the German shipping company MACS Maritime Carrier Shipping.

With decades of expertise as an independent shipping agency, we have provided our Principals with tailored services at key times. Our efforts never ceased due to our team’s professional devotion. Certainly, vast agency networks, a competent and dedicated workforce, seamless IT integration with Port Community Systems, and a thorough industry awareness are the keys to our endurance in a difficult year. Fratelli Cosulich Group believes in merging technology with human connections built on mutual trust and long-term understanding.

In 2021, we managed almost 100.000 teus in Italian ports and

over 1million teus globally handled through the companies of Group.

Thanks to the acquisition of Marlines S.r.l., a long-standing operator in North-East Italy that operates as a shipping agency and freight forwarder, the Group, has expanded its control in this area.

**One of our Group’s long-term ambitions is to become a prominent participant in the steel industry logistic chain. Our Tramp Shipping Agency plays a critical role in that journey.** Through our headquarters in Genoa and our extensive network of owned offices and sub-agencies in all Italian ports, we serve shipowners, vessels, charterers and handle all possible commodities. In 2021, we reinforced our relationship with Metinvest, a global mining and metals firm with a vertically integrated business model that controls the whole production chain, from iron ore and coal extraction to the manufacture of semi-finished and final steel products. As a Group, we invested in the relationship with them to create the best conditions for optimizing their business activities. **We moved from being a supplier to being a business partner.**

Last year, we took another successful step forward, gaining new customers with an increased number of ships managed in Italy: this is possible thanks to synergies formed between our central office in Genoa and all companies throughout Italy, with special

mention going to our companies, Marlines, Agenzia Marittima Saidelli and Argosy.

**We are proudly working in North-East Italy to reduce the carbon footprint of our activities by developing innovative alternative methods of transporting steel goods from the port to the end clients.** As a result, we established the premises for a new firm last year in partnership with a strategic partner, Ocean S.r.l. The firm will service its clients through its asset, a river barge, which will allow it to remove multiple truck routes from the streets, which are significantly more polluting. Our goal is to achieve at least 50 trips per year, delivering 300.000 tons of steel products from Monfalcone’s Port to San Giorgio di Nogaro.

**Evolving the role of being agents for our customers is what Shipping Agency means for our Group**

Evolving the role of being agents for our



# Yachting





Tomaso Moreno

## Yachting

2021 has been a profitable year with sensible growth in all the countries in which we operate. The number of clients serviced has grown as the range of services offered: we have maintained a quality of services that is more and more recognized as the trademark of our Group of companies.

**Our market reputation is built on our reliability, integrity, and, most importantly, our ability to handle customers' concerns swiftly.** This was demonstrated last year when, as a result of the general uncertainty and significant restrictions on movement and mobility for both yachts and people, new needs emerged among our clients.

**The continuation of the COVID epidemic and its recurrence has been one of the more difficult circumstances we faced in 2021. Still, we've retained a high degree of reaction to serve our clients effectively. Our ability to advise and give customized solutions and alternative itineraries to our clients has proven to be a success.**

We have witnessed a slowdown in the willingness to invest in the yachting agency sector after several years of new players joining the market: most of our competitors have dramatically reduced their workforce and ground presence. This is in stark contrast to what we have been doing as a Group: our companies have grown in terms of people despite the difficulties on the human resources side. In addition, we continue to make investments in a variety of sectors.

Our digitalization (converting business processes over to use digital technologies) revolution has strongly influenced the type of investments sustained in 2021. We met the expected launch dates for various current digital initiatives. **Out of all, it's important to recall that in September 2021, we released "My Agents Online", with additional personalized features relating to online accounting. We also worked hard on the creation of the "LOGNAV" algorithm and its associated platform, which will be released in early 2022.**

In general, the outcome is a rising connectivity of our digital systems among our offices worldwide, which supports both productivity and efficiency in our operational activities. This also allows us for an easier sharing of information and operations flow for anybody in the team, rather than relying on a "single" employee's expertise of a client/operations.

The expansion of our digital services will provide tangible results in 2022, with better ability to handle a larger volume of clients. Our clients expect us to provide perfect lifestyle management services. We have made significant efforts and accomplishments in those areas, and we are acquiring popularity and recognition as a result of improved and more targeted marketing materials.

**Last year, we developed with a leading cruising player in Spain, an important country that we have missed so far. In collaboration with our French and Italian offices, we created the "World**

**League of Agents" to start its activity in 2022.**

We've also done some internal networking, such as connecting the operations flows of Pesto Sea Group and Catalano companies. This will increase teamwork, client sharing and acquisition by improving Group image and efficiency. We will strengthen our presence in Asia Pacific region by providing superior services. We will continue to build in-house capability to manage events and lifestyle management services where the high-value potential lies.

If the Ukrainian crisis did already have a significant impact, we are sure that our internal development will compensate any deficiencies related to Russian oligarchs' restrictions.

We look forward to improving the "AGents" image brand and reputation, for which significant success has been achieved on a worldwide scale. Few competitors can provide our coverage in all the most exclusive locations relevant to our industry, and our Group is one of them.

**Going beyond customers' expectations is our present, and bringing innovation to the Yachting industry is our future**

Going beyond customers' expectations is our present, and bringing innovation to the Yachting industry is our future



Marta Cosulich

## Catering

As a family-owned business, we are devoted to providing our clients with tailored and high-quality services, using our dynamic and adaptable structure to respond to our customers' demands.

2021 has been a restart year with challenges accepted and won. The situation has progressively improved, requesting again to provide our catering solutions to satisfy our customers' needs. **We also worked on signing new contracts that produced new positive inflows.**

We also focused on increasing efficiency and transparency in stock management, collaborating with our Group IT business unit to find new digital solutions to our problems. With the latest implementations, we are confident that we are now more efficient meaning higher productivity, higher chances to meet customers' demand and finally a higher level of competitiveness.

**Our catering business is not only focused on ferries and cargo ships, but we also play an important role in offshore units thanks to our company Fratelli Cosulich do Brasil Ltda.**

In 2021, new contracts have been signed involving activities around Brazilian FPSOs. For a global provider and operator of floating production storage offloading units, we organised all operations required for their newest FPSO to arrive in Brazil about several different key aspects, all in conjunction with other

offices of the Group. Specifically, the Fratelli Cosulich Manning office in Trieste selected marine and catering personnel from various countries and transferred them to Brazil despite some difficulties (such as the end of shipyard and Covid 19 travel restrictions).

During the shipyard period in Dubai and sea passage to Brazil, Fratelli Cosulich catering office in Genoa organized the service and provided 150 crew members with food and hotel products to their full satisfaction. After arrival off the Brazilian coast, Fratelli Cosulich do Brasil Ltda. took over the entire handling.

Fratelli Cosulich Group is proud of this strong internal synergy that allows Fratelli Cosulich do Brasil Ltda. to consolidate its leading position in FPSO market, confirmed by several units under contract.

**We also recorded an unexpectedly high number of passengers transported onboard the different ferry lines under our control.** In 2021, our team served 6 different ferries lines that have their pick season during the summer.

In summer, our focus has always been on guaranteeing our services to customers operating on the routes with Albania, Greece, Croatia, Tunisia as well as Italian cabotage routes. **We want the meals onboard to be remembered, which is why our service is unlike anything else.**

We operated a whole horizontal list of operations last year, from self-service and restaurants to bar and duty-free stores, providing a comprehensive selection of high-quality items. Finding the correct employees has been difficult due to the pandemic's exacerbation of the recruiting process. Nonetheless, thanks to our network and well-known brand among catering specialists, we were able to hire Food and Beverage Managers, Cooks, Duty-free managers, and Cashiers as usual.

**For us, Catering is not about ensuring meals on board, but about building memories for people on board**

For us, Catering is not about ensuring meals on board, but about building memories for people on board



# Marine and Offshore Personnel

## Personnel

### Personnel

#### Personnel



Matteo Cosulich

## Marine and Offshore Personnel

In last year's annual report, we were confident that the future would provide us with even more growth opportunities, thanks to several projects already underway and the Group's investment in shipping. Our feeling was correct, 2021 has been a fulfilling year.

**Thanks to the signing of several new contracts, we have actually grown and consolidated our market position in the offshore Oil & Gas sector.** An industry made up of firms and organizations that are involved in the exploration and production of resources all over the world.

Although continental resources are likely to supply a large amount of future gas and oil needs, the oil industry is actually looking also to the deepest zones on continental slopes for future oil supplies, and drilling in even great depths may take place. This means that specialised professionals are needed to fill all vacancies for the most important players.

In 2021 we primarily served two types of activities in the Oil & Gas sector: production and drilling. In both cases, we provided all services related to the manning area to some of the major players in the sectors.

**Our Manning business unit is recognised as a reliable provider in the industry, with thousands of professionals outsourced to our customers, including many leading players.** We have worked in close collaboration with our Catering department to ser-

ve the transportation and introduction to the Brazilian coasts of a new FPSO unit that required professionals and catering personnel onboard.

An evolution of the O&G sector could be an interesting unexplored area of business for us: the Renewables sector.

Due to the EU's long-term aim of climate neutrality and its recent vow to reduce its dependency on imported fuels, the EU renewable energy sector will develop far quicker than expected. Among renewable energy sources, photovoltaics, wind power and bioenergy are already mature industries that are major employers both globally and in the EU. We want so to consolidate our name among them.

Today about 1.3 million people are directly or indirectly employed in this sector and this number will continue to grow as the sector is growing. 4 of the countries with the highest employment rate are Germany, France, Spain and Italy. We want to continue to serve all players in these countries, but at the same time, we will focus on being leaders in the markets that are now aligned with the new European strategy.

**Already in 2020, the renewable energy sector has shown a gross increase of around +10% over 2019. It's safe to say that our long-term strategy was then correct.** Last year, we made some marketing and commercial activities in order to scout and

enter this niche of the market. We conducted some B2B digital marketing actions, obtaining satisfactory results and we do see a bright future for our business.

We also noticed that the market started to evolve in 2021. **More and more, our customers started to ask us to act as an employer of personnel and not just as an intermediary scouting the right personnel for the job assigned.** So, in the near future, we will analyse and understand the case for us, potentially shifting the state of our customers from the actual ones to business partners and hiring in the first instance their needed employees.

**Our commitment is to keep the individual at the centre of an evolving Manning sector**

Our commitment is to keep the individual at the centre of an evolving Manning sector



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Matteo Cosulich



Marta Cosulich

## Warehouse and Logistic services

We feel that tangible assets are a pivotal element in a long-term winning business strategy year on year. It follows that as a Group, we focus our investments on growing our assets portfolio. Providing warehousing solutions, enabling comprehensive logistics services linked to the warehouse, and facilitating intermodal logistics puts us in a better position than the actual competitive landscape.

**In 2021, our worldwide network of warehouse operations helped and integrated with value-added activities all other shipping and logistics services the Group could supply. Our primary warehouses are located in Italy, Turkey, Brazil, and the Balkans.**

In Italy, we rely on the infrastructure of Luvitrans, Ambro Terminal, and Morgan 4Ship. Luvitrans is our newest Group member, with a conveniently positioned facility outside Milan. In addition, our Ambro Terminal depot was completely renovated last year and is currently fully operational, acting as a central intermodal hub for logistical services.

Morgan 4Ship is headquartered in Navacchio (Tuscany). Its warehouse (with a total area of roughly 6.000 m<sup>2</sup>, equipped with cool rooms at -20° C / capacity of 600 pallets and +5° C / capacity of 150 pallets). With the purchase of this facility, the Fratelli Cosulich Group entered the world of food and non-food naval supplies, offering storage and logistics services for third parties.

We have concentrated our efforts in the cargo ship market by starting fruitful collaborations with other naval suppliers and new shipowners operating mainly in the port of Leghorn and offering our cooperation to the Fratelli Cosulich Catering office. Morgan4Ship achieved ISO 9001, ISO 14001, ISO 22000, ISO 45001 and EEC certifications, fully complying with HACCP regulations.

Navacchio's facility is an excellent illustration of untapped potential as it ended up being utilized for activities other than merely the usual ones. The storage and logistics industry is now undergoing rapid growth.

The Group is taking advantage of this opportunity by providing customers with groupage services for wine export and -20° C food storage. **In 2021, the structure has been equipped with solar panels to reduce at its minimum its energetic needs for operations. The investment clearly conveys how seriously our environment's consciousness actually is.**

Our Brazilian warehouse in Macaè has just been reorganized: it now has four temperature-controlled refrigerated rooms with mobile computerized monitoring on a total space of 6.155 m<sup>2</sup>. It is equipped with a tracking system that allows items to be tracked in compliance with the ISO 9001 standard.

Our products have a turnover of 12-15 days, with the exception

of cold products, which have a turnover of 3-5 days. DepoLink provides shipping lines and other empty container owners with extra facilities for storing empty containers close to the Port of Koper and Riejka. **We have rented more than 30.000 m<sup>2</sup> of premium land in a superior position, just outside the Port of Koper region.**

This exceptional location and long-term agreement provide DepoLink's commercial stability, allowing for appropriate investments and future advancements. After the exploration of the current facilities, DepoLink will aim to increase the terminal capacity by acquiring additional land to follow the increasing demand for container throughput via Port of Koper for domestic (SLO) and neighbouring CEE countries.

**We are ready to collect in our Warehousing and logistics facilities the success of our customers and business partners**

# Simple, Historic, Innovative, Persistent



Augusto Cosulich

## Shipowning



Timothy Cosulich

Our Group's activities revolve around ship ownership. Since our inception, we have specialized not only in ownership but also in the whole asset management. **Over the previous decade, we have collected a diverse fleet of critical vessels for many of our Group's commercial activities. Our strategy is to keep investing in those assets.**

At the end of last year, strong of its 13 vessels in the portfolio, the Group as shown its commitment to the entire sector. 2021 has been the most crucial year in the recent history of this business unit because we concluded critical operations across all activities.

**Our fleet comprises Bunker tankers, Dry Bulk carriers and General Cargo vessels.** Following our strategy of creating strict collaborations with the Steel industry, we have purchased three general cargo vessels that support the transportation of steel products from Eastern Europe to mainly North-East Italy. Metallica (26.052 DWT), Stellina (26.052 DWT) and Tzarevna (21.470 DWT) are the 2021 newest additions, and they bring the total number of vessels owned for these activities to 6. Now, with the actual context linked to the Russian-Ukraine conflict, the employment of our fleet will be diverted to other geographical areas. **General cargo vessels for the steel industry are now a precious asset, which translates into very profitable business opportunities for our Group.**

Our dry bulk carrier Vulcania (82.000DWT) had recently had a comprehensive drydock restyling, proving to be a valuable asset. Our vessel was fully ready to play a critical role in a competitive landscape with rising ocean freight costs. At the end of 2021, we signed a time-charter contract with a leading Japanese player, creating significant mutual benefits.

We are a well-known operator in the bunker vessel shipowning industry in Singapore Bay. In 2021, we invested in modernizing our fleet to include newer and larger vessels. Here is the updated list of all our vessels: Luisella Cosulich (3.970 DWT), Margherita Cosulich (7.994 DWT), Cecilia Cosulich (6.508 DWT), Emma Cosulich (7.997 DWT), Grazia Cosulich (4.998 DWT) and Maria Cosulich (7.032 DWT). As you can appreciate, the names of our ships represent a tribute to past prominent women in the Cosulich family.

**Since 2020, we have shifted our Singapore business model from a pure physical supplier to a shipowner and logistics provider, providing a premium fleet and unrivalled service to oil majors and big independent trading businesses.** We are pleased with the outcomes of this development, which demonstrated the effectiveness of our plan.

2020 was the year in which the biggest investment on vessels of our history took place. Our Marine Fuel and LNG team worked alongside our Group Finance team to secure the construction

of 1+1 8.200cbm LNG bunkering vessels.

**Last year, we replicated the first investment, and we are happy to announce that a second sister unit will be built and then delivered in 2024.**

The first unit reflects our dedication to delivering greener fuels and the logistics that go with them. The second unit is a pioneering investment in which Fratelli Cosulich Group is making a constructive contribution to the sustainable growth of global shipping.

**Simple, Historic, Innovative, Persistent: this is the Shipowning made in Cosulich**

## VULCANIA

VESSEL TYPE DWT  
General Cargo 82.036



## HOVERLA A

VESSEL TYPE DWT  
Bulk Carrier 3.732



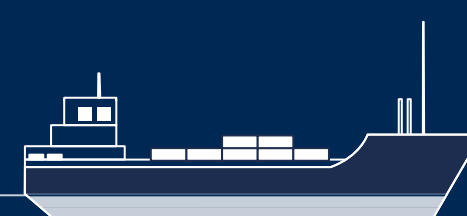
## MONT BLANC A

VESSEL TYPE DWT  
General Cargo 3.737



## MONTE ROSA A

VESSEL TYPE DWT  
General Cargo 3.674



## METALLICA

VESSEL TYPE DWT  
General Cargo 26.052



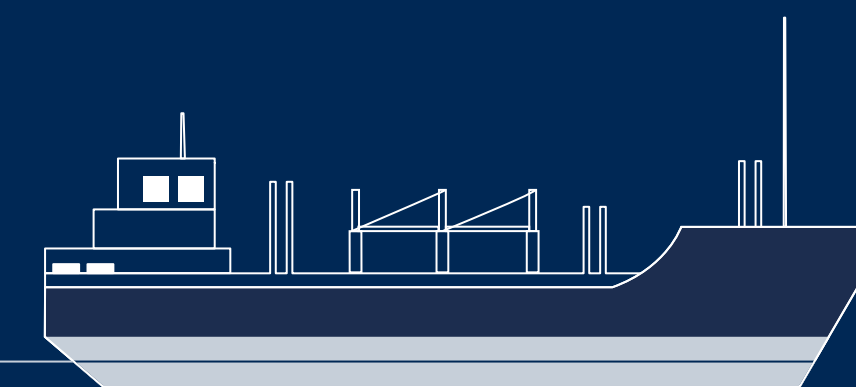
## STELLINA

VESSEL TYPE DWT  
General Cargo 26.052



## TZAREVNA

VESSEL TYPE DWT  
General Cargo 21.470



## MARIA COSULICH

VESSEL TYPE DWT  
Tanker 7.032



## LUISELLA COSULICH

VESSEL TYPE DWT  
Tanker 3.970



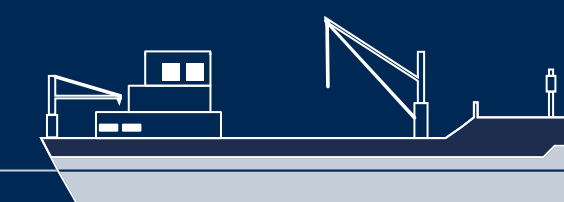
## CECILIA COSULICH

VESSEL TYPE DWT  
Tanker 6.508



## EMMA COSULICH

VESSEL TYPE DWT  
Tanker 7.997



## GRAZIA COSULICH

VESSEL TYPE DWT  
Tanker 4.998



## MARGHERITA COSULICH

VESSEL TYPE DWT  
Tanker 7.994





Matteo Cosulich

## Business and Leisure Travel

The long effects of the pandemic hit hard also in 2021, radically changing our working methods.

Digitalization and technological investments have become critical and crucial in the travel sector for business and leisure. Last year we reorganized ourselves, elaborating new digital strategies with a 360° strategy covering a new website and a new LinkedIn page, becoming so more capable of communicating with the external world.

**The results have been outstanding: +85,7% new visitors compared to the past, a new LinkedIn page followed by the maritime sector and agencies' professionals by 48%. On Facebook, we reached +177% people reached and +59% post-interactions. Despite the numerous challenges, these are encouraging signs of recovery.**

Throughout last year, rules on restrictions changed at a frenetic pace, so our 24-hour availability became a selling point for our services.

The constant support for our customers has enabled us to achieve ever-higher satisfaction levels and assert a new level of authority in our industry. Our team was focused on keeping up with the constant changes in the rules, not just for business travel but also for leisure travel.

Collaborations with Welcome Travel Group, Accademia Britan-

nica Services (a language school with over 30 years of experience), Padel Travel Costa del Sol, and strengthening our founding membership with Travel Specialist Italy for our business travel sector were also significant.

Not only external collaborations but also Group synergies: we are proud to have assisted our Manning department with crew member movement and personnel in the oil and gas sector. We began supporting companies that want to reduce CO<sup>2</sup> emissions on every trip. We are improving our all-inclusive packages not only for leisure travelers but also for business travelers and marine travelers.

**For 2022, we want to reach pre-pandemic levels, while for the next three years, we want to integrate all of our offices by creating a single-hub inside the Group that can establish the conditions for full use of the potential afforded by an international player like ATPI.**

Our long-term objectives are to make travel simple for all of our business units and clients and speed up the booking process. We will continue investing in new tools and strategic alliances to serve our clients with quality and quantity offerings.

**We are willing to make the future our next **travel** destination**



Augusto Cosulich



Marta Cosulich

## Trade and Manufacturing

We are active in the trade and manufacturing business with different entities.

The previous several years have been defined by geopolitical and energy instability, technological and financial instability, and COVID exacerbated all of this, transforming reference framework and redesigning the market. The worldwide scarcity of raw resources and the concurrent rise in energy prices have resulted in a significant price domino effect.

**According to the context, logistical challenges have made products supply increasingly complicated and remain an essential topic to watch: thanks to all synergies with Fratelli Cosulich Group of Companies we managed to deliver an high level of service for our customers.**

Link Industries, our Italian based company, has been able to respond to a strong market demand both in building materials and in insulation solutions for Industry and Marine Market. Our business Units have all performed very well.

Insulation Business has achieved strong results both on the Marine side with further investments and development of New Marine Accessories, to complement Paroc Stonewool solutions and on the Industrial Insulation side, which is a driver to implement energy efficiency in industrial plants. Building Materials Sales have also grown thanks to the Government Incentives in Italy.

A continuous and careful analysis of the sectors where we operate and a precise mapping of our reference market revealed some rapidly growing aspects concerning urban regeneration, infrastructural innovation, and sustainability: therefore in 2021, we have focused on the definition of our long-term strategy, in order to explore new Markets in Europe, new products to complete our range and new suppliers on some of our strategic products' ranges.

**Trasteel is the Group's Swiss-based company, with headquarters in Lugano, active in trading steel-related products, steel making raw materials, steel making consumables (such as refractories material), and solid fuel as steam coal and petcoke.**

In 2021, we had an exceptional year for so-called General Trading (+100%), a noteworthy development for Non-Ferrous (+60%), and significant confirmation of the numbers for Consumables (+3%) in terms of our trading activities. We have also created three new desks, always with the spirit of providing services to the steel, metallurgical and shipping industries. The desks are focused on Gas, Power and Carbon credits.

In terms of Investments/Industrial Activity, 2021 was a solid year, with outcomes well above our early projections. Officine Tecnosider had a record year attributable to favourable market development and the outstanding performance of its management team. Tamac was also performing well, exceeding 5,000

mtons per month of output and aiming to achieve 8,000 mtons by the end of 2022. With the conclusion of the new wave of investments being inked these days, it's clear the management team's efforts were enormous and were eventually rewarded.

During the year, we also completed two significant extraordinary activities. Yugotub, located in Serbia, was bought by us. It will provide about 30,000 mtons of annual pipe output, potentially leading to another large M&A activity in the same industry in 2022. In Turkey, we introduce you to manufacturing investment in Izmir to support the business of supplying spare parts to steel industries and plant parts to OEMs.

**Trade and manufacturing are the core of our extended business, and we are ready to serve it at our best**



Trade Assurance



Matteo Cosulich

## IT Business

If 2020 was the year of IT awakening for most businesses, 2021 will undoubtedly be remembered as the year of embedding fundamental digital innovation throughout organizations' operations flows.

In this evolving environment, we are going beyond. **In the last year, the Group' IT has grown in both number of professionals working in the field, and quality, thanks to the implementation of cutting-edge technologies.**

2021 has been the first full year of co-joined activity between GeneSYS and Comunico (active in BI and Project management areas), which entered the Group right before the pandemic. As a result of the mutual collaboration, new digital solutions have been developed, giving a more visually appealing, understandable, and captivating dataset to Group's operational teams. These technologies quickly spread to our final clients, who can now appreciate the work done internally. **We witness a process in which our intangible services are implementing some digital functions, increasing the value-added of our offerings and, in a certain way, evolving them into a less intangible, more tangible thing.**

2021 was also the year in which GeneSYS achieved ISO 27001 certification for its Information Security Management System (ISMS). This is proof that its processes, control and project management methodologies resulting from years of work are compliant with internationally recognized standards.

Our Software development delivered in 2021 several projects where the strict collaboration with Group's final customers was our daily. Last year, the "e-global" online portal, developed in conjunction with Express Global Group, became a powerful instrument not only for improving administrative processes but also became the most effective approach to encouraging client retention, proving to be a valuable asset throughout the acquisition process for our Group commercial teams.

Other significant initiatives include the launch of a new in-house built "Line 2k20" (a program devoted to the Shipping agency capable of managing the entire process with several stakeholders) or the development of Yachting software to produce synergies throughout all offices worldwide.

**2021 has also demonstrated how investments in cybersecurity are now essential. We have seen increased potential frauds and cyber-attacks, but fortunately, we were prepared, and nothing major occurred within the Group thanks to the technologies already adopted.**

We are also investing in a younger generation of professionals who will bring expertise, dedication, and new approaches to old problems in our Group. The birth of Commercial Intelligence in 2020 sustained the entire Group on some crucial evolution. We sustained the Travel business with a website that can promote all its peculiarities, from Business Travel players to Agency tra-

vel services. We invented the "Digital Academy", eight live sessions for all employees worldwide to talk about B2B marketing.

**Finally, we launched the internal "in. cosulich", a monthly newsletter for the entire Group, involving all managers and employees with news, interviews and milestones to promote the synergies within our perimeter.**

**There is no technology without information, and there is no future business without IT**



Matteo Cosulich

## Insurance Activities

2021 was another year focused on growing our services and offers within the Group's perimeter and we are very satisfied with what we have achieved so far.

Since we paid special attention to the growing demand for risk management services from our partner companies' colleagues, we have studied their real-world operations and offered them insights, services and solutions to help them better understand, manage, prevent and mitigate the risks they face.

This has enabled us to launch important projects that are profitable not only because we have internalized some cost streams, but above all, because insurance coverage will be more effective in the event of a claim.

Under the frame of freight forwarding made by over 25 companies in the Group, we worked on implementing the "Freight Forwarding Liability Master Program" that regards forwarding, customs broking, haulage, warehousing and logistics operations. Our team worked side-by-side with all Group's managers and managing directors across all countries located globally.

At the same time, we worked on implementing the "Ship Agent Liability Master Program" for all Fratelli Cosulich Group entities that conduct agency business, including ships and yachts, in both liner and tramp activities.

We immediately started to collaborate with the newly entered Trasteel to provide better cover insurance regarding all its

activities. We developed and started the management of the Trasteel Group's insurance package, with a focus on Officine Tecnosider's Manufacturing risks (e.g. Property, Liability) and Cargo risks for the Trading business.

With regard to our Trading Activities, 2021 has been a satisfying year with the introduction of a consolidated Trade Credit Risk Insurance Management Plan for diverse businesses such as Marine Fuel, Steel and Raw Materials.

It is safe to say that a lot of this work could have not been done if our Group was not that differentiated. We are keen on serving the Group at our best. In this framework, we sustained the Board's requests to investigate implementing corporate welfare. Starting from 2021, we are rolling out those controlled companies, providing their employees with a comprehensive Health Insurance program.

We are also still pursuing our strategy of increasing our presence in the public sector. We are satisfied because we managed to strengthen the relationship with them, and as we expected, we further developed potential business prospects related to the public sector, which included the purchase of certain key local entities as customers.

**We work hard because our insurance activities will transform the future from a risky to a tempting place to be**



# 06

## LIFE IN THE GROUP

We want to foster  
diverse and inclusive  
environment bringing

## Focus on our people

The events of recent years have significantly changed the world of work, in terms of spaces, approach and relationships.

This is why, at a time when the “Great Resignation” is taking root around the world, the Fratelli Cosulich Group has once again focused on people as its greatest asset.

Confirming the trend of recent years, the Group has grown with further M&A activity, and by acquiring talent worldwide. The colleagues who have joined us have significantly enriched our organisation, bringing with them work cultures, histories, experiences and backgrounds, underlining once again the need for a targeted approach focused on people’s individual needs. It is clear that HR practices must be people-centred.

As a company, our goal is to create a work experience in which employees share the organisation’s purpose, are stimulated by their responsibilities and are surrounded by a positive and welcoming environment.

During 2021, our HR department has focused its effort on **3 main aspirations:**

- **Ensure a cross-company recruitment strategy that embraces diversity of our workforce reflecting the marketplace and our communities.** This means removing potential barriers, addressing disparities, and continuously reviewing our hiring practices to have common guidelines that reflects the Group’s values. In the cur-

rent job market, selection can no longer be limited to recruitment, and we aim at attracting and motivating the best candidates, leveraging the Group’s solidity, history, reputation and global reach. In 2021, more than 40 hiring processes were successfully completed, across multiple Business Units, in over 10 cities and 6 different countries, for junior and senior job roles.

- **Enable development of high-performing teams that deliver results,** offering the opportunity to reach their potential, through targeted courses and development journeys.

During the past year, we offered our colleagues a revised and expanded training catalogue based on feedback and individual needs. In order to promote our colleagues’ growth, we have organized online and in-person training sessions, supporting the development of both technical and soft skills.

- **Build an environment where the best talent can flourish:** to support our talent development strategy, we need a diverse pipeline of young graduates to join us. Internship programs are designed to expose talents to a variety of enriching and cross functional learning situations, offering hands-on experience and networking opportunities. In 2021 we developed new partnerships with schools and universities and we gave interns the opportunity to start their professional journey within Fratelli Cosulich Group.

In a Group experiencing rapid growth, **one of the main challenges is to be able to maintain a sense of unity and cohesion between the different Group companies,** something that historically has represented a strong point and source of pride for Fratelli Cosulich.

**Our goal for the future is to promote greater synergy within the Group and among the different Business Units.** We want to **foster a diverse and inclusive environment,** bringing together employees who embrace different ideas, perspectives and backgrounds, that make each of us unique.

We will continue to invest in people, not only by further improving the selection process, but by promoting mutual trust as well as a personal performance development plan.



Whether it's *sea, land* or *air*  
trust someone who knows them all

[cosulich.com](http://cosulich.com)



## The Group and the environment

Transporting goods worldwide is an essential requirement for the optimal functioning of the economy, but it undoubtedly involves a negative contribution to emissions. Every year, transportation and logistics emit 3.5 billion tonnes of CO<sup>2</sup>.

For some time now, it has been evident how important it is to reduce the carbon footprint of the shipping and logistics industry. The issue is currently being discussed worldwide and is on the agenda of every political debate. In 2021, policies adopted by public entities, resources put at the industry's disposal, and investments made by private entities were significant steps forward in the right direction. As a result, **our Group has prioritized environmental efficiency in its operations: assets, processes, technology, and people are four critical enablers of our strategy.**

Assets are the first pillar of our path to a reduced carbon footprint. We never stop investing in our assets, and we are proud to be the first Italian company to own an LNG Bunkering vessel. Our investment is € 90m worth, and it has been possible thanks to the support of financial institutions and public entities such as CDP (Cassa Depositi e Prestiti Italia). Our objective is also to maintain a modern fleet of trucks, with hybrid powertrain equipped vehicles chosen to replace older ones, resulting in a 40% reduction in fuel consumption compared to previous generations. We believe this investment to be one of the most important because trucking companies demand heavy-duty trucks. At the same time, we have invested in our fa-

cility's energy efficiency. Fratelli Cosulich do Brasil's building in Macae is entirely self-sufficient thanks to the implementation of an advanced photovoltaic system. The same environmentally friendly solution has been implemented at our large warehouse in Navacchio (Tuscany, Italy).

### **Advanced planning and procedure setting with all involved stakeholders help us boost operations efficiency.**

We are working with a relevant partner in Northern Italy to start a new activity that will reduce the usage of trucks for transportation by road. At the centre of this new process, there will be a river barge transporting a higher quantity of goods at a lower CO<sup>2</sup> impact. Whether managing the most complex cargo project or transporting containers or commodities from point A to point B, we always look for the most environmentally friendly option. All business units are equally involved in this approach. For example, our travel departments organize maritime workers' travel while considering the CO<sup>2</sup> consumption of air flights and company environmental rules.

On the technological side, a Joint Development Project (JDP) Agreement was signed by Fratelli Cosulich Bunkers Singapore, RINA, and SeaTech Solutions to create an ammonia bunker tanker design. With Ammonia gaining traction as a viable zero-emission fuel, it will be critical to have bunkering facilities accessible, such as ammonia bunker tankers, to provide the mari-

time industry with the confidence to explore alternative fuels.

Through our Manning business unit, we also assist the green revolution, which will impact the entire industry. Our colleagues are hunting for the best people to work on the upcoming wind farms. Finally, our people are the foundation of our approach. We attempt to instil among our employees environmentally responsible conducts at work and home.

We are committed to participating actively in this constructive process and helping bring the environmental demanded change.

**07**

**2021 CONSOLIDATED  
FINANCIAL STATEMENT**



## Letter from our CFO

Stefano Abate

Our Group recorded potentially its best financial year so far. It's time to reveal our story about our financial performance and progress on the strategic journey to become an end-to-end logistics diversified Group.

Undoubtedly, 2021 was a remarkable year. It was difficult for our customers, our business partners and our communities. Even in such a challenging environment, our people came together to develop new synergies within and outside the Group. We continued to follow our strategy, and I'm proud to say that we delivered exceptional results. The Group is steadily in the "billion elite", with our consolidated turnover peaking this year the € 1.5b again, with a growth of +39%. For most of our 14 business units, **we have registered a solid growth: EBITDA improved from € 26m in 2020 to € 38m last year (+44%), and our Group net results reached its highest ever, almost € 30m, a +100% improvement.**

As we see a general improvement in both Net Profit and EBITDA, we believe a shift to a more asset-based business model was pivotal in achieving our goals.

This enormous and rising growth is not just due to the critical backing of financial institutions. We have expanded the por-

tfolio of financial partners we are working with, and we made it feasible thanks to a great business strategy with excellent financial sharpness. Banks and financial institutions are critical enablers of our method. We have approved credit lines for over € 300m that contribute to our daily cash flow needs and long term investments. The development of our retained earnings and reserves, which are over € 150m, secured the enduring growth of the financial institutions' support.

But numbers alone are not the story of our 2021 success.

Last year, we completed many activities backed by our Corporate financial team. We conducted M&A activities in different markets, fruitfully discussing with the trusted financial advisors' shareholders and transaction teams. **We are serious about the process to follow with new potential companies entering the Group.** We pay attention to a set of KPIs to be respected, keeping professional and solid respect for the counterpart during all the dialogues. Our financial team is usually the first contact for them, sometimes even before the operational teams of both parties discuss. We want to set the right environment for the first approach, transmitting the core values of the entire Group.

The synergy between the operational and financial team and

the shareholders is palpable at Fratelli Cosulich. We strive for honesty in our goals, communicating and achieving them together. We want to pass over the message our shareholders set. **They have always governed with a "WE as a Group" culture rather than a "WE as an Owner" mentality, which provides considerable support both inside and outside the organization.**

In 2022, the geopolitical environment is presenting new challenges that put the business as a lower priority. As a Group with so many diversified activities, we are ready to react promptly to adapt to our customers' needs. We are confident that our financial results will keep their path, thanks to the flexibility, but also to existing reliable accounting and credit management systems that will minimize counterparty risk.

After over 20 years in the role, I continue to see an interesting future ahead. And if it is true that we are **EVOLVING BEYOND**, we are ready to be something never seen before.

## Overall result

Our Group results in 2021 recorded an impressive improvement compared to the previous year.

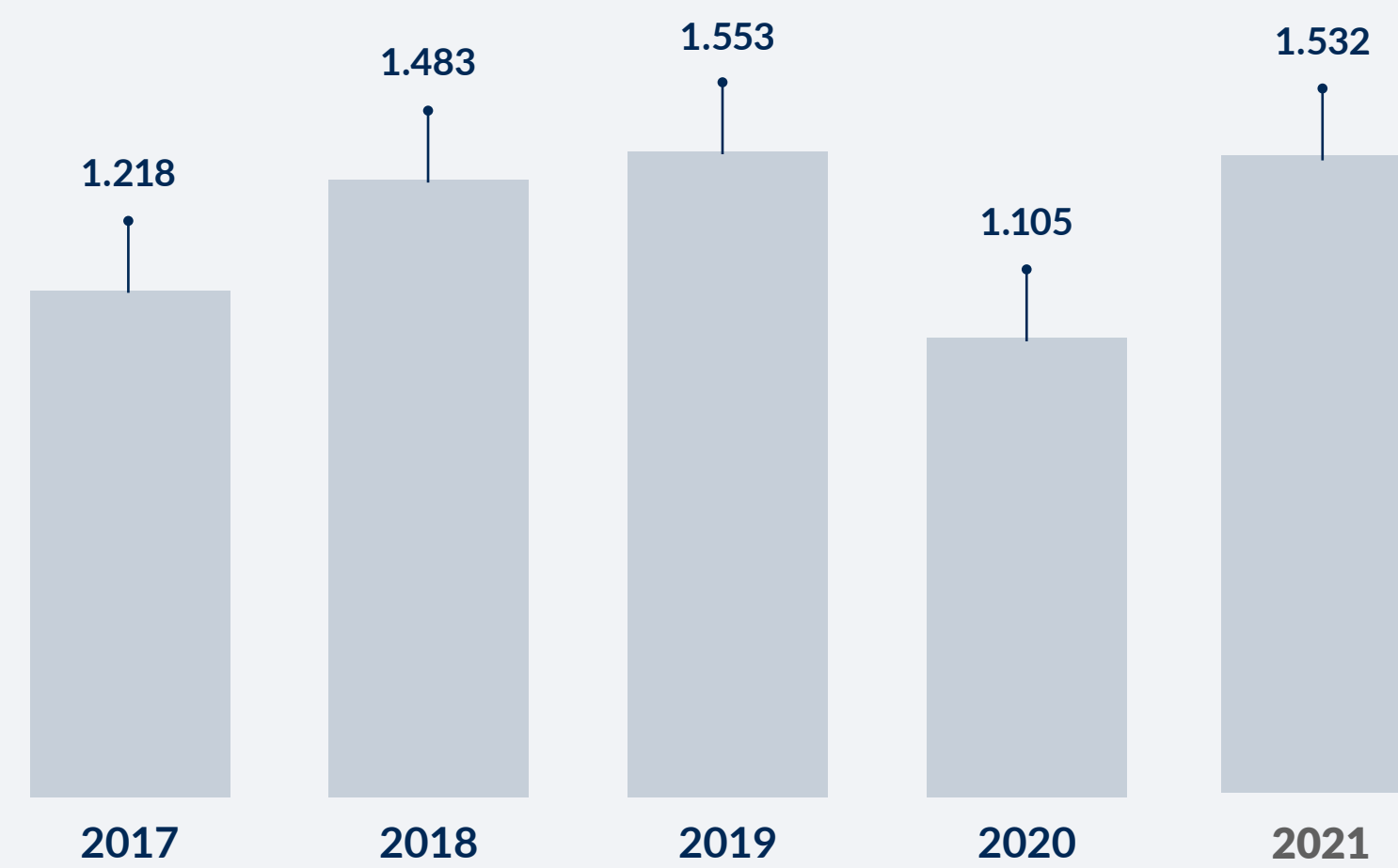
This past year recorded a 39% increase in the value of production, which went from Euro 1,105,042,926 to Euro 1,532,279,198. This increase in turnover on an annual basis is due to various factors mainly attributable to the rise in volumes in almost all business areas of the Group. Of particular significance, the increase in the price of marine

fuel which recorded a 17% rise over 2020 which, in turn, was already 18% higher than 2019.

Therefore the organic growth trend is linked to the expansion policies implemented by the management in the previous years. The gross operating margin went from 26,425,053 euros in the previous year to 38,099,235 euros in 2021, with an increase of 44%.

### TURNOVER

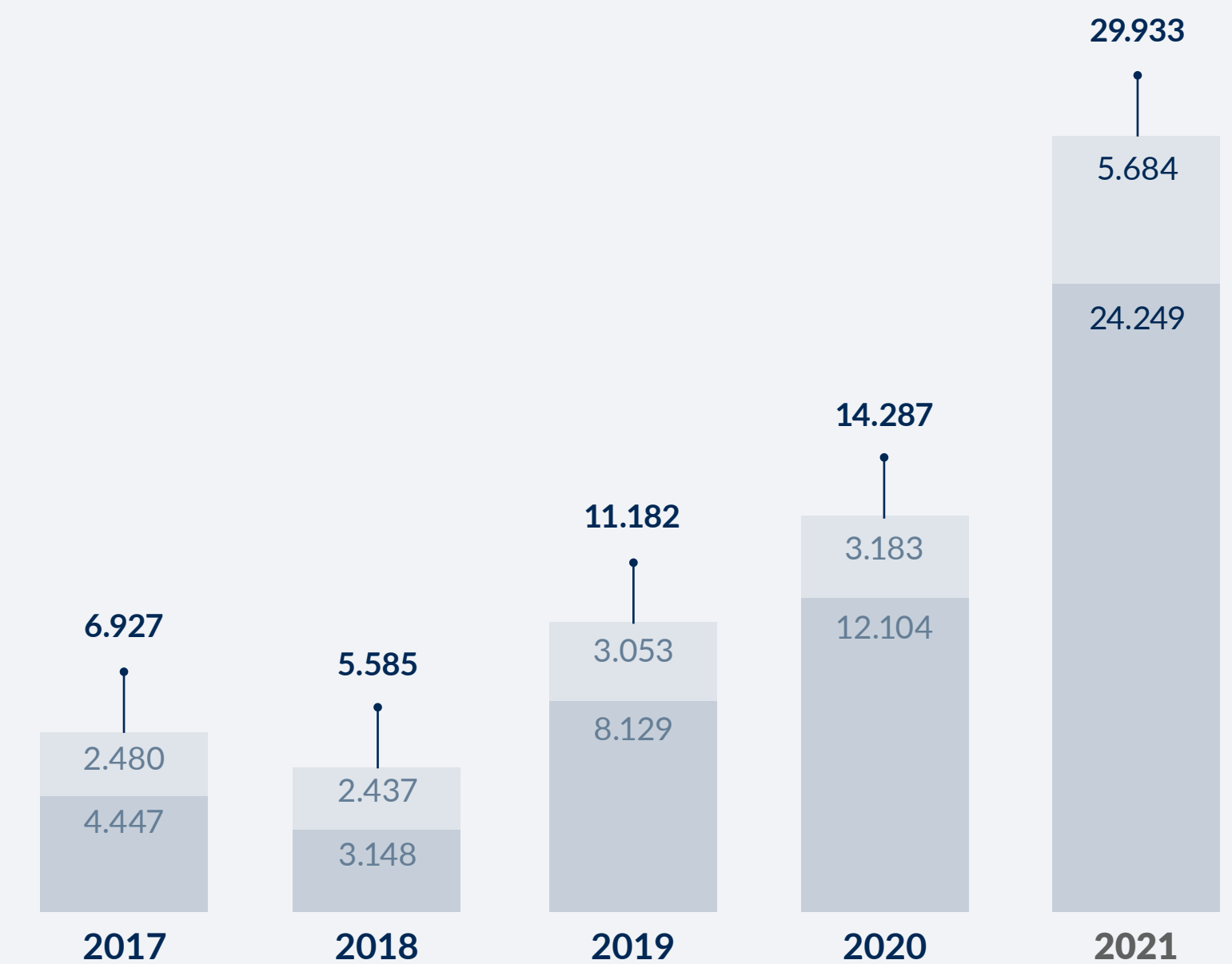
Fratelli Cosulich Group  
Millions €



### PROFIT

Fratelli Cosulich Group  
Thousands €

- Third parties share
- FC S.p.A share



## Main financial statement ratios

Despite the fact that the pandemic is still affecting a large section of the globe, the Fratelli Cosulich Group had a successful year in 2021.

More specifically, the Group concluded the year with a consolidated EBITDA of Euro 38 million, up 44% from Euro 26 million in 2020, exceeding all of our projections. The Group's strategy is to reinvest earnings in new initiatives and acquisitions that are strategically important.

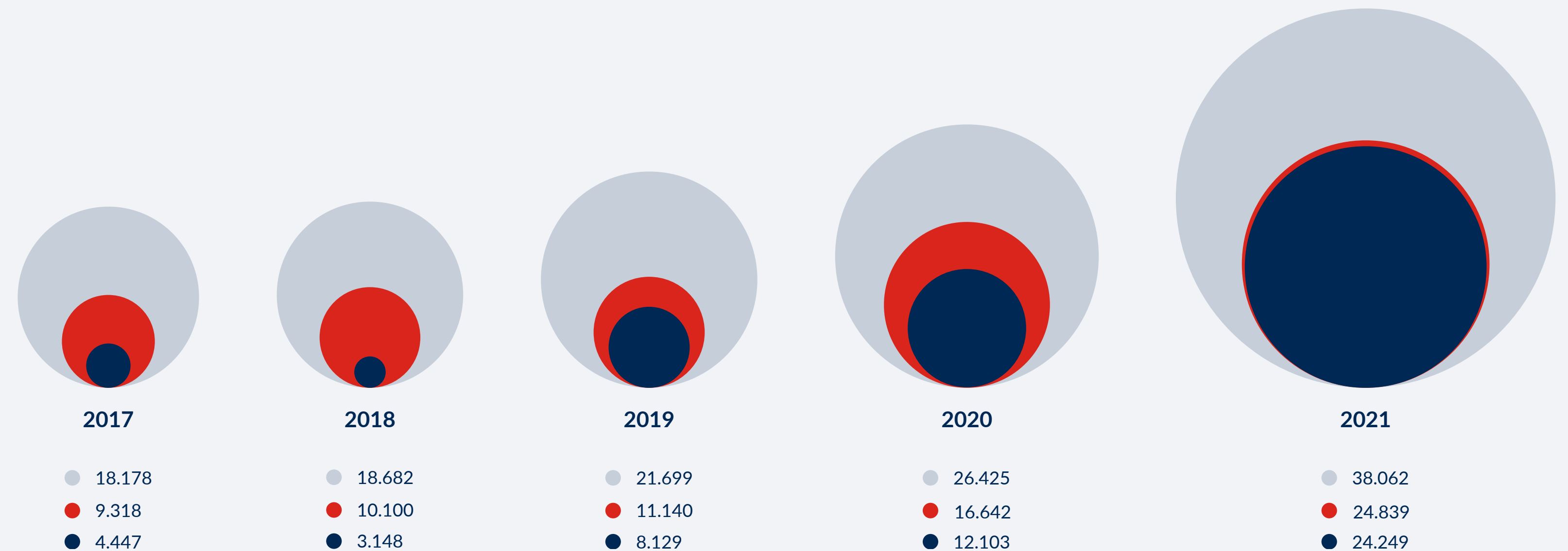
The net result, including the contribution of third parties (equivalent to € 5.7 million), topped € 30 million for the first time. This is an almost 100% year-over-year increase.

The Fratelli Cosulich Group has been able to expand its horizons owing to a long-term strategy of expansion through mergers and acquisitions. In the previous 15 years, this technique has led to a consistent increase in Net Equity. In 2005, the Net Equity, including third parties, was slightly more than Euro 40 million. At the end of 2020, our Group Net Equity exceeded 154 million Euro (including third parties).

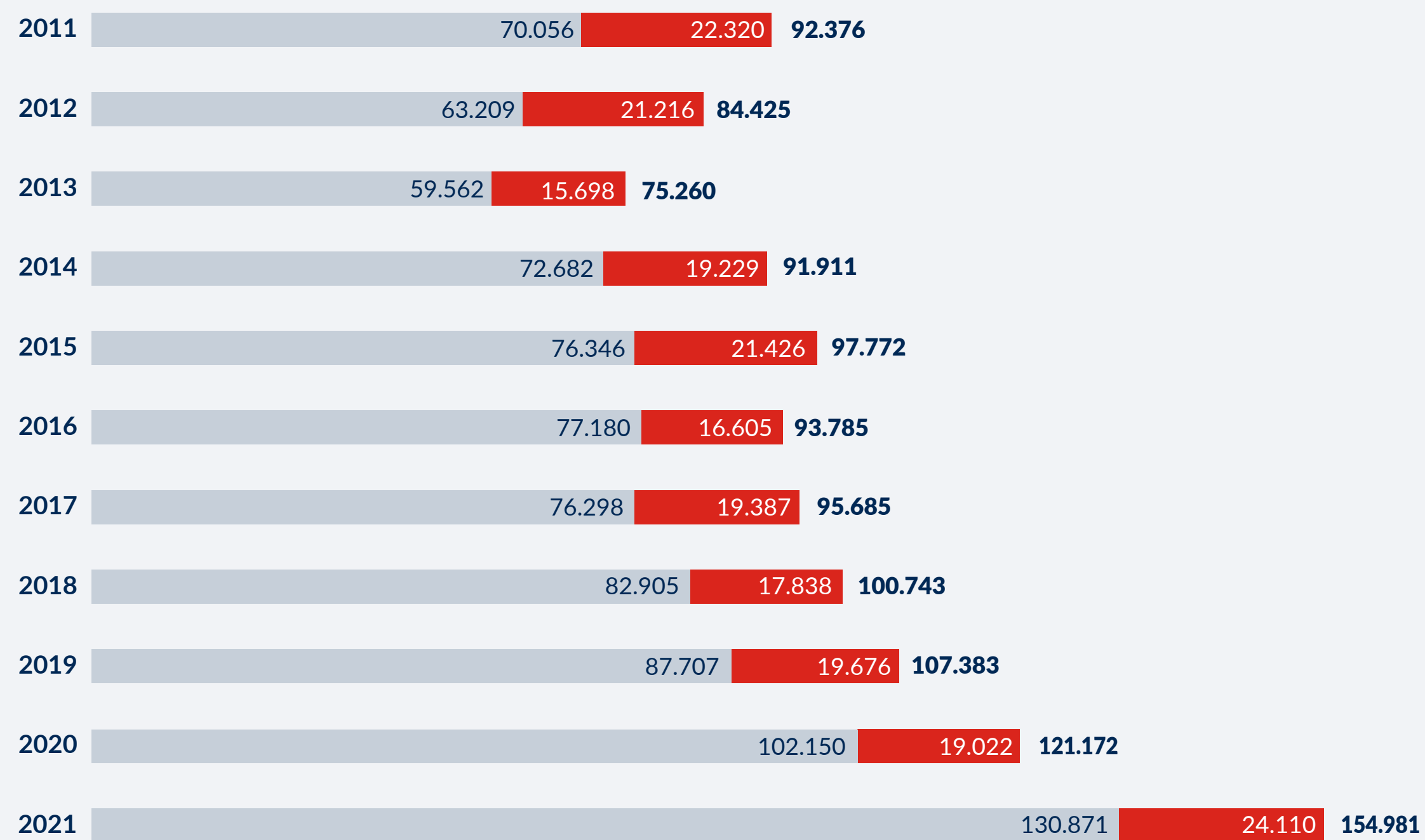
### Fratelli Cosulich S.p.A. share Key Performance Indicator

Thousands €

- EBITDA
- EBIT
- Fratelli Cosulich S.p.A. share - Net Profit





**GROUP CONSOLIDATED NET EQUITY TREND**


Thousands €

■ FRATELLI COSULICH NET EQUITY
 ■ THIRD PARTIES NET EQUITY

**GROUP FINANCIAL KPI**

| RATIOS, THOUSANDS €               | 2021      |      | 2020      |      |
|-----------------------------------|-----------|------|-----------|------|
| E.B.I.T./Net Invested             | 24.839    | 6,2% | 16.642    | 4,5% |
|                                   | 403.675   |      | 367.431   |      |
| E.B.I.T./Turnover                 | 24.839    | 1,6% | 16.642    | 1,5% |
|                                   | 1.532.279 |      | 1.105.043 |      |
| E.B.I.T.D.A./Turnover             | 38.062    | 2,5% | 26.425    | 2,4% |
|                                   | 1.532.279 |      | 1.105.043 |      |
| N.F.P. / E.B.I.T.D.A.             | -107.830  | 2,8  | -81.591   | 3,1  |
|                                   | 38.062    |      | 26.425    |      |
| N.F.P. / Net equity               | -107.830  | 70%  | -81.591   | 67%  |
|                                   | 154.981   |      | 121.172   |      |
| N.F.P. / Non-current fixed assets | -107.830  | 59%  | -81.591   | 55%  |
|                                   | 183.870   |      | 148.160   |      |

## Cash flow statement

| <b>A. OPERATING CASH FLOW</b>                                       | <b>31/12/2021</b> | <b>31/12/2020</b> |
|---|-------------------|-------------------|
| 1. Profit (loss) before tax, interest, dividends and Asset disposal | 34.637.288        | 16.068.366        |
| 2. Cash Flow before Working Capital movements                       | 42.947.423        | 26.581.208        |
| 3. Cash Flow after Working Capital movements                        | 10.090.085        | 51.364.324        |
| <b>A. Operating Cash Flow</b>                                       | <b>87.674.796</b> | <b>94.013.898</b> |

| <b>B. INVESTMENT CASH FLOW</b> | <b>31/12/2021</b>  | <b>31/12/2020</b>  |
|--------------------------------|--------------------|--------------------|
| Tangible Assets investments    | -33.068.141        | -14.709.781        |
| Intangible Assets investments  | -5.429.818         | -3.125.192         |
| Financial Assets investments   | -632.244           | -33.829.578        |
| <b>B. Investment Cash Flow</b> | <b>-39.130.203</b> | <b>-51.664.551</b> |

| <b>C. FINANCIAL CASH FLOW</b> | <b>31/12/2021</b> | <b>31/12/2020</b> |
|-------------------------------|-------------------|-------------------|
| <b>C. Financial Cash Flow</b> | <b>48.544.593</b> | <b>42.349.347</b> |

| <b>D. INCREASE/DECREASE OF CASH (A+B+C)</b> | <b>31.753.867</b> | <b>5.751.196</b> |
|---|-------------------|------------------|
| Cash as at 01/01                            | 50.877.052        | 45.125.856       |
| Cash as at 31/12                            | 82.630.919        | 50.877.052       |

## Balance Sheet & Income statement

| ASSETS   | 31/12/2021         | 31/12/2020         | LIABILITIES  | 31/12/2021         | 31/12/2020         |
|--|--------------------|--------------------|--|--------------------|--------------------|
| <b>B. FIXED ASSETS</b>                                   |                    |                    | <b>A. NET EQUITY</b>                                 |                    |                    |
| I INTANGIBLE ASSETS                                      |                    |                    | I Share capitals                                     | 2.000.000          | 2.000.000          |
| 1) Incorporation procedure cost                          | 9.405              | 7.233              | III Re-evaluation reserves                           | 400.000            | 400.000            |
| 4) Concessions, licences and similar                     | 357.580            | 215.721            | IV Legal reserve                                     | 4.866.433          | 4.866.433          |
| 7) Consolidation differences                             | 6.022.908          | 2.958.461          | VII Other reserve                                    |                    |                    |
| 8) Other   | 1.724.502          | 1.988.508          | 4) Free reserve                                      | 1.516.971          | 1.345.456          |
| <b>TOTAL INTANGIBLE ASSETS</b>                           | <b>8.114.395</b>   | <b>5.169.923</b>   | VIII Group retained earnings carry forwards          | 104.597.801        | 88.194.136         |
| II TANGIBLE ASSETS                                       |                    |                    | IX Group Net profit of the year                      | 24.249.348         | 12.103.574         |
| 1) Land and buildings                                    | 22.263.342         | 22.916.334         | X Negative Reserve for own shares                    | -6.760.000         | -6.760.000         |
| 2) Plant and machinery                                   | 1.930.873          | 1.777.732          | <b>TOTAL GROUP NET EQUITY</b>                        | <b>130.870.553</b> | <b>102.149.599</b> |
| 2 bis) Ships   | 78.174.349         | 60.959.083         | XI Third parties Net Equity                          | 18.426.757         | 15.838.581         |
| 3) Fixtures, fitting, tools and equipment                | 1.044.932          | 694.153            | XII Third parties Net profit of the year             | 5.683.524          | 3.183.664          |
| 4) Other tangible assets                                 | 4.418.644          | 4.120.008          | <b>TOTAL CONSOLIDATED NET EQUITY A.</b>              | <b>154.980.834</b> | <b>121.171.844</b> |
| 5) Other fixed assets in progress                        | 8.333.032          |                    | <b>B. PROVISION FOR LIABILITIES AND CHARGES</b>      |                    |                    |
| <b>TOTAL TANGIBLE ASSETS</b>                             | <b>116.165.172</b> | <b>90.467.310</b>  | 1) Provision for pensions and similar obligations    | 359.966            | 237.590            |
| III INVESTMENTS  |                    |                    | 2) Provision for deferred income taxes               | 233.151            | 218.195            |
| 1) Shares in:  |                    |                    | 3) Negative financial derivatives instruments        | -                  | 69.573             |
| a) Subsidiaries  | 1.150.417          | 1.273.246          | 4) Other provisions                                  | 6.178.079          | 6.681.230          |
| b) Affiliated Companies                                  | 35.363.664         | 29.416.728         | <b>TOTAL PROVISION FOR LIABILITIES AND CHARGE B.</b> | <b>6.771.196</b>   | <b>7.206.588</b>   |
| d bis) Other shares                                      | 541.642            | 540.798            | <b>C. TOTAL STAFF SEVERANCE FUND</b>                 | <b>3.250.054,0</b> | <b>3.116.388</b>   |
| 2) Receivables   |                    |                    | <b>D. ACCOUNTS PAYABLE</b>                           |                    |                    |
| b) From affiliated companies                             |                    |                    | 4) Accounts payable to banks                         |                    |                    |
| Receivable within next year                              | 16.142.034         | 15.276.899         | Receivable within next year                          | 128.457.228        | 102.472.100        |
| c) From parent companies                                 |                    |                    | Not Receivable within next year                      | 65.909.401         | 31.692.007         |
| Receivable within next year                              | 1.400.000          | 1.180.000          | 5) Accounts payable to third party lenders           |                    |                    |
| d bis) From Others                                       |                    |                    | Receivable within next year                          | 1.274.459          | 1.219.632          |
| Receivable within next year                              | 45.097             | 36.695             | Not Receivable within next year                      | 6.029.013          | 6.876.436          |
| Not Receivable within next year                          | 4.868.263          | 4.721.136          | 7) Accounts payable to suppliers                     |                    |                    |
| 3) Other Investments                                     | 79.552             | 77.681             | Receivable within next year                          | 145.291.023        | 62.393.441         |
| <b>TOTAL INVESTMENTS</b>                                 | <b>59.590.669</b>  | <b>52.523.183</b>  | 10) Accounts payable to affiliated companies         |                    |                    |
| <b>TOTAL FIXED ASSETS B.</b>                             | <b>183.870.236</b> | <b>148.160.416</b> | Receivable within next year                          | 2.586.791          | 3.775.952          |
| <b>C. CURRENT ASSETS</b>                                 |                    |                    | 11) Accounts payable to parent companies             |                    |                    |
| I STOCKS   |                    |                    | 12) Taxes payable                                    |                    |                    |
| 4) Finished goods for resale                             | 6.383.336          | 5.839.273          | Receivable within next year                          | 3.841.916          | 2.438.972          |
| <b>TOTAL STOCK</b>                                       | <b>6.383.336</b>   | <b>5.839.273</b>   | 13) Social security                                  |                    |                    |
| II ACCOUNTS RECEIVABLE                                   |                    |                    | Receivable within next year                          | 2.730.785          | 1.875.175          |
| 1) From debtors  |                    |                    | 14) Other accounts payable                           |                    |                    |
| Receivable within next year                              | 243.239.701        | 140.080.888        | Receivable within next year                          | 14.361.805         | 21.454.895         |
| 3) From Affiliated Companies                             |                    |                    | <b>TOTAL ACCOUNTS PAYABLE D.</b>                     | <b>370.482.421</b> | <b>234.198.610</b> |
| Receivable within next year                              | 2.308.892          | 1.590.239          | <b>D. TOTAL PREPAYMENTS AND ACCRUED INCOME</b>       | <b>2.230.803</b>   | <b>3.043.931</b>   |
| 5) From Companies subject to control of Parent Companies |                    |                    | <b>E. TOTAL ACCRUALS AND DEFERRED INCOME</b>         | <b>3.819.003</b>   | <b>1.737.800</b>   |
| 5 bis) Taxes receivable                                  |                    |                    | <b>TOTAL ASSETS (A+B+C+D)</b>                        | <b>539.303.508</b> | <b>367.431.230</b> |
| Receivable within next year                              | 2.586.399          | 1.703.065          | <b>TOTAL LIABILITIES (A+B+C+D+E)</b>                 | <b>539.303.508</b> | <b>367.431.230</b> |
| 5 ter) Taxes advance payment                             |                    |                    |  |                    |                    |
| Receivable within next year                              | 1.046.322          | 426.764            |  |                    |                    |
| 5 quater) From Others                                    |                    |                    |  |                    |                    |
| Receivable within next year                              | 3.797.858          | 5.917.169          |  |                    |                    |
| <b>TOTAL ACCOUNTS RECEIVABLE</b>                         | <b>252.979.172</b> | <b>149.718.125</b> |  |                    |                    |
| III NOT FIXED INVESTMENTS                                |                    |                    |  |                    |                    |
| 6) Other investments                                     | 11.209.042         | 9.792.433          |  |                    |                    |
| <b>TOTAL NOT FIXED ASSETS</b>                            | <b>11.209.042</b>  | <b>9.792.433</b>   |  |                    |                    |
| IV LIQUID ASSETS   |                    |                    |  |                    |                    |
| 1) Bank and postal deposits                              | 81.789.158         | 50.361.440         |  |                    |                    |
| 2) Cheques   | 423.727            | 192.342            |  |                    |                    |
| 3) Cash and cash equivalents                             | 418.034            | 323.270            |  |                    |                    |
| <b>TOTAL LIQUID ASSETS</b>                               | <b>82.630.919</b>  | <b>50.877.052</b>  |  |                    |                    |
| <b>TOTAL CURRENT ASSETS C.</b>                           | <b>353.202.469</b> | <b>216.226.883</b> |  |                    |                    |

## Income statement

|  | 31/12/2021            | 31/12/2020            |
|--|-----------------------|-----------------------|
| <b>A. REVENUES</b>   |                       |                       |
| 1) Turnover  | 1.523.161.893         | 1.096.367.240         |
| 2) Inventory change (finished and semi-finis.prod.)          | 146.933               | 75.752                |
| 5) Other income  | 8.970.372             | 8.599.934             |
| <b>TOTAL REVENUES A.</b>                                     | <b>1.532.279.198</b>  | <b>1.105.042.926</b>  |
| <b>B. COST OF SALE</b>                                       |                       |                       |
| 6) Raw materials and consumables                             | -1.262.969.165        | -918.895.457          |
| 7) Rendering of services                                     | -187.330.354          | -116.072.148          |
| 8) Enjoyments of third parties property                      | -2.886.534            | -2.724.067            |
| 9) Wages   |                       |                       |
| a) Salaries and wages  | -31.043.097           | -25.900.282           |
| b) Social security   | -6.196.527            | -5.086.624            |
| c) Staff severance fund                                      | -1.188.433            | -895.146              |
| d) Provident fund  | -334.058              | -369.018              |
| e) Other costs for employees                                 | -826.012              | -2.002.662            |
| 10) Depreciation and amortisation                            |                       |                       |
| a) Amortisation on intangible assets                         | -2.485.346            | -1.178.099            |
| b) Amortisation on tangible assets                           | -7.370.279            | -7.176.130            |
| c) Other write-downs of assets                               | -37.500               |                       |
| d) Write-downs of receivable (current assets)                | -3.230.996            | -856.568              |
| 11) Inventory change, raw materials and consumables          | 269.861               | -3.759.799            |
| 12) Risk reserve   | -136.265              | -572.241              |
| 13) Other provisions   | -                     | -                     |
| 14) Other expenses   | -1.675.644            | -2.912.670            |
| <b>TOTAL COST OF SALE B.</b>                                 | <b>-1.507.440.349</b> | <b>-1.088.400.911</b> |
| <b>DIFFERENCE BETWEEN REVENUES AND EXPENSES (A-B)</b>        | <b>24.838.849</b>     | <b>16.642.015</b>     |
| <b>C. FINANCIAL INCOME AND COSTS</b>                         |                       |                       |
| 15) Income from share in:                                    |                       |                       |
| b) Affiliated companies                                      | 2.699.418             | 4.606.241             |
| e) Other companies   | -                     | 16.503                |
| 16) Other financial income                                   |                       |                       |
| c) of current assets   | -                     | -                     |
| d) Other financial income                                    | 4.199.279             | 2.694.619             |
| 17) Interest payable and similar costs                       | -4.804.450            | -3.610.126            |
| 17 Bis) Profit/Loss on exchange rate                         | 3.363.198             | -1.108.009            |
| <b>TOTAL FINANCIAL INCOME AND COSTS C.</b>                   | <b>5.457.445</b>      | <b>2.599.228</b>      |
| <b>D. OFFSETTING ADJUSTMENTS OF FINANCIAL ASSETS</b>         |                       |                       |
| 18) Write-ups:   |                       |                       |
| a) of shareholdings  | 9.818.077             | 6.536.746             |
| 19) Write downs:   |                       |                       |
| a) of shareholdings  | -3.382.835            | -6.002.386            |
| <b>TOTAL OFFSETTING ADJUSTMENTS OF FINANCIAL ASSETS D.</b>   | <b>6.435.242</b>      | <b>534.360</b>        |
| <b>RESULT BEFORE TAXES (A-B+-C+-D+-E)</b>                    | <b>36.731.536</b>     | <b>19.775.603</b>     |
| 20) Taxes on income for the year                             | -6.798.664            | -4.488.365            |
| 21 bis) Third parties net profit                             | 5.683.524             | 3.183.664             |
| <b>GROUP NET PROFIT OF THE YEAR</b>                          | <b>29.932.872</b>     | <b>15.287.238</b>     |
| <b>FRATELLI COSULICH S.p.A. SHARE NET PROFIT OF THE YEAR</b> | <b>24.249.348</b>     | <b>12.103.574</b>     |

## Explanatory Notes

### GROUP'S PROFILE

The Fratelli Cosulich S.p.A. Group carries out its business in the maritime services sector through almost all the companies in the Group.

In addition to carrying out the ordinary holding activity, the parent company operates as a shipping agent and general agent for major international shipping companies.

As far as the Group is concerned, the main activities are identifiable in bunker trading, shipping and shipping agency activities, and shipping and road transport.

Again through the parent company, Fratelli Cosulich S.p.A. and its subsidiaries provide crew management services, brokerage services on bunkering, maritime agency services for important shipowners and mega yachts, to finish with services relating to air and tourist transport.

Through the subsidiary Genesys Informatica S.r.l., and the newly acquired Comunico S.r.l., service activities are carried out in the IT sector, with particular reference to the trade and installation of hardware and software products, consultancy and design activities in the industries mentioned above and customized business intelligence solutions and data management.

Finally, through Link Industries S.p.A. and its related companies, the Group operates as a trader in the market for insulating materials and iron products.

Through the shareholding in the Trasteel Group, an international trader operating in the steel sector, the distribution of electrodes and refractories, non-ferrous metals, and the controlling interests held by the latter, the Cosulich Group is strengthened in the industrial sector of transformation of steel.

On a consolidated basis, at the above indicated date, the Group is formed by following companies:

- Fratelli Cosulich S.p.A.
- Genesys Informatica S.r.l.
- Link Industries S.p.A.
- Comunico S.r.l.
- Express Adriatica S.r.l.
- Express S.r.l.
- Express Chita Co. Ltd
- Express Usa Inc.
- Archimede Gruden S.r.l.
- Luvitrans International S.r.l.
- Gruden Usa Inc.
- Agenzia Marittima Saidelli S.r.l.
- Argosy S.r.l.
- Fratelli Cosulich Unipessoal S.A.
- Fratelli Cosulich Europe Cons. Econ. E Part. Lda
- Fratelli Cosulich Middle East DMCC
- Fratelli Cosulich USA LLC
- Fratelli Cosulich Greece SMPC
- Fratelli Cosulich Monaco SAM (ex Chemoil Monde-Export SAM)
- Express Global International Ltd
- Catalano & Cosulich Shipping Services SAM
- Catalano & Cosulich Shipping Services Cannes Sarl
- Coscat SCIM
- Coscat Cannes SCI
- La Route du Sud SAM
- Agence Maritime Tropezienne Sarl
- Monte-Carlo Rent@Car Sarl
- Menton Service Auto Sarl
- Fratelli Cosulich Turkey Ltd
- Fratelli Cosulich Comercio e Servicos Ltda
- Fratelli Cosulich (HK) Ltd
- Fratelli Cosulich Bunkers (HK) Ltd
- Fratelli Cosulich Bunkers (S) PTE Ltd
- Arco Denizcilik Servis A.Ş.
- Cosulich Assicurazioni S.r.l.
- Lorma Logistic S.r.l.
- NE Logistic S.r.l.
- Ambro Terminal S.r.l.
- Sea Trend Holding S.r.l.
- Morgan4Ship S.r.l.
- Vulcania S.r.l.
- Pimlico Shipping Ltd
- Link Trading (HK) Ltd
- Link Trading Beijing Ltd
- Fratelli Cosulich LNG S.r.l.
- Fratelli Cosulich LNG 2 S.r.l.
- Fratelli Cosulich Monfalcone S.r.l.
- Marlines S.r.l. Shipping Agency

The subject statement of accounts ends with a Group's profit equal to Euro 24.249.348 and a profit equal to Euro 5.683.524 in favor of third parties for a total equal to Euro 29.932.872.

## STRUCTURE AND CONTENT OF THE CONSOLIDATION STATEMENTS OF ACCOUNT

The consolidation statements of account have been edited in conformity with the rules provided for the paragraph III (articles going from n. 25 to 43) of the Italian Law Decree n.127/91 completed and interpreted according to the accounting principles recommended by the Commission for the definition of the accounting principles of the National Councils of the Business Consultants and the Certified Public Accountants. In particular, the schemes and the contents of the consolidated balance sheet and of the consolidated profit and loss account are the ones foreseen by the Italian Civil Code, duly modified as required by the art. 32 of the LD n. 127/91. The explanatory notes have the function to provide with the portraying, the analysis and sometimes the integration of the balance sheet's data and it contains the information required by the art. n. 38 of the L.D. 127/91. Furthermore, it provides with all needed supplementary information to give a true and correct portraying, even if not specifically required by law.

The consolidation balance sheet is made in comparison with previous year's one.

The balance sheets used for the consolidation are formed by balance sheets as at 31<sup>st</sup> December 2021 approved by the shareholders' meetings or, missing these latter, on the base of balance sheets' projects approved by the Boards of Directors closed as at 31<sup>st</sup> December. Closing dates of the balance sheets of the Group's companies are all equal.

## SCOPE OF CONSOLIDATION

As far as the financial year just ended is concerned, we remark the following changes in comparison with the situation recorded at the end of 2021.

| SUBSIDIARY COMPANY                 | HEAD OFFICE | SHARE CAPITAL  | DIRECT  | INDIRECT | BUSINESS ACTIVITY        |
|------------------------------------|-------------|----------------|---------|----------|--------------------------|
| Fratelli Cosulich S.p.A.           | Trieste     | Euro 2.000.000 |         |          | Air and Sea services     |
| Link Industries S.p.A.             | Genova      | Euro 500.000   | 100,00% |          | Trading of raw materials |
| Genesys Informatica S.r.l.         | Genova      | Euro 78.000    | 95,50%  |          | IT services              |
| Comunico S.r.l.                    | Genova      | Euro 20.150    |         | 51,00%   | IT services              |
| Vulcania S.r.l.                    | Genova      | Euro 10.000    | 80,00%  |          | Holding ed Shipowning    |
| Pimlico Shipping Ltd               | Malta       | USD 1.350      |         | 72,00%   | Shipowning               |
| Fratelli Cosulich Unipessoal S.A.  | Madeira     | Euro 1.000.000 | 100,00% |          | Bunker trading           |
| Fratelli Cosulich Europe Lda       | Madeira     | Euro 5.000     | 100,00% |          | Holding                  |
| Fratelli Cosulich Greece SMPC      | Athens      | Euro 100.000   |         | 100,00%  | Broker di bunker         |
| Fratelli Cosulich Monaco SAM       | Monaco      | Euro 225.000   |         | 100,00%  | Bunker trading           |
| Fratelli Cosulich Middle East DMCC | Dubai       | AED 50.000     | 100,00% |          | Bunker trading           |

| SUBSIDIARY COMPANY                  | HEAD OFFICE       | SHARE CAPITAL  | DIRECT  | INDIRECT | BUSINESS ACTIVITY                |
|-------------------------------------|-------------------|----------------|---------|----------|----------------------------------|
| Fratelli Cosulich LNG S.r.l.        | Genova            | Euro 10.000    | 100,00% |          | Shipowning                       |
| Fratelli Cosulich LNG 2 S.r.l.      | Genova            | Euro 10.000    | 100,00% |          | Shipowning                       |
| Fratelli Cosulich Monfalcone S.r.l. | Monfalcone        | Euro 10.000    | 85,00%  |          | Shipping services                |
| Marlines S.r.l. Shipping Agency     | S. Giorgio Nogarò | Euro 104.000   | 80,00%  |          | Shipping services                |
| Express Adriatica S.r.l.            | Venezia           | Euro 10.000    | 50,00%  | 35,835%  | Shipping services                |
| Express S.r.l.                      | Napoli            | Euro 99.000    | 71,67%  |          | Shipping services                |
| Express Chita Ltd                   | Shangai           | CNY 5.949.085  |         | 71,67%   | Shipping services                |
| Express USA Inc                     | New York          | USD 1.000      |         | 71,67%   | Shipping services                |
| Archimede Gruden S.r.l.             | Marghera          | Euro 97.381    |         | 43,00%   | Shipping services                |
| Luvitrans International S.r.l.      | Milano            | Euro 110.000   |         | 43,00%   | Shipping services                |
| Archimede Gruden USA Inc            | New York          | USD 1.000      |         | 43,00%   | Shipping services                |
| Agenzia Marittima Saidelli S.r.l.   | Savona            | Euro 208.000   | 80,00%  |          | Shipping services                |
| Argosy S.r.l.                       | Livorno           | Euro 22.000    | 100,00% |          | Shipping services                |
| Cosulich Assicurazioni S.r.l.       | Genova            | Euro 10.000    | 100,00% |          | Insurance Broking                |
| Sea Trend Holding S.r.l.            | Livorno           | Euro 1.553.000 | 83,25%  |          | Catering and warehouse           |
| Morgan4Ship S.r.l.                  | Livorno           | Euro 10.000    |         | 83,250%  | Catering and warehouse           |
| Lorma Logistic S.r.l.               | Venezia           | Euro 50.000    |         | 60,080%  | Inland transportation            |
| NE Logistic S.r.l.                  | Venezia           | Euro 20.000    |         | 60,080%  | Inland transportation            |
| Ambro Terminal                      | Milano            | Euro 50.000    |         | 60,080%  | Shipping services                |
| Fratelli Cosulich UK Ltd            | Felixstowe        | Lst 50.000     |         | 100,000% | Shipping services and transports |
| Catalano & Cosulich SAM             | Monaco            | Euro 153.000   |         | 69,900%  | Shipping services                |
| Catalano & Cosulich France Sarl     | Cannes            | Euro 25.000    |         | 69,201%  | Shipping services                |
| Coscat SCIM                         | Monaco            | Euro 1.000     |         | 68,502%  | Shipping services                |
| Coscat Cannes SCI                   | Cannes            | Euro 1.000     |         | 68,502%  | Shipping services                |
| La Route du Sud SAM                 | Monaco            | Euro 150.000   |         | 68,500%  | Inland transportation            |
| Agence Maritime Tropezienne Sarl    | Monaco            | Euro 13.000    |         | 59,420%  | Shipping services                |
| Monte-Carlo Rent@Car                | Monaco            | Euro 120.000   |         | 69,200%  | Shipping services and transports |
| Menton Service Auto Sarl            | Mentone           | Euro 45.000    |         | 69,900%  | Shipping services and transports |
| Arco Denizcilik                     | Istanbul          | TRY 75.000     |         | 100,000% | Shipping services and transports |
| Fratelli Cosulich Com. e Serv. Ltda | Macaé             | Real 444.350   |         | 99,990%  | Shipping services and catering   |
| Fratelli Cosulich Turkey Ltd        | Istanbul          | TRY 500.000    |         | 100,000% | Shipping services and transports |
| Fratelli Cosulich (HK) Ltd          | Hong Kong         | USD 69.231     | 19,998% | 68,574%  | Bunker trading, catering         |
| Fratelli Cosulich Bunkers (HK) Ltd  | Hong Kong         | USD 12.820     |         | 53,143%  | Bunker trading                   |
| Fratelli Cosulich Bunkers Pte Ltd   | Singapore         | USD 13.816.228 |         | 88,572%  | Bunker trading e Shipowning      |
| Fratelli Cosulich USA LLC           | New York          | USD 20.000     |         | 100,000% | Bunker trading                   |
| Link Trading (HK) Ltd               | Hong Kong         | USD 1.282      |         | 88,572%  | Trading of raw materials         |
| Link Trading (Beijing) Ltd          | Beijing           | RMB 1.168.755  |         | 88,572%  | Trading of raw materials         |

Concerning the year just ended, it should be noted that the companies Takoradi Catering Company Ltd, Officine Elettro Meccaniche S.r.l., Geos S.r.l., Catalano Shipping Services Indonesia PMA, Catalano Shipping Services NZ Ltd, are not included in the consolidation area as they have been liquidated or are in the process of being liquidated, inactive or not yet considered relevant for the corporate purpose and/or non-material balance sheet values, compared to the consolidated data.

Fratelli Cosulich Monfalcone S.r.l., Fratelli Cosulich LNG S.r.l. and Fratelli Cosulich LNG 2 S.r.l., the newly establi-

shed Fratelli Cosulich Greece SMPC and the company Marlines S.r.l. Shipping Agency, for which 80% of the shares were acquired at the beginning of 2021, all entered the scope of full consolidation during the year just ended.

There are no companies included in the consolidation with the proportional method.

Investments constituting fixed assets in associated companies, the size of which was considered relevant for the purposes of the consolidation, are valued using the equity method.

While equity investments in associated companies and other companies whose size can be considered irrelevant are valued at cost.

Associated companies are those companies of which Fratelli Cosulich S.p.A. controls, directly or indirectly, at least one fifth of the votes that can be exercised in the ordinary shareholders' meeting.

The list of associated companies valued using the equity method is shown here:

| AFFILIATED COMPANY                  | HEAD OFFICE | SHARE CAPITAL  | DIRECT | INDIRECT | BUSINESS ACTIVITY        |
|-------------------------------------|-------------|----------------|--------|----------|--------------------------|
| Coscoc S.r.l.                       | Genova      | 400.000        | 50,00% |          | Shipping services        |
| Cosco Shipping Lines (Italy) S.r.l. | Genova      | 100.000        | 50,00% |          | Shipping services        |
| Arkas Italia S.r.l.                 | Genova      | 20.000         | 50,00% |          | Shipping services        |
| Saimare S.p.A.                      | Genova      | 2.000.000      | 20,00% |          | Shipping services        |
| Femo Bunker S.r.l.                  | Genova      | 25.500         | 45,00% |          | Shipping services        |
| Griffin Marine Travel S.r.l.        | Genova      | 10.200         | 50,00% |          | Business Travel          |
| Pesto Sea Group S.r.l.              | Genova      | 26.000         | 45,00% |          | Shipping services        |
| Ecos Srl                            | Genova      | 10.000         | 40,00% |          | Shipping services        |
| Calle del Mar S.r.l.                | Venezia     | 10.000         | 50,00% |          | Shipping services        |
| Trasteel Holding SA                 | Lussemburgo |                | 36,95% |          | Trading of raw materials |
| Express Koper d.o.o.                | Koper       | 20.000         |        | 35,84%   | Shipping services        |
| Dragon Maritime d.o.o.              | Koper       | 100.000        |        | 35,84%   | Shipping services        |
| Dragon Maritime Adria d.o.o.        | Rijeka      | HRK 4.000.000  |        | 35,84%   | Shipping services        |
| Depolink d.o.o. Koper               | Koper       | 7.500          |        | 17,92%   | Shipping services        |
| Depolink d.o.o. Belgrado            | Belgrado    | RSD 5.868.780  |        | 23,65%   | Shipping services        |
| Express Global d.o.o. Rijeka        | Rijeka      | HRK 747800     |        | 35,84%   | Shipping services        |
| Express SEE d.o.o. Belgrado         | Belgrado    | RSD 6.628.622  |        | 23,65%   | Shipping services        |
| Dragon Maritime SEE d.o.o.          | Belgrado    | RSD 17.754.900 |        | 23,65%   | Shipping services        |
| Arko Shipping d.o.o.                | Koper       | 20.000         |        | 35,84%   | Shipping services        |
| Arcese Cosulich Ireland Ltd         | Dublino     | 100.000        |        | 50,00%   | Shipping services        |
| Viale S.r.l.                        | Imperia     | 20.000         |        | 25,50%   | Shipping services        |
| Pesto Sea Group La Spezia S.r.l.    | La Spezia   | 20.000         |        | 25,00%   | Shipping services        |
| Marina Molo Vecchio S.r.l.          | Genova      | 50.000         |        | 35,00%   | Shipping services        |
| Marina Molo Vecchio Supply S.r.l.   | Genova      | 50.000         |        | 49,31%   | Shipping services        |
| Italmare Lojistik Servis AS         | Istanbul    | TRY 500.000    |        | 50,00%   | Shipping services        |
| Sultan Antrepo SA                   | Istanbul    | TRY 8.000.000  |        | 50,00%   | Shipping services        |
| Arcese Cosulich Lojistik Ltd Şti    | Istanbul    | TRY 14.517.950 |        | 50,00%   | Shipping services        |

| AFFILIATED COMPANY              | HEAD OFFICE  | SHARE CAPITAL | DIRECT | INDIRECT | BUSINESS ACTIVITY |
|---------------------------------|--------------|---------------|--------|----------|-------------------|
| OC Line                         | Istanbul     | TRY 440.000   |        | 50,00%   | Shipping services |
| Just Provisions Sarl            | Monaco       | 60.000        |        | 34,95%   | Shipping services |
| Corsica Yacht Services Sarl     | Ajaccio      | 10.000        |        | 34,95%   | Shipping services |
| Provence Yacht Services Sarl    | St. Mandrier | 2.000         |        | 34,95%   | Shipping services |
| Sci Tonic Marine                | Cogolin      | 30.000        |        | 34,95%   | Shipping services |
| Intenational Food Logistic Sarl | Nizza        | 2.000         |        | 31,37%   | Shipping services |
| Simmor D.O.O.                   | Rijeka       | 2.622         |        | 34,95%   | Shipping services |

## CONSOLIDATION PRINCIPLES

The criteria and methods used for the editing of the consolidation balance sheet are the following:

a) the balance sheets used for the consolidation are the financial statements of each company. These financial statements are duly reclassified and modified in order to uniform them to the accounting principles and the evaluation criteria of the parent company, which principles are in line with the ones foreseen by the art 2423 and following ones of the Italian Civil Code and with the ones recommended by CONSOB.

b) In the editing of the consolidated balance sheet, the credit and the debit balances as well as the proceeds and the duties of the companies included into the consolidation are fully considered. While the credit and the debit balances as well as the proceeds and the duties, the profits and the losses originated by operations made among companies included in the consolidation perimeter are not taken into account.

c) The book value of investments in companies included in the consolidation is eliminated against their corresponding fractions of the net equity pertaining to the controlled companies.

The difference between the book value of shareholding investments, which is eliminated, and the corresponding share of equity, which is assumed, is put as an adjustment of the consolidated net equity. In case of acquisitions, the above said difference is attributed to the elements of the credit and debit balances of the companies included in the consolidation. Any eventual residual, if negative, is indicated in a specific item called consolidation reserve, i.e., when it is attributable to forecasts of economical adverse results, it is put under an item called "consolidation fund for future risks and duties"; if it is positive, it is indicated under an asset of the profit account named "consolidation difference".

The capital amount and the reserves amounts of the controlled companies corresponding to shareholdings owned by third parties is booked in the item relevant to the net assets called "third parties' capital and reserves", the consolidated economical result corresponding to third parties' shareholdings is booked in the item "profit (loss) of the financial year pertaining to third parties".

d) Leasing operations have been calculated according to IAS 17 dispositions.

## ASSESSMENT CRITERIA

The assessment criteria employed for the editing of the consolidated balance sheet as at 31/12/2021 are the following:

### Intangible assets

The intangible assets are registered at their purchase' cost and they are exclusively constituted by expenses for multi-year use like installation and broadening costs, research costs for development and advertising, concessions, licenses, trademarks and rights, other assets.

The amounts are net of amortization rates, which have been calculated on regular basis and in relation to the last possibility to use the assets.

The assets, which economic value at financial year's ending results to be over time lower to their cost, written off according to the above said criteria, are devalued up to their economic value. If the reasons for this write-down cease to exist, the cost is reinstated.

### Tangible assets

The tangible assets are booked in the balance sheet at their purchase cost, including the relevant ancillary charges and adjusted in their respective amortization rates and relevant accrued devaluation.

Broadening, modernization and transformation costs, together with maintenance costs with incremental nature, are capitalized and amortized according to the source of income' business life to which they refer. Maintenance and repair costs, without increasing nature, are booked in the profit and loss account referred to the period during which they are burdened. If any, the capital gains and the capital losses following alienations and source of income transfers combine to the formation of the result of the financial year which they occurred.

The amount shown on the balance sheet came out through the adjustment of the historic cost of the relevant ordinary amortization fund, calculated on the base of the rates deemed suitable for the representation of the residual business life of the asset.

The applied amortization rates meet the conservative criteria and they follow the amortization plan already established in line with the estimated residual possibility of utilization of each asset.

The rates are the following:

|                                   |     |                               |     |
|-----------------------------------|-----|-------------------------------|-----|
| Lands and buildings               | 3%  | Switchboards                  | 20% |
| Unspecific machineries and plants | 15% | Mobile phones and accessories | 20% |
| Owned vessels                     | 5%  | Furniture and fittings        | 12% |
| Vehicles and motorbikes           | 25% | Ordinary office machines      | 12% |
| Electronic machinery              | 20% |                               |     |

## Leased assets

The parent company and the subsidiaries hold the following buildings and plants under financial lease:

| DESCRIPTION | COST      | EXPIRING YEAR | CASH SURRENDER VALUE | COMPANY                  |
|-------------|-----------|---------------|----------------------|--------------------------|
| Buildings   | 377.000   | 2021          | 37.700               | Fratelli Cosulich S.p.A. |
| Buildings   | 765.000   | 2027          | 7.650                | Fratelli Cosulich S.p.A. |
| Buildings   | 770.100   | 2028          | 77.010               | Fratelli Cosulich S.p.A. |
| Buildings   | 937.041   | 2032          | 9.370                | Fratelli Cosulich S.p.A. |
| Buildings   | 3.389.718 | 2031          | 169.486              | Fratelli Cosulich S.p.A. |
| Buildings   | 3.623.266 | 2025          | 365.000              | Link Trading Co. S.p.A.  |
| Buildings   | 2.506.400 | 2036          | 250.640              | Sea Trend Holding S.r.l. |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2022          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 89.900    | 2022          | 1.553                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2024          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2024          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 79.400    | 2024          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 79.400    | 2024          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 78.000    | 2025          | 3.900                | Lorma Logistic S.r.l.    |
| Tractors    | 74.000    | 2023          | 740                  | Lorma Logistic S.r.l.    |
| Tractors    | 74.000    | 2023          | 740                  | Lorma Logistic S.r.l.    |
| Tractors    | 74.000    | 2023          | 740                  | Lorma Logistic S.r.l.    |
| Tractors    | 74.000    | 2023          | 740                  | Lorma Logistic S.r.l.    |
| Tractors    | 74.000    | 2023          | 740                  | Lorma Logistic S.r.l.    |
| Tractors    | 119.000   | 2023          | 23.000               | Lorma Logistic S.r.l.    |
| Tractors    | 119.000   | 2023          | 23.000               | Lorma Logistic S.r.l.    |
| Tractors    | 79.178    | 2024          | 792                  | Lorma Logistic S.r.l.    |
| Tractors    | 79.178    | 2024          | 792                  | Lorma Logistic S.r.l.    |
| Tractors    | 79.178    | 2024          | 792                  | Lorma Logistic S.r.l.    |
| Tractors    | 128.000   | 2023          | 6.400                | Lorma Logistic S.r.l.    |
| Tractors    | 128.000   | 2023          | 6.400                | Lorma Logistic S.r.l.    |
| Tractors    | 81.000    | 2026          | 810                  | Ne Logistic S.r.l.       |
| Tractors    | 81.000    | 2026          | 810                  | Ne Logistic S.r.l.       |
| Tractors    | 81.000    | 2026          | 810                  | Ne Logistic S.r.l.       |
| Tractors    | 81.000    | 2026          | 810                  | Ne Logistic S.r.l.       |
| Tractors    | 78.000    | 2022          | 3.900                | Ne Logistic S.r.l.       |
| Tractors    | 126.000   | 2023          | 6.300                | Ne Logistic S.r.l.       |
| Tractors    | 126.000   | 2023          | 6.300                | Ne Logistic S.r.l.       |
| Tractors    | 126.000   | 2024          | 26.000               | Ne Logistic S.r.l.       |



| DESCRIPTION | COST    | EXPIRING YEAR | CASH SURRENDER VALUE | COMPANY            |
|-------------|---------|---------------|----------------------|--------------------|
| Tractors    | 126.000 | 2024          | 26.000               | Ne Logistic S.r.l. |
| Tractors    | 126.000 | 2024          | 26.000               | Ne Logistic S.r.l. |
| Tractors    | 77.000  | 2024          | 770                  | Ne Logistic S.r.l. |
| Tractors    | 77.000  | 2024          | 770                  | Ne Logistic S.r.l. |
| Tractors    | 77.000  | 2024          | 770                  | Ne Logistic S.r.l. |
| Tractors    | 80.000  | 2024          | 800                  | Ne Logistic S.r.l. |
| Tractors    | 80.000  | 2022          | 800                  | Ne Logistic S.r.l. |

Properties on lease have been accounted using the financial method, as foreseen by the international accounting principle n.17, because it better highlights the economic aspect of the financial leasing operation, in order to obtain an economic-financial situation of the Group reflecting the actual nature of the leasing contracts in force and not simply their legal nature. We wish to specify, in fact, that the legal form of the leasing contract establishes that the tenant does not buy up the ownership of the property on lease. Anyway in the financial leasing the tangible and financial reality is such that the tenant buys up the economic benefits of the property on lease, during the most of its economic life, in exchange for the commitment to pay an amount due rounding the current value and the relevant financial charges.

This methodology, in few words, as far as the profit and loss account is concerned, provides for:

- Overriding of the leasing rents accounted
- Accounting of interests over the financed capital
- Accounting of amortization rates over the value of acquired properties
- Accounting of financial year's taxes and deferred taxes in relation to the above said fluctuations

As far as the statement of assets and liabilities is concerned:

- The registration of the properties in the assets
- The registration of the residual debt in the liabilities
- The registration of the deferred taxes

### Financial assets

All shareholdings in subsidiaries and other companies, not evaluated through the equity method, are registered at purchase or signing cost.

This value is not very far from the one resulting from their evaluation through the net equity method.

The credits registered in this item have been evaluated at their nominal value, being partly interest-bearing credits and partly credits collectable within the following financial year.

### Inventories

The evaluation of inventories has been made at average cost, calculated according to the purchase costs of each single property, in respect of the lower amount between cost and possible bargain value.

It deals with finished products and goods (insulating materials and iron products) purchased by Link Industries S.p.A., by Link Trading Beijing Ltd., and stored c/o third parties' warehouses under delivering to the final consignee, as well as finished products purchased by Fratelli Cosulich S.p.A., by Fratelli Cosulich Do Brasil Ltda and by Morgan4Ship, stored c/o owned warehouses or vessels' store rooms on which catering and victualling services are carried out; finally we report about the residual portion of materials held in the warehouse for the maintenance of the vehicle fleet of the logistics companies headed by Lorma Logistic S.r.l.

### Receivables not being assets

The sales' credits are registered in the balance sheet at their presumed bargain value.

These amounts result from the difference between the nominal values of the credits and the adjustments registered in the amending item called "fund on credit risks", shown on the balance and which directly decreases the positive value of the item it is referring to; the amounting of this fund reasonably corresponds to the entity of the risk for the missing collection of credits.

Other credits are registered at their nominal value which, moreover, is equal to the presumed bargain value.

We underline that – as per Law rules and regulations – we have provided to override the credits/debits among the consolidated companies.

### Cash assets

The cash assets are represented by the currency deposited c/o the bank accounts' and the social funds.

The cash assets in foreign currency have been converted in Euro on the base of rates of exchange referred to the period of financial year's end.

### Accruals and deferrals

In this item you will find amounts relevant to costs and proceeds common to two or more financial years, with the aim of putting in practice the accrual basis.

### Net equity

The net equity are the owned means of the Group, i.e. the assets brought by the shareholders, the following capital increases and the profits not shared.

Under this item they are included but shown separately under ad-hoc sub-items, the capital and the reserves pertinent to third parties as well as the amount concerning the financial year's result pertinent to third parties.

**Provisions for risks and charges**

Provisions are made to cover probable or definite losses or debts which amounts or due dates were not definable at the closing of the accounting period.

The deferred taxes are allocated per competence on the base of the current rate at the balance sheet's date. The item "Deferred taxes" is mainly referred to the cancellation of fiscal entries (ex: advance amortizations) as well as balance sheet's entries which taxation is postponed according to the fiscal laws in force.

**Severance pay provisions**

The severance pay provisions relevant to the employees is allocated in order to cover the whole debit accrued against them by the companies of the Group in conformity with the law in force and the national labor contracts and company's addendums.

As far as the parent company is concerned, we point out that – following the changes taken to the institution of the Severance Pay by the Law 27/12/2006 n. 296 and relevant enforcing decrees - the severance pay accrued by the single employees starting from 1<sup>st</sup> January 2007, is periodically remitted by the companies to the supplementary social security fund chosen by the single employee or, missing this latter choice, to the INPS Treasury Fund.

**Debts**

Debts are registered at their nominal value.

As done for credits among companies of the Group, also for the debts among companies of the Group we have provided to their cancellation in conformity with the laws in force.

**Costs and profits**

The costs and profits have been calculated on accrual basis and prudence basis.

Profits and revenues, costs and charges are registered net of returns, discounts, allowances and bonuses.

**Criteria for the conversion of foreign currencies**

The balance sheet's data originally expressed in foreign currency, have been converted in Euro at exchange rates at year's end for the balance sheet entries, while the average rate of exchange of the year has been applied to the income statements.

Hereunder we indicate the composition of the consolidated assets and liabilities and of the consolidated income statement.

We underline that the single items do not result to be always comparable with ones of the previous year. This is due to the effect caused by the increasing of consolidation area.

**Intangible fixed assets**

| START-UP AND EXPANDING COSTS | 2021  | 2020  | DELTA |
|------------------------------|-------|-------|-------|
| Final Value                  | 9.405 | 7.233 | 2.172 |

The start-up and expanding costs mainly refer to expenses burdened for the establishment of the companies of the Group.

| PERMISSIONS, LICENSES, TRADE MARKS AND SIMILAR RIGHTS | 2021    | 2020    | DELTA   |
|---|---------|---------|---------|
| Final Value   | 357.580 | 215.721 | 141.859 |

With reference to the above item, we notice purchases of software licenses made by the companies of the Group.

| CONSOLIDATION DIFFERENCES | 2021      | 2020      | DELTA     |
|---------------------------|-----------|-----------|-----------|
| Final Value               | 6.022.908 | 2.958.461 | 3.064.447 |

The balance indicated relates to the goodwill paid for the purchase of the control package of the company Maritime Agency Saidelli S.r.l., Fratelli Cosulich Monaco SAM, Lorma Logistic S.r.l., of NE Logistic S.r.l., of Argosy S.r.l., of Comunico S.r.l. and Archimede Gruden S.r.l. to which was added the acquisition of Marlines Srl Shipping Agency. This difference emerges from comparing the book value of the equity investments and the related net assets on the dates on which the purchase and sale transactions were completed.

The consolidation difference is amortized over ten years, based on the expected recovery of the higher price paid with future profits.

The movements of this item are attributable to acquisitions and depreciation for the year.

| OTHER INTANGIBLE ASSETS | 2021      | 2020      | DELTA    |
|-------------------------|-----------|-----------|----------|
| Final Value             | 1.724.502 | 1.988.508 | -264.006 |

Among other intangible assets we notice the expenses burdened and capitalized for operations on third parties' assets.

**Tangible assets**

| LAND AND BUILDINGS | 2021       | 2020       | DELTA    |
|--------------------|------------|------------|----------|
| Final Value        | 22.263.342 | 22.916.334 | -652.992 |

The amount is relevant to buildings owned by companies of the Group or held by the same thanks to reclassified lease contracts according to IAS 17.

The increase is due to revaluation of buildings made by the holding company as per Law Decree 104/2020.

| PLANTS AND MACHINERIES | 2021      | 2020      | DELTA   |
|------------------------|-----------|-----------|---------|
| Final Value            | 1.930.873 | 1.777.732 | 153.141 |

They are generic plants used by the companies of the Group.

| VESSELS     | 2021       | 2020       | DELTA      |
|-------------|------------|------------|------------|
| Final Value | 78.174.349 | 60.959.083 | 17.215.266 |

These are ships owned by the subsidiary Fratelli Cosulich Bunkers (S) Pte Ltd, operating in the port of Singapore, the M/V Vulcania operated by the Maltese Pimlico Shipping Ltd company, by the Nevado 32 Nevado 34 and Nevado 35 river vessels and by the bulk carriers M/V Tzarevna, M/V Stellina and Metallica were acquired by Vulcania S.r.l. during the year.

| INDUSTRIAL EQUIPMENT | 2021      | 2020    | DELTA   |
|----------------------|-----------|---------|---------|
| Final Value          | 1.044.932 | 694.153 | 350.779 |

It deals with equipment used by Fratelli Cosulich Do Brazil for storing the provisions needed to perform the catering activity.

| OTHER TANGIBLE ASSETS | 2021      | 2020      | DELTA   |
|-----------------------|-----------|-----------|---------|
| Final Value           | 4.418.644 | 4.120.008 | 298.636 |

The amount is relevant to the purchase of vehicles, furniture and fixtures, electrical and electronic machines, needed to perform the ordinary performance of the companies of the Group. Furthermore, with regard to vehicles held under lease agreements, we have provided to make the reclassification as per IAS 17.

| OTHER FIXED ASSETS IN PROGRESS AND ADVANCES | 2021      | 2020 | DELTA     |
|---|-----------|------|-----------|
| Final Value                                 | 8.333.032 | 0    | 8.333.032 |

The amounts recorded in this item represent the advances paid to the Chinese shipyard CIMC SOE shipyard for the construction of the two LNG barges ordered by the subsidiaries Fratelli Cosulich LNG S.r.l. and Fratelli Cosulich LNG 2 S.r.l.

The aggregate figure of the tangible assets includes the capital goods owned by the Group.

For information relevant to investments, made during the financial year 2021, by consolidation companies and relevant financial movements, please see the management Report and the singular companies' financial statement.

## Fixed Financial Assets

| INVESTMENTS IN SUBSIDIARIES | 2021      | 2020      | DELTA    |
|-----------------------------|-----------|-----------|----------|
| Final Value                 | 1.150.417 | 1.273.246 | -122.829 |

We remark then that the detected amounts are referred to the book value of the unconsolidated subsidiaries by full consolidation method.

| INVESTMENTS IN ASSOCIATES | 2021       | 2020       | DELTA     |
|---------------------------|------------|------------|-----------|
| Final Value               | 35.363.664 | 29.416.728 | 5.946.936 |

It deals with investments in associates, directly or indirectly held by Fratelli Cosulich S.p.A. The same have been evaluated through the equity method and the result of such evaluation is shown in the assets' reconciliation prospect and in the Group's result.

The significant increase is due to the positive results of the associated companies. For further details please see the list reported in the paragraph relevant to the scope of consolidation.

| INVESTMENTS IN OTHER COMPANIES | 2021    | 2020    | DELTA |
|--------------------------------|---------|---------|-------|
| Final Value                    | 541.642 | 540.798 | 844   |

This item refers to minority interests held by consolidated companies and evaluated – in their balance sheets – on the basis of the cost method.

| RECEIVABLES FROM ASSOCIATES | 2021       | 2020       | DELTA   |
|-----------------------------|------------|------------|---------|
| Final Value                 | 16.142.034 | 15.276.899 | 865.135 |

The credit represents financial positions with subsidiaries with an annual or interim maturity, automatically renewable based on their operational needs. The main position relates to receivables from the associate Trasteel.

| RECEIVABLES FROM PARENT COMPANIES | 2021      | 2020      | DELTA   |
|-----------------------------------|-----------|-----------|---------|
| Final Value                       | 1.400.000 | 1.180.000 | 220.000 |

The credit in question represents the loan granted by Fratelli Cosulich S.p.A. to the parent company Cosulich International S.r.l., funds necessary for the acquisition of the shares previously held by the Vespa family or by other minority shareholders in Fratelli Cosulich S.p.A.

| RECEIVABLES FROM OTHERS | 2021      | 2020      | DELTA   |
|-------------------------|-----------|-----------|---------|
| Final Value             | 4.913.360 | 4.757.831 | 155.529 |

The item in question summarizes the medium / long-term receivables generated by the payment of security deposits and loans granted to third parties and other financing operations functional to the business.

| OTHER INVESTMENT SECURITIES | 2021   | 2020   | DELTA |
|-----------------------------|--------|--------|-------|
| Final Value                 | 79.552 | 77.681 | 1.871 |

This item records investments in securities made by the subsidiaries Express S.r.l. and Comunico S.r.l..

### Current assets

| FINISHED PRODUCTS AND COMMODITIES | 2021      | 2020      | DELTA   |
|-----------------------------------|-----------|-----------|---------|
| Final Value                       | 6.383.336 | 5.839.273 | 544.063 |

The above item includes the values of the unsold stock registered at the end of the financial year in the balance sheets of following companies:

- Fratelli Cosulich S.p.A.
- Link Industries S.p.A.
- Genesys Informatica S.r.l.
- Fratelli Cosulich Comercio e Servicos Ltda
- Fratelli Cosulich Bunkers (S) Ltd
- Link Trading (Beijing) Ltd
- Morgan4Ship S.r.l.
- Lorma Logistic S.r.l.
- Ne Logistic S.r.l.

The evaluation of these unsold-stocks has been made at average costs, based on purchase cost of every single product, in respect of the lower between cost and presumable realizable value.

| ACCOUNTS RECEIVABLES | 2021        | 2020        | DELTA       |
|----------------------|-------------|-------------|-------------|
| Final Value          | 243.239.701 | 140.080.888 | 103.158.813 |

Accounts' receivables are formed by the sales credits claimed by the Group towards third parties. Those amounts are recorded net of the relevant statutory bad debt provision accrued. During the financial year we report no significant provisions for risks on trade receivables.

| ASSOCIATED COMPANIES RECEIVABLES | 2021      | 2020      | DELTA   |
|----------------------------------|-----------|-----------|---------|
| Final Value                      | 2.308.892 | 1.590.239 | 718.653 |

The associated companies' receivables operating in complementary activities' fields, are formed by sales credits claimed mainly by the parent company Fratelli Cosulich S.p.A.

| TAX RECEIVABLES | 2021      | 2020      | DELTA   |
|-----------------|-----------|-----------|---------|
| Final Value     | 2.586.399 | 1.703.065 | 883.334 |

Among the tax credits the most significant amounts are relevant to VAT credits originating from the business activity and from the tax credits for advance payments paid by the companies.

| RECEIVABLES FOR ADVANCE TAX PAYMENTS | 2021      | 2020    | DELTA   |
|--------------------------------------|-----------|---------|---------|
| Final Value                          | 1.046.322 | 426.764 | 619.558 |

The advance tax payments are relevant to inferable time differences. Their description is indicated in the explanatory notes of each consolidated company.

| OTHER ACCOUNTS RECEIVABLES | 2021      | 2020      | DELTA      |
|----------------------------|-----------|-----------|------------|
| Final Value                | 3.797.858 | 5.917.169 | -2.119.311 |

The most significant amounts are relevant to credits claimed by the parent company towards represented companies, for advanced amounts in the name and on behalf of the same companies; furthermore, in this item they are included also miscellaneous receivables due to advance payments made on behalf of suppliers and non-trade receivables.

| FINANCIAL OPERATIONS NOT BEING FIXED ASSETS | 2021       | 2020      | DELTA     |
|---|------------|-----------|-----------|
| Final Value                                 | 11.209.042 | 9.792.433 | 1.416.609 |

The item in question is attributable to investments in securities made, during the financial years, by the Group's companies. The main investments were made by Fratelli Cosulich (HK) Ltd and the Maritime Agency Saidelli S.r.l.

| CASH AND CASH EQUIVALENTS | 2021       | 2020       | DELTA      |
|---------------------------|------------|------------|------------|
| Final value               | 82.630.919 | 50.877.052 | 31.753.867 |

The balance represents the liquid assets and the existence of cash and cash valuables as at the date of the financial year's end.

The real amount relevant to the cash at banks has been checked on the base of ad-hoc reconciliation statements.

### Accruals and deferrals

| ACCRUALS AND DEFERRALS | 2021      | 2020      | DELTA    |
|------------------------|-----------|-----------|----------|
| Final Value            | 2.230.803 | 3.043.931 | -813.128 |

They measure income and charges which competence is made in advance or postponed compared to the cash collection and expenditure. Therefore, regardless of the date of payment, they correctly reflect the accrual basis of the costs and revenues.

## Net Equity

| SHARE CAPITAL | 2021      | 2020      | DELTA |
|---------------|-----------|-----------|-------|
| Final Value   | 2.000.000 | 2.000.000 | -     |

The item "Share Capital" registered in the liabilities for an amount equal to Euro 2.000.000 includes the net assets of the parent company. The capital results to be fully undersigned and paid-up. The value of net assets of other consolidated companies, together with other net equity accounting entries, has been cancelled in the consolidation report against the values of the relevant shareholdings.

| REVALUATION RESERVE | 2021      | 2020      | DELTA |
|---------------------|-----------|-----------|-------|
| Final Value         | 4.866.433 | 4.866.433 | -     |

The item includes the value of the revaluation reserve set aside on the basis of the provisions of Legislative Decree 104/2020 which allowed the possibility of revaluing one's tangible fixed assets.

The parent company Fratelli Cosulich SpA, following the preparation of a specific appraisal by a third party, has chosen to revalue some assets belonging to the buildings category, recording a specific equity reserve, and also means to opt for obtaining the recognition of the revaluation in question also for tax purposes, thus subjecting the revaluation to the substitute tax.

| LEGAL RESERVE | 2021    | 2020    | DELTA |
|---------------|---------|---------|-------|
| Final Value   | 400.000 | 400.000 | -     |

The item includes the value of the legal reserve of the holding company.

| FREE RESERVE | 2021      | 2020      | DELTA   |
|--------------|-----------|-----------|---------|
| Final Value  | 1.516.971 | 1.345.456 | 171.515 |

The item includes the value of free reserves of the holding company.

| EARNINGS CARRIED FORWARD | 2021        | 2020       | DELTA      |
|--------------------------|-------------|------------|------------|
| Final value              | 104.597.801 | 88.194.136 | 16.403.665 |

The noticed increase, compared with the retained earnings registered in the statutory financial statements 2020 of the parent company, refers to the equity effect of the cancellation accounts of subsidiaries' shareholdings, of consolidation accounts relevant to the assets held on lease, of the consolidation accounts generated by the equity evaluations of associated shareholdings.

| NEGATIVE RESERVE FOR TREASURY SHARES (HELD IN PORTFOLIO) | 2021       | 2020       | DELTA |
|--|------------|------------|-------|
| Final Value  | -6.760.000 | -6.760.000 | -     |

The negative reserve for treasury shares held in portfolio was set aside following the finalization of the acquisition of 16,900 treasury shares.

| OPERATING PROFIT (LOSS) | 2021       | 2020       | DELTA      |
|-------------------------|------------|------------|------------|
| Final Value             | 24.249.348 | 12.103.574 | 12.145.774 |

Effects on fiscal year result of parent company, coming from consolidation reports, is summarized in the attached reconciliation statement.

| THIRD PARTIES' CAPITAL AND RESERVES | 2021       | 2020       | DELTA     |
|-------------------------------------|------------|------------|-----------|
| Final Value                         | 18.426.757 | 15.838.581 | 2.588.176 |

Under this item it is indicated the share of Companies' equity belonging to third parties.

| THIRD PARTIES OPERATING PROFIT (LOSS) | 2021      | 2020      | DELTA     |
|---------------------------------------|-----------|-----------|-----------|
| Final Value                           | 5.683.524 | 3.183.664 | 2.499.860 |

Similarly to the above, under this item it is indicated the profit share obtained by the consolidation companies, belonging to third parties.

## Provision for risks and charges

| PROVISION FOR PENSION LIABILITIES | 2021    | 2020    | DELTA  |
|-----------------------------------|---------|---------|--------|
| Final Value                       | 307.980 | 237.590 | 70.390 |

The item indicates the total provision set aside on yearly basis by the parent company in favor of the employees net of utilizations.

| TAXES FUND  | 2021    | 2020    | DELTA  |
|-------------|---------|---------|--------|
| Final Value | 233.151 | 218.195 | 14.956 |

Above fund refers to the accrued accounting treatment of the tax relief relevant to the adjustments aimed to cancel the liabilities exclusively of fiscal nature, to cancel profit and losses coming from operations among companies of the Group and to evaluate the assets on lease through the financial method.

| PASSIVE FINANCIAL DERIVATIVES | 2021 | 2020   | DELTA   |
|-------------------------------|------|--------|---------|
| Final value                   | -    | 69.573 | -69.573 |

The subsidiary Link Industries S.r.l. has opted for the planning of forward purchases on a half-yearly basis of currency, entering into contracts for the purchase and sale of dollars with the main banking institutions. However, these contracts, signed for hedging purposes, are not combined with underlying goods purchase contracts.

| OTHER PROVISIONS FOR RISKS AND CHARGES | 2021      | 2020      | DELTA    |
|--|-----------|-----------|----------|
| Final Value                            | 6.178.079 | 6.681.230 | -503.151 |

The balance represents the sum of the funds set aside by the companies of the Group, which are congruous and consistent with the risks assessed at the balance sheet date. For details on the individual funds, please refer to the statutory financial statements of the individual Group companies. The most significant amount was set aside in the previous year by Fratelli Cosulich S.p.A. in order to cover the risk of potential liabilities arising from the Tecnoservice transaction.

### Reserve for severance indemnities

| SEVERANCE INDEMNITIES | 2021      | 2020      | DELTA   |
|-----------------------|-----------|-----------|---------|
| Final Value           | 3.302.028 | 3.116.388 | 185.640 |

The set aside amount represents the real debt of the companies of the Group towards the employees working at that date, net of advances paid.

The total for the Group is divided as follows:

|                              |              |
|------------------------------|--------------|
| • Fratelli Cosulich S.p.A.   | Euro 393.653 |
| • Link Industries S.p.A.     | Euro 594.671 |
| • Genesys Informatica S.r.l. | Euro 220.950 |
| • Comunico S.r.l.            | Euro 32.610  |
| • Express Adriatica S.r.l.   | Euro 65.293  |

|                                       |              |
|---------------------------------------|--------------|
| • Express S.r.l.                      | Euro 519.835 |
| • Archimede Gruden S.r.l.             | Euro 383.207 |
| • Luvitrans S.r.l.                    | Euro 154.278 |
| • Morgan4Ship S.r.l.                  | Euro 80.550  |
| • Agenzia Marittima Saidelli S.r.l.   | Euro 139.610 |
| • Cosulich Assicurazioni S.r.l.       | Euro 17.195  |
| • Catalano Cannes S.a.r.l.            | Euro 17.034  |
| • Lorma Logistic S.r.l.               | Euro 359.812 |
| • Ambro Terminal S.r.l.               | Euro 34.550  |
| • Argosy S.r.l.                       | Euro 62.696  |
| • Fratelli Cosulich LNG S.r.l.        | Euro 535     |
| • Fratelli Cosulich Monfalcone S.r.l. | Euro 6.698   |
| • Marlines S.r.l. Shipping Agency     | Euro 218.852 |

### Liabilities

| LIABILITIES DUE TO BANKS | 2021        | 2020        | DELTA      |
|--------------------------|-------------|-------------|------------|
| Final Value              | 194.366.629 | 134.164.107 | 60.202.522 |

This amount is payable within the following financial year for an amount equal to Euro 65.909.401 and the difference must be paid within the current financial year.

Short term liabilities are formed among the companies of the Group as follows:

|   |                 |
|---|-----------------|
| • Fratelli Cosulich S.p.A.                | Euro 30.804.260 |
| • Link Industries S.p.A.                  | Euro 7.824.016  |
| • Express S.r.l.                          | Euro 776.718    |
| • Sea Trend Holding S.r.l.                | Euro 256.773    |
| • Morgan4Ship S.r.l.                      | Euro 94.277     |
| • Fratelli Cosulich S.A.                  | Euro 60.023.068 |
| • Fratelli Cosulich U.S.A. Inc.           | Euro 7.740.547  |
| • Express Global International Ltd        | Euro 961.834    |
| • Fratelli Cosulich Bunkers Sing. Pte Ltd | Euro 15.232.204 |
| • Lorma Logistic S.r.l.                   | Euro 390.420    |
| • NE Logistic S.r.l.                      | Euro 110.691    |
| • Ambro Terminal S.r.l.                   | Euro 233.872    |
| • Vulcania S.r.l.                         | Euro 3.994.901  |

| LIABILITIES DUE TO OTHER LENDERS | 2021      | 2020      | DELTA    |
|----------------------------------|-----------|-----------|----------|
| Final Value                      | 7.303.472 | 8.096.068 | -792.596 |

This balance is determined by the liabilities claimed by the banks, for leasing operations in force with the companies of the Group.

| PAYABLES TO SUPPLIERS | 2021        | 2020       | DELTA      |
|-----------------------|-------------|------------|------------|
| Final Value           | 145.291.023 | 62.393.441 | 82.897.582 |

The item "Payables" includes the payables to suppliers of the Group and they result to be registered at their nominal value.

| LIABILITIES DUE TO AFFILIATED COMPANIES | 2021      | 2020      | DELTA      |
|---|-----------|-----------|------------|
| Final Value                             | 2.586.791 | 3.775.952 | -1.189.161 |

The debts, due to affiliates, are mainly trade payables of the parent company owed to companies operating in complementary business fields.

| TAX LIABILITIES | 2021      | 2020      | DELTA     |
|-----------------|-----------|-----------|-----------|
| Final Value     | 3.841.916 | 2.438.972 | 1.402.944 |

The item is including the payables of the Group owed to the Financial Administration for the income taxes relevant to the financial year of the consolidation companies, for the withholdings made on allowances paid to employees and other staff and other payables owed to the National Treasury.

| LIABILITIES DUE TO SOCIAL SECURITY INSTITUTIONS | 2021      | 2020      | DELTA   |
|---|-----------|-----------|---------|
| Final Value                                     | 2.730.785 | 1.875.175 | 855.610 |

This item refers to payables due at the end of the year to the institutions for the amounts due by the companies of the Group.

| OTHER PAYABLES | 2021       | 2020       | DELTA      |
|----------------|------------|------------|------------|
| Final Value    | 14.361.805 | 21.454.895 | -7.093.090 |

The debts indicated in this item, to be paid within 12 months, are the payables of the parent company for collections made in the name and on behalf of ship owners represented, as well as payables, owed by all consolidation companies, to the employees for the salaries accrued during the financial year but paid in the following one.

## Accruals and Deferrals

| ACCRUALS AND DEFERRALS | 2021      | 2020      | DELTA     |
|------------------------|-----------|-----------|-----------|
| Final Value            | 3.819.003 | 1.737.800 | 2.081.203 |

They measure incomes and charges which appropriate accounting period is respectively advanced and postponed in respect to the cash collection and expenditure; they are therefore, regardless of the date of payment, correctly reflecting on an accrual basis the costs and profits.

## Payables and receivables with duration of more than 5 years

Receivables with a duration over 5 years do not exist, but payables with a duration over 5 years do exist. They are, for the most, residuals of lease instalments underwritten during last years by the companies of the Group.

| DESCRIPTION                     | EXPIRING DATE | OVER 5 YEARS     |
|---------------------------------|---------------|------------------|
| Fratelli Cosulich S.p.A.        | 2032          | 279.988          |
| Fratelli Cosulich S.p.A.        | 2028          | 128.595          |
| Fratelli Cosulich S.p.A.        | 2031          | 974.232          |
| Sea Trend Holding S.r.l.        | 2036          | 1.465.597        |
| <b>Total debts over 5 years</b> |               | <b>2.848.412</b> |

## Turnover and revenues breakdown

The revenues coming from sales and services of the Group amount in total to Euro 1.523.161.893 and they are divided in the following business services:

| TURNOVER AND SERVICES  | 2021                 | 2020                 | DELTA              |
|--|----------------------|----------------------|--------------------|
| Revenue from touristic activity                                  | 743.743              | 392.776              | 350.967            |
| Revenue from catering and manning                                | 18.761.242           | 15.508.835           | 3.252.407          |
| Revenue from trading and bunkering commissions                   | 1.249.619.818        | 920.195.119          | 329.424.699        |
| Revenue and commissions from shipping activity and shipowning    | 54.660.449           | 25.248.252           | 29.412.197         |
| Revenue from freight forwarding and logistics activities         | 164.721.798          | 105.835.059          | 58.886.739         |
| Revenue from trading of insulating products and iron by-products | 32.678.597           | 27.570.424           | 5.108.173          |
| Revenue from information technology business activity            | 1.976.246            | 1.616.775            | 359.471            |
| <b>Totale Turnover and services</b>                              | <b>1.523.161.893</b> | <b>1.096.367.240</b> | <b>426.794.653</b> |

## Other revenue and extraordinary income

We highlight that during the financial year the Autonomous Region Friuli Venezia Giulia has paid by way of a contribution the sum equal to Euro 1.099.918. This contribution refers to the regional law n. 15/2004 art 21 comma 2,

providing of aid to logistics companies intending to manage maritime transport services (in our specific case) and slab rail services between the port of Monfalcone and Porto Nogaro.

### Classification of financial income and charges

The income is classified in banks interest' receivables, other financial income, exchange gain, dividends from other holdings.

| FINANCIAL INCOME | 2021       | 2020      | DELTA     |
|------------------|------------|-----------|-----------|
| Final Value      | 10.261.895 | 7.317.363 | 2.944.532 |

| FINANCIAL INCOME              | 2021              | 2020             | DELTA            |
|-------------------------------|-------------------|------------------|------------------|
| Dividends                     | 2.699.418         | 4.622.744        | -1.923.326       |
| Other financial income        |                   |                  |                  |
| Different financial income    | 4.199.279         | 2.694.619        | 1.504.660        |
| Exchange gain and losses      | 3.363.198         | -                | 3.363.198        |
| <b>Total financial income</b> | <b>10.261.895</b> | <b>7.317.363</b> | <b>2.944.532</b> |

| FINANCIAL CHARGES | 2021       | 2020       | DELTA  |
|-------------------|------------|------------|--------|
| Final value       | -4.804.450 | -4.718.135 | 86.315 |

| FINANCIAL CHARGES                   | 2021             | 2020             | DELTA         |
|-------------------------------------|------------------|------------------|---------------|
| Interests and other financial costs | 4.804.450        | 3.610.126        | 1.194.324     |
| Exchange gain and losses            | -                | 1.108.009        | -1.108.009    |
| <b>Final value</b>                  | <b>4.804.450</b> | <b>4.718.135</b> | <b>86.315</b> |

The above indicated item is composed by banks' payable interests, bank commissions and exchange differences noticed on currency entries and on derivatives contracts undersigned by subsidiaries and by financial payables linked to lease contracts following the international accounting principle n. 17 stated by IASC.

### Value adjustments to financial assets

| VALUE ADJUSTMENTS TO FINANCIAL ASSETS | 2021       | 2020       | DELTA     |
|---------------------------------------|------------|------------|-----------|
| Write-ups                             | 9.818.077  | 6.536.746  | 3.281.331 |
| Write-downs                           | -3.382.835 | -6.002.386 | 2.619.551 |

Main adjustments relate to write-downs and revaluations of investments in unconsolidated subsidiaries and associated companies determined by applying equity valuation.

### Average number of employees

In the following prospect it is indicated the average employees number of the Group:

| GROUP'S EMPLOYEES      | 2021         |
|------------------------|--------------|
| Managers               | 15           |
| Middle Managers        | 31           |
| Office Employees       | 604          |
| Seafarers              | 544          |
| <b>Total Employees</b> | <b>1.195</b> |

### Directors and Statutory Auditors' fees

The fees paid to directors of the companies of the Group are divided as follows:

|   |              |
|---|--------------|
| • Fratelli Cosulich S.p.A.                    | Euro 255.894 |
| • Link Industries S.p.A.                      | Euro 110.000 |
| • Genesys Informatica S.r.l.                  | Euro 126.000 |
| • Comunico S.r.l.                             | Euro 38.000  |
| • Express S.r.l.                              | Euro 15.000  |
| • Archimede Gruden S.r.l.                     | Euro 362.454 |
| • Luvitrans S.r.l.                            | Euro 29.783  |
| • Express Adriatica S.r.l.                    | Euro 27.400  |
| • Agenzia Marittima Saidelli S.r.l.           | Euro 26.000  |
| • Lorma Logistic S.r.l.                       | Euro 187.191 |
| • Ne Logistic S.r.l.                          | Euro 30.000  |
| • Ambro Terminal S.r.l.                       | Euro 12.000  |
| • Argosy S.r.l.                               | Euro 0       |
| • Marlines S.r.l. Shipping Agency             | Euro 504.618 |
| • Fratelli Cosulich LNG S.r.l.                | Euro 55.557  |
| • Catalano and Cosulich Shipping Services SAM | Euro 0       |
| • Fratelli Cosulich Monaco SAM                | Euro 770.000 |
| • Fratelli Cosulich (HK) Ltd                  | USD 919.987  |
| • Fratelli Cosulich Bunkers (HK) Ltd          | USD 0        |
| • Fratelli Cosulich Bunkers (S) Pte Ltd       | USD 0        |

The fees paid to the Statutory Auditors Committee of the companies of the Group are divided as follows:

|                            |             |
|----------------------------|-------------|
| • Fratelli Cosulich S.p.A. | Euro 15.000 |
| • Link Industries S.p.A.   | Euro 20.000 |



- Express S.r.l. Euro 14.560
- Archimede Gruden S.r.l. Euro 14.320
- Lorma Logistic S.r.l. Euro 12.000
- Marlines S.r.l. Shipping Agency Euro 7.800

#### Dividend-right shares and bonds issued by the company

No company of the Group has issued dividend-right shares and bonds convertible in shares, securities or similar values.

#### Grouping of items

We underline that the company has not made any grouping of items preceded by Arabic numerals, as, instead, optionally foreseen by art 2423 ter. of the Italian Civil Code.

#### Belonging to various items

We underline that there is no element in receivables and payables belonging to more than one item of the balance sheet scheme.

#### Additional information

This consolidated balance sheet, formed by statement of assets and liabilities, income statement and explanatory notes, represents in a real and correct way the shareholders equity and the financial statement as well as the net profit of the financial year referred to the consolidation companies. It complies with accounting books and records of the subsidiaries and with the financial statements edited by the companies included in the scope of consolidation.

We attach to the explanatory notes the following documents:

- reconciliation statement between the net profit and net assets of the holding company and the values of the consolidated balance sheet
- consolidated reclassified balance sheet
- consolidated reclassified income statement

Genoa, 10<sup>th</sup> June 2022

The Chairman of the Board of Directors  
Cav. Lav. Augusto Cosulich

## NET PROFIT AND NET EQUITY OF FRATELLI COSULICH S.P.A. AND THE GROUP

The Reconciliation statement, for the financial year closed as at 31<sup>st</sup> December 2021, between net assets and net profit registered in the Statutory Financial Statements of the holding company Fratelli Cosulich S.p.A. and the equal balance data, is the following:

#### Reconciliation statement between net profit and net equity of Fratelli Cosulich S.p.A. and the Group

| DESCRIPTION                                   | NET ASSETS 2021 | RESULT 2021 |
|---|-----------------|-------------|
| Financial statement Fratelli Cosulich S.p.a.  | 23.152.268      | 3.027.989   |
| Subsidiaries' equity cancellation             | 84.412.639      | 16.073.979  |
| Associates equity evaluation and other shares | 24.409.856      | 6.211.398   |
| Leasing indexation as per law 17              | 3.522.776       | 254.908     |
| Intragroup elisions                           | -688.836        | -188.836    |
| Intragroup margins' adjustments               | -46.606         | -5.054      |
| Deferred tax adjustments                      | -584.329        | 0           |
| Provision for risks on receivables            | -3.307.215      | -1.125.036  |
| Net equity and Group's profit                 | 130.870.553     | 24.249.348  |
| Net equity and third parties' profit          | 24.110.281      | 5.683.524   |
| Net equity and total profits                  | 154.980.834     | 29.932.872  |

FRATELLI COSULICH GROUP CONSOLIDATED FINANCIAL STATEMENT AS AT 31<sup>ST</sup> DECEMBER 2021

| ASSET AND LIABILITY STATEMENT (data in thousands of Euro) | 31.12.2021     | 31.12.2020     |
|---|----------------|----------------|
| Intangible fixed assets                                   | 8.114          | 5.170          |
| Tangible fixed assets                                     | 116.165        | 90.467         |
| Shareholdings and other financial fixed assets            | 59.511         | 52.446         |
| <b>Fixed capital</b>                                      | <b>183.791</b> | <b>148.083</b> |
| Stocks  | 6.383          | 5.839          |
| Receivables   | 252.979        | 149.718        |
| Accruals and deferrals                                    | 2.231          | 3.044          |
| short term current assets                                 | 261.593        | 158.601        |
| Liabilities   | -168.812       | -91.938        |
| Accruals and deferrals                                    | -3.819         | -1.738         |
| short term current liabilities                            | -172.631       | -93.676        |
| <b>Net capital</b>  | <b>88.962</b>  | <b>64.925</b>  |
| Employees severance                                       | -3.250         | -3.116         |
| Other medium-long term liabilities (risk fund)            | -6.771         | -7.207         |
| <b>Net invested capital</b>                               | <b>262.731</b> | <b>202.685</b> |
| Group's net equity  | 130.871        | 102.150        |
| Third parties' net equity                                 | 24.110         | 19.022         |
| Shareholders' funding                                     | -              | -              |
| Medium/long term financial borrowing                      | 71.938         | 38.568         |
| Short term financial net position                         | 35.812         | 42.945         |
| <b>Own equity and financial debts</b>                     | <b>262.731</b> | <b>202.685</b> |

FRATELLI COSULICH GROUP CONSOLIDATED FINANCIAL STATEMENT RECLASSIFIED AS AT 31<sup>ST</sup> DECEMBER 2021

| INCOME STATEMENT (data in thousands of Euro)                         | 31.12.2021       | 31.12.2020       |
|--|------------------|------------------|
| Turnover and services  | 1.523.162        | 1.096.367        |
| Other income and revenues  | 9.117            | 8.676            |
| <b>Value of production</b>   | <b>1.532.279</b> | <b>1.105.043</b> |
| Consumption of raw materials and consumable stores                   | -1.262.699       | -922.655         |
| Services   | -187.330         | -116.072         |
| Other management and operating expenses                              | -4.562           | -5.637           |
| <b>Added value</b>   | <b>77.687</b>    | <b>60.679</b>    |
| Personnel costs  | -39.588          | -34.254          |
| <b>EBITDA</b>  | <b>38.099</b>    | <b>26.425</b>    |
| Amortization, depreciation and impairment                            | -13.124          | -9.211           |
| Provisions   | -136             | -572             |
| <b>EBIT</b>  | <b>24.839</b>    | <b>16.642</b>    |
| Financial income and charges   | 11.893           | 3.134            |
| <b>Profit or loss before taxes</b>                                   | <b>36.732</b>    | <b>19.776</b>    |
| Income taxes   | -6.799           | -4.488           |
| <b>Profit or loss before interests of shareholding third parties</b> | <b>29.933</b>    | <b>15.287</b>    |
| Profit or loss due to shareholding third parties                     | 5.684            | 3.184            |
| <b>Group's share of net profit</b>                                   | <b>24.249</b>    | <b>12.104</b>    |

## Management report

Messrs. Shareholders,

We submit herewith for your approval, the Financial Statements of your Company as at 31<sup>st</sup> December 2021. The financial year has closed with a positive outcome, before the tax allowance equal to Euro 36.731.536 and decreasing to Euro 24.249.348 after the tax allowance of the business year equal to Euro 6.798.664 and due to the profit of third parties equal to Euro 5.683.524.

### THE GROUP

As at this Balance Sheet reference date the Group is formed by the following subsidiaries:

- Argosy S.r.l.
- Fratelli Cosulich Unipessoal S.A.
- Fratelli Cosulich Europe Cons. Econ. And Part. Lda
- Fratelli Cosulich Middle East DMCC
- Fratelli Cosulich USA LLC
- Fratelli Cosulich Greece SMPC
- Fratelli Cosulich Monaco SAM (ex Chemoil Monde-Export SAM)
- Express Global International Ltd
- Catalano & Cosulich Shipping Services SAM
- Catalan & Cosulich Shipping Services Cannes Sarl
- Coscat SCIM
- Coscat Cannes SCI
- La Route du Sud SAM
- Agence Maritime Tropezienne Sarl
- Monte-Carlo Rent@Car Sarl
- Menton Car Service Sarl
- Fratelli Cosulich Turkey Ltd
- Fratelli Cosulich Comercio and Servicios Ltda
- Fratelli Cosulich (HK) Ltd
- Fratelli Cosulich Bunkers (HK) Ltd
- Fratelli Cosulich Bunkers (S) PTE Ltd
- Arco Denizcilik Servis A.Ş.
- Cosulich Assicurazioni S.r.l.
- Lorma Logistic S.r.l.
- NE Logistic S.r.l.

- Ambro Terminal S.r.l.
- Sea Trend Holding S.r.l.
- Morgan4Ship S.r.l.
- Vulcania S.r.l.
- Pimlico Shipping Ltd
- Link Trading (HK) Ltd
- Beijing Ltd Trading Links
- Fratelli Cosulich LNG S.r.l.
- Fratelli Cosulich LNG 2 S.r.l.
- Fratelli Cosulich Monfalcone S.r.l.
- Marlines S.r.l. Shipping Agency

Concerning the year just ended, it should be noted that the companies Takoradi Catering Company Ltd, Officine Elettro Meccaniche S.r.l., Geos S.r.l., Catalano Shipping Services Indonesia PMA, Catalano Shipping Services NZ Ltd, are not included in the consolidation area as they have been liquidated or are under of liquidation, inactive or not yet considered relevant for the corporate purpose and/or non-material balance sheet values, compared to the consolidated data.

Fratelli Cosulich Monfalcone S.r.l., Fratelli Cosulich LNG S.r.l and Fratelli Cosulich LNG 2 S.r.l., the newly established Fratelli Cosulich Greece SMPC and the company Marlines S.r.l. Shipping Agency, for which 80% of the shares were acquired at the beginning of 2021, all entered the scope of full consolidation during the year just ended.

As you know, the main activity of the Group is linked to the bunker broking and trading activities.

Wishing to make a short recap of the activities developed by the companies included in the consolidation area, they can be summarized as follows:

- Bunker trading activities carried out by Fratelli Cosulich Unipessoal SA, Fratelli Cosulich Bunkers (HK) Ltd, Fra-

telli Cosulich S.p.A, Fratelli Cosulich Bunkers (S) PTE Ltd, Chemoil Monde Export SAM; Fratelli Cosulich Middle East DMCC, Fratelli Cosulich USA LLC.

- Shipping activity, carried out by Fratelli Cosulich Bunkers (S) Pte Ltd through the management of owned vessels chartered by time charter in the port of Singapore to the main oil majors, by Pimlico Shipping Ltd through time charter contracts of M / V Vulcania, as well as from Vulcania S.r.l. with the purchase and rental to bare boats of three units used by the Metinvest Group for the transport of steel slabs in the Black Sea and the Mediterranean.
- Activities related to maritime services, from maritime recommendation to the management of scheduled services provided by represented shipping companies, to national and international shipments, to the management of road transport of containers, to the management of crews, to the brokerage service on bunkers, to the on-board catering and administrative service, to finish the activity relating to air, passenger and tourist transport, carried out by the parent company Fratelli Cosulich S.p.A. and by the subsidiaries Fratelli Cosulich Comercio and Servicios Ltda, Agenzia Marittima Saidelli Srl, Express Global International Ltd, Catalano & Cosulich Shipping Services SAM and its subsidiaries, Fratelli Cosulich Turkey Ltd, Arco Denizcilik Servis A.Ş, La Route du Sud SAM, Express S.r.l. and Express Adriatica S.r.l., Lorma Logistic S.r.l., NE Logistic S.r.l., Ambro Terminal S.r.l., Fratelli Cosulich Monfalcone S.r.l. and Marlines S.r.l. Shipping Agency.
- Trading of raw materials, including insulating materials and iron derivatives, carried out by Link Industries S.p.A., by Link Trading (Beijing) Ltd.
- Insurance brokerage activities carried out by Cosulich Assicurazioni S.r.l.
- Genesys Informatica S.r.l. and Comunico S.r.l. concentrate their activities in the IT sector, with particular reference to the trade and installation of hardware and software products, as well as consultancy and design activities in the sectors as mentioned above and customized business intelligence and data management solutions

### Operating Results Table (period 1<sup>st</sup> January – 31<sup>st</sup> December)

| DESCRIPTION  | 2021                 | 2020                 | CHANGE %   |
|--|----------------------|----------------------|------------|
| <b>A. REVENUES</b>   | <b>1.523.161.893</b> | <b>1.096.367.240</b> | <b>39%</b> |
| Other revenues   | 9.117.305            | 8.675.686            | 5%         |
| <b>B. VALUE OF OF PRODUCTION</b>                               | <b>1.532.279.198</b> | <b>1.105.042.926</b> | <b>39%</b> |
| Cost for services and purchase of raw materials                | -1.262.969.165       | -918.895.457         | 37%        |
| Cost for services and performance of services by third parties | -187.330.354         | -116.072.148         | 61%        |
| <b>C. VALUE ADDED</b>  | <b>81.979.679</b>    | <b>70.075.321</b>    | <b>17%</b> |
| Labor Cost   | -39.588.127          | -34.253.732          | 16%        |
| Cost for leased assets   | -2.886.534           | -2.724.067           | 6%         |
| Other operating expenses                                       | -1.405.783           | -6.672.469           | -79%       |
| <b>D. GROSS OPERATING MARGIN (M.O.L.)</b>                      | <b>38.099.235</b>    | <b>26.425.053</b>    | <b>44%</b> |
| Depreciation and amortization                                  | -13.260.386          | -9.783.038           | 35%        |
| <b>E. OPERATING RESULT (M.O.)</b>                              | <b>24.838.849</b>    | <b>16.642.015</b>    | <b>49%</b> |
| Final income and expenses                                      | 5.457.445            | 2.599.228            | 110%       |
| Value adjustments of financial assets                          | 6.435.242            | 534.360              | 1104%      |
| <b>F. RESULT BEFORE TAXES</b>                                  | <b>36.731.536</b>    | <b>19.775.603</b>    | <b>86%</b> |
| Income tax for the year  | -6.798.664           | -4.488.365           | 51%        |
| <b>G. NET RESULT OF THE FINANCIAL YEAR</b>                     | <b>29.932.872</b>    | <b>15.287.238</b>    | <b>96%</b> |

### GENERAL TREND

The year just ended recorded a 39% increase in the value of production, which went from Euro 1.105.042.926 to Euro 1.532.279.198. This increase in turnover on an annual basis is due to various factors mainly attributable to the rise in volumes in almost all business areas of the Group, to the increase in the price of the marine fuel compared to 2020, and about 4% is determined by the effect of the average euro-dollar exchange rate.

The purchase of goods and raw materials for the year amounted to Euro 1.262.969.165 and recorded an increase of 37% compared to the values at the end of 2020 for the same reasons described for the value of production.

The costs for services and services for the year amounted to Euro 187.330.354 and recorded an increase of 61% compared to the values recorded at the end of 2020. This increase is mainly generated by the inclusion in the consolidation area of new subsidiaries and obviously by the rise in the cost of services related to marine fuel trading and the effect caused by the average exchange rate change.

The added value recorded an increase of 17% compared to the same period of 2020, which had already registered an increase of 18% compared to 2019. Therefore continues the trend of organic growth that started with the expansion policies planned and implemented by management in the previous two years.

Labour costs increased by 16% compared to the same period in 2020.

Other operating expenses, including the item relating to the change in inventories of raw materials and goods, recorded a significant decrease compared to 2020, which was influenced by the change in business model of Fratelli Cosulich Bunkers Singapore, where we no longer hold any inventory and therefore had an extraordinary and non-recurrent cost in 2020.

The gross operating margin went from 26.425.053 euros in the previous year to 38.099.235 euros in 2021, with an increase of 44%.

The operating margin went from a value of 16,642,015 euros in the previous year to a positive result of 24.838.849 euros in 2021.

Financial management, despite the increase in financial charges accounted for around € 1.194.000, benefits from the positive effect recorded on the valuation of the securities in the portfolio, from the closing of a Euro Dollar hedging operation on the financing of the first LNG barge, which generated a profit of approximately 1.885.000 euros, to the valuation at the equity value of the investments in associated companies.

Furthermore, this year, unlike what occurred in 2020 and given the trend of the Euro / USD ratio, there is a significant positive effect, equal to approximately 4.375.000 euros generated by positions in foreign currencies at the end of the year.

The result of financial management, therefore, increased from an overall profit of Euro 3.133.588 recorded in 2020 to a profit of Euro 11.892.687 in the year just ended.

The pre-tax result is equal to Euro 36.731.536 against Euro 19.775.603 in 2020.

The consolidated result (Group + third parties) goes from Euro 15.287.238 in 2020 to Euro 29.932.872 in 2021.

The Group result went from Euro 12.103.574 in 2020 to Euro 24.249.348 in 2021.

The Group's net assets went from Euro 102.149.599 in 2020 to Euro 130.870.553 this year.

Consolidated shareholders' equity (Group + third parties) goes from Euro 121.171.844 in 2020 to Euro 154.980.834 this year.

At the end of the 2021 financial year, the Group's employees numbered 1.195.

The summary of the main values of the last two years makes it possible to compare the most significant data for the year 2021, appropriately reclassified for management purposes.

As occurred in 2020, compared to the values recorded in 2019, the year just ended also recorded a Group operating result that grew by approximately 50% compared to the previous year, with significant development in almost all business units.

One of the most significant increases is the growth in the value of production in the agency-shipping-transport sector, with the excellent performances linked to the Express S.r.l. and Archimede Gruden S.r.l., the explosion of sea freight rates in the bulk sector, which generated a significant increase in the result in the subsidiaries Vulcania S.r.l. and Pimlico Shipping Ltd, for which we must report the signing of a Time Charter contract with an important Japanese charterer which, from October 2021 for the next 24 months, will guarantee a net daily rate of USD 22.000. Finally, note the historical performance of the subsidiary Link Trading S.p.A. which doubles the already excellent operating results of 2020.

Despite the residual effects of the pandemic, even the sectors most affected in the past linked to the tourism sector, business travel, cruises and catering, carried out for passenger ferries and the related logistics and warehouse activities dedicated to these, recorded a net improvement of the operating result.

With regard to marine fuel trading, the high margins observed at the end of 2019 and in early 2020 (mostly generated by the introduction of the IMO Sulphur Cap) reverted back to more "standard" margins in the second half of 2020 and in 2021. Last year's result for the Marine Fuel Business Unit was therefore consistent with those achieved in the years before 2019. It should be noted that during the first months of 2022, due to strong international tensions, speculative effects again pushed the margins of the business unit decisively upwards.

The turnover of "Trading of Marine Fuel", the Group's main activity, at the end of the year, amounted to approximately 1.249 million euros compared to approximately 920 million in 2020.

The tons of trading processed in 2021 aligned with those processed in the previous year and amounted to approximately 4 million.

The same is spread over all geographical areas, main world markets, and ports, thanks to the coverage guaranteed by the corporate structure.

Throughout 2021, the exchange ratio went from a price of 1.2271 on 12/31/2020 to 1.1326 on 12/31/2021.

The average exchange rate, most relevant for assessing the economic effect, went from 1.1422 in 2020 to 1.1827 in 2021.

Analyzing only the result of financial management, compared to that recorded in 2020, a net improvement is noted mainly due, despite the decrease in dividends from associated companies and an increase in interest expense, to the increase in financial income for the invoicing of interest assets to associated companies, income associated with the closure of a foreign exchange hedging transaction, an improvement in the yield of investment funds held and the positive effect generated by the exchange differences recognized at year-end on the companies' dollar positions of the Group.

The main adjustments to the value of financial assets relate to the revaluation and write-down of equity investments in associated companies, determined by the equity valuation of the same. There is a significant improvement on this item compared to the numbers shown in the 2020 financial statements due to the prevalence of significant profits compared to dividends collected from associates. From the equity valuation of the associated companies, there is a positive effect of € 6.4 million, determined by the difference between the write-down generated by the distribution of dividends and the revaluation calculated on a pro-rata basis on the profits made in 2021.

For more details, see the statutory financial statements of the consolidated companies.

Income taxes for the year recorded in 2021 amounted to Euro 6.798.664, a marked increase compared to the amount recorded in 2020 of Euro 4.488.365.

Finally, we must always remember the economic effect of the existing leasing contracts on operating costs. For this evaluation, please refer to the specific tables included in the explanatory notes.

## ANALYSIS OF ASSETS AND LIABILITIES

We have prepared some reclassification prospects to supply a complete informative report on the financial and economical position of the Group Fratelli Cosulich S.p.a.

Here below you will find the report covering the economical trend of financial year 2021, and relevant comparison with year 2020:

### Profitability Indexes

| DESCRIPTION                       | 2021                 | 2020                 | CHANGE %   |
|-----------------------------------|----------------------|----------------------|------------|
| <b>VALUE of PRODUCTION</b>        | <b>1.532.279.198</b> | <b>1.105.042.926</b> | <b>39%</b> |
| Costs for purchases and personnel | -1.489.887.646       | -1.069.221.337       | 39%        |
| Depreciation                      | -9.855.625           | -8.354.229           | 18%        |
| Write-downs                       | -3.367.261           | -1.428.809           | 136%       |
| Other net operating costs         | -4.292.317           | -9.396.536           | -54%       |
| <b>Operating Margin</b>           | <b>24.838.849</b>    | <b>16.642.015</b>    | <b>49%</b> |
| Financial net income (loss)       | 11.892.687           | 3.133.588            | 280%       |
| Income Taxes                      | -6.798.664           | -4.488.365           | 51%        |
| <b>NET RESULT</b>                 | <b>29.932.872</b>    | <b>15.287.238</b>    | <b>96%</b> |

| DESCRIPTION                   | 2021  | 2020  |
|-------------------------------|-------|-------|
| R.O.E. (return on equity)     | 19,3% | 12,6% |
| R.O.I. (return on investment) | 16,3% | 10,3% |
| R.O.S. (return on sales)      | 2,0%  | 1,4%  |

Profitability indexes supply information on the Company's income performance.

Return on equity (R.O.E.) obtained by comparing net result to owners' equity, shows the profitability referred to the invested capital as risk capital.

Return on Investment (R.O.I.), obtained by comparing EBITDA to the invested capital, shows the profitability deriving from activities employment in the company.

The Return on Sales (R.O.S.) is obtained by comparing operating margin and the turnover.

The table below highlights the capital structure in the perspective of revenues and expenditures and the percentage of coverage of the invested capital by Shareholders' equity.

| DESCRIPTION                             | 2021               | 2020               | CHANGE %    |
|---|--------------------|--------------------|-------------|
| <b>EXPENDITURES</b>                     |                    |                    |             |
| Non-current assets                      | 183.870.236        | 148.160.416        | 24%         |
| Non-current liabilities                 | 81.959.664         | 48.891.419         | 68%         |
| <b>Structure's margin</b>               | <b>101.910.572</b> | <b>99.268.997</b>  | <b>3%</b>   |
| Inventories - work in progress to order | 6.383.336          | 5.839.273          | 9%          |
| Trade receivables                       | 245.548.593        | 141.671.127        | 73%         |
| Trade payables                          | -147.877.814       | -66.169.393        | 123%        |
| Other assets (liabilities) net current  | -15.092.127        | -17.722.044        | -15%        |
| Debt ( cash) sinancial debt             | -35.891.726        | -43.022.247        | -17%        |
| <b>Net working capital</b>              | <b>53.070.262</b>  | <b>20.596.716</b>  | <b>158%</b> |
| <b>Total invested capital</b>           | <b>539.303.508</b> | <b>367.431.230</b> | <b>47%</b>  |
| <b>REVENUES</b>                         |                    |                    |             |
| Shareholders' equity                    | 154.980.834        | 121.171.844        | 28%         |
| Coverage                                | 29%                | 33%                |             |

### Financial position

The net debt load at 31 December 2021, which consistency is compared, for due info, to the corresponding data at 31 December 2020, is showed hereunder.

| DESCRIPTION                                 | 2021               | 2020              | CHANGE %   |
|---|--------------------|-------------------|------------|
| Short-term financial liabilities            | 129.731.687        | 103.691.732       | 25%        |
| Financial debt in the medium to long term   | 71.938.414         | 38.568.443        | 87%        |
| Cash or equivalent                          | 93.919.513         | 60.747.166        | 55%        |
| <b>DEBTS AGAINST BANKS AND SHAREHOLDERS</b> | <b>107.750.588</b> | <b>81.513.009</b> | <b>32%</b> |
| Receivables from parent company             | 1.400.000          | 1.180.000         | 19%        |
| Other financial receivables                 | 4.868.263          | 4.721.136         | 3%         |
| <b>Financial loans and securities</b>       | <b>6.268.263</b>   | <b>5.901.136</b>  | <b>6%</b>  |
| <b>NET DEBT</b>                             | <b>101.482.325</b> | <b>75.611.873</b> | <b>34%</b> |

### Main risks and uncertainties

We do not remark, by present knowledge of management and on the basis of business trend, any risk situation for the business continuity.

In the current financial year, the available indicators, thanks to a mechanical, balanced and exhaustive analysis of the Company's situation, allow forecasting that she will maintain a satisfactory success on the reference market.

### Credit risk

Credit risk represents the Group's exposure to potential losses resulting from the non-fulfillment of the obligations,

both commercial and financial, assumed by the counterparties. To mitigate this risk, the Group has put in place various internal procedures.

Extensions of payment are granted only to customers of proved solvency, dunning letters are punctually sent, also for the purpose to ascertain in good time possible financial straits of the customers. Finally, measures for the coercive credit collection are promptly taken, in case of failures to pay.

### **Market Risk and Exchange-rate Risk**

Market risk represents the risk deriving from the use of financial instruments and/or fluctuations of future financial flows, for prices or exchange-rates or interest rates variations.

The Company is exposed to the risk of fluctuation of exchange-rates and especially of exchange rate US Dollar/Euro.

This risk is attenuated by a careful management of treasury.

### **Liquidity risk**

We report that:

- There are debt instruments or other lines of credit for facing the needs of liquidity;
- The Group owns deposits c/o banks for satisfying the need of liquidity;
- There is not significant concentration of liquidity risk both from the financial activities' point of view and from the financing sources.

The liquidity risk, in short, is monitored by a careful management policy on treasury and by an appropriate availability of lines of credit put at our disposal by the banks.

### **Risk on interest rates**

The risk on interest rate to which the Company is exposed is exclusively produced by short and long-term bank financings that for the most provide with a variable rate application.

The Directors punctually monitor rates trend with the aim of adopting the most suitable financial strategies.

### **Information on staff and work environment**

In consideration of the social role played by the company, as highlighted also by the document of the National Council of Chartered Accountants and Accounting Experts relating to the management report, it is considered

appropriate to provide the following information relating to the working environment and personnel.

The Group carries out its business in compliance with current legislation on labor and the environment.

For some years now, the company has set itself the goal of outlining the directives for setting up a model aimed at safeguarding and growing a culture of safety in the workplace, also from the point of view of prevention a culture aimed at respecting the environment, defending against pollution in all its forms and managing the environmental impacts deriving from its activities.

In particular, we point out that during the year there were no deaths at work of the personnel registered in the matriculation register, nor were there any serious accidents at work that resulted in serious or very serious injuries to the personnel registered in the employee register for which it was ascertained. a corporate responsibility.

Furthermore, during the year, no charges were recorded in relation to occupational diseases on employees or former employees and legal actions due to "mobbing" for which the company was declared responsible.

Finally, we specify that no damage has ever been caused to the environment in carrying out the corporate purpose.

### **Code for personal data protection**

As far as the Italian and European subsidiaries are concerned, the Group has undertaken a series of actions to comply with the European Regulation on the "protection of personal data" GDPR (679/2016), starting from the operating model adopted in the field of privacy based on Legislative Decree 196/2003, with the ultimate goal of compliance with regulatory requirements.

After a survey and mapping of personal data processing and risk level assessments, the following activities were carried out:

Adoption of a "Manual on the protection of personal data" defined by the Parent Company;

Analysis and assessment of the impacts of the New Regulation on the current organizational and operational model (also in terms of existing IT systems) adopted in the field of privacy and definition of an Organizational Structure regarding personal data;

Creation and adoption of information for all interested parties;

Implementation of a Risk Assessment, DPIA and adoption of registers for any possible Data Breach.

Action plan and implementation of IT control and security systems (e.g. policies for information security, access control to systems and applications, development and maintenance of infrastructure systems, detection and management of vulnerabilities, management of accidents etc).

### Consolidated Act for safety and prevention of work accidents

The Group of companies, as far as Italian activities are concerned, has met all obligations set in the new Consolidated Act n. 81/08 for safety and prevention of accidents at work.

With this aim, we have identified the empowered person as delegated party for the coordination of the safety matters. This person has been adequately empowered for all needed actions in compliance to the regulations in force and the maintenance of prescribed safety standards.

The proxy has been regularly recorded at Genoa Public Register of Companies.

The Company has also appointed the Prevention and Protection Service Managers of the various branches and updating of the Risk Evaluation Document within the terms stated by the above mentioned Consolidated Act has been performed.

### Certification Quality Management System UNI EN ISO 9001:2015

Through the visits of RINA which took place on 22<sup>nd</sup> November 2021 c/o the Genoa Office and the same day, in videoconference, c/o the Trieste Headquarter, Fratelli Cosulich has ratified the passage to the new regulation ISO 9001 2015 and got the new certificate expiring on January 2024.

### Investments and Research and Development activities

As per art 2428, comma 2, number 1 of the Italian Civil Code, we state that there are no research and development activities to be reported, being significant for the Group's performance.

### Costs and revenues

The value of production at 31<sup>st</sup> December 2021 has been equal to Euro 1.532.279.198 and it is splitted as follows:

| VALUE OF PRODUCTION                                       | 2021                 | 2020                 | CHANGE %           |
|---|----------------------|----------------------|--------------------|
| Revenues from touristic business                          | 743.743              | 392.776              | 350.967            |
| Catering and Manning revenues                             | 18.761.242           | 15.508.835           | 3.252.407          |
| Bunker trading revenues and bunker fees                   | 1.249.619.818        | 920.195.119          | 329.424.699        |
| Ship-owning and shipping agency revenues                  | 54.660.449           | 25.248.252           | 29.412.197         |
| Revenues from freight forwarding and logistics activities | 164.721.798          | 105.835.059          | 58.886.739         |
| Insulated materials and iron products trading revenues    | 32.678.597           | 27.570.424           | 5.108.173          |
| IT revenues   | 1.976.246            | 1.616.775            | 359.471            |
| Stock changes   | 146.933              | 75.752               | 71.181             |
| Other revenues  | 8.970.372            | 8.599.934            | 370.438            |
| <b>Total value of production</b>                          | <b>1.532.279.198</b> | <b>1.105.042.926</b> | <b>427.236.272</b> |

The total costs recorded during the financial year 2021 have been Euro 1.507.440.349 as per below detail:

| COSTS OF PRODUCTION                            | 2021                 | 2020                 | CHANGE %           |
|--|----------------------|----------------------|--------------------|
| For the purchase of services and raw materials | 1.262.969.165        | 918.895.457          | 344.073.708        |
| For third parties' services                    | 187.330.354          | 116.072.148          | 71.258.206         |
| For leasing of assets                          | 2.886.534            | 2.724.067            | 162.467            |
|  |                      |                      | 0                  |
| Wages and salaries                             | 31.043.097           | 25.900.282           | 5.142.815          |
| Social security contributions                  | 6.196.527            | 5.086.624            | 1.109.903          |
| Staff leaving indemnity                        | 1.188.433            | 895.146              | 293.287            |
| Pension liabilities and similar                | 334.058              | 369.018              | -34.960            |
| Other personnel costs                          | 826.012              | 2.002.662            | -1.176.650         |
|  |                      |                      | 0                  |
| Amortization for intangible assets             | 2.485.346            | 1.178.099            | 1.307.247          |
| Amortization for tangible assets               | 7.370.279            | 7.176.130            | 194.149            |
| Other assets' write-down                       | 37.500               | 0                    | 37.500             |
| Bad debts provision                            | 3.230.996            | 856.568              | 2.374.428          |
| Change of raw materials and goods stock        | -269.861             | 3.759.799            | -4.029.660         |
| Provisions for risks                           | 136.265              | 572.241              | -435.976           |
| Other provisions                               | 0                    | 0                    | 0                  |
| Other management charges                       | 1.675.644            | 2.912.670            | -1.237.026         |
| <b>Total costs of production</b>               | <b>1.507.440.349</b> | <b>1.088.400.911</b> | <b>419.039.438</b> |

### EMPLOYEES

In the following scheme you will find the average number of employees of the Group, divided into categories:

| GROUP'S EMPLOYEES     | 2021         |
|-----------------------|--------------|
| Executives            | 16           |
| Managerial staff      | 31           |
| Staff employees       | 604          |
| Crew                  | 544          |
| <b>Total manpower</b> | <b>1.195</b> |

### AMORTIZATION AND STAFF LEAVING INDEMNITY

As far as amortizations are concerned, they are calculated on the base of tax rates representing the economic-technical life of incomes.

The staff leaving indemnity fund represents the Group's debt as such on the base of actual laws and contracts in force.



**Relationship with subsidiaries and affiliates**

Commercial dealings with subsidiaries and affiliates, if existent, are made at normal cost values or at market conditions.

Please see explanatory note for economic/financial dealings with subsidiaries and affiliates.

During the Business year, the Company has maintained commercial relations with subsidiaries and affiliates. Such relations, not including non-standard and/or unusual operations, are ruled by average market conditions.

**Investments**

The logistics linked to the steel sector are carried out with the subsidiary Vulcania S.r.l. which has seen the Group's investment policy in naval assets continue during the year 2021, with the purchase of the M/V Tzarevna, the M/V Metallica and the M/V Stellina.

In Singapore, the fleet renewal policy continues, which to date has six barges to guarantee ships technically suited to the charter requests of the oil majors.

In May 2021, an agreement was reached for the sale of the M/V Teresa Cosulich in January 2022, while in November 2021, the M/V Margherita Cosulich bunker tanker of 8000 DWT was purchased, which will enter the fleet in the course of 2022, replacing the M/V Patrizia Cosulich sold at the same time to Vitol.

Concerning the activities related to the steel market, the acquisition by the Trasteel Group, controlled from 2020 to 36.95% of a new industrial company located in Serbia Yugotub D.o.o. dedicated to producing precision welded steel tubes, this company will be the driving force for further investments in this sector in the coming years.

Finally, to underline the acquisition by the shipping Group based in the Balkans, the acquisition of TPG Logistika D.o.o., based in Koper, by the associate Express Global Slovenia. This acquisition should allow the further development of expeditionary activities in the Balkan area and all countries with Germanic influence.

**Treasury Shares/shares of Parent Companies**

During the 2021 financial year, no new purchase of own shares was finalized. Only the operation carried out in 2020 remains, with the purchase of treasury shares for a total amount of 6.760.000 euros.

**Notable events occurred after financial year's closure**

Regarding the year 2022, despite the effects in the first half of the year derived from the Ukrainian conflict, the operating trend is expected to grow compared to 2021.

Finally, it should be noted that in the first months of 2022, the company confirmed the new investment of ap-

proximately 45.000.000 USD and signed a second order with the Chinese shipyard "CIMC SOE shipyard" for the construction of a sister ship. LNG Bunkering Vessel of 5.300 DWT capable of transporting more than 8,000 m<sup>3</sup> of LNG and over 500 m<sup>3</sup> of MGO for the bunker.

**Operational/Business/Management Outlook**

While we push you to look at the Explanatory Notes and Balance Sheets of the single consolidated companies for getting more accurate analysis, we herewith grant and ensure that we will continue to work in order to improve the management, through the rationalization of the operative structure, the costs and the investments, by motivating and sensitizing the personnel and the staff, essential for getting our objectives.

Dear Shareholders,

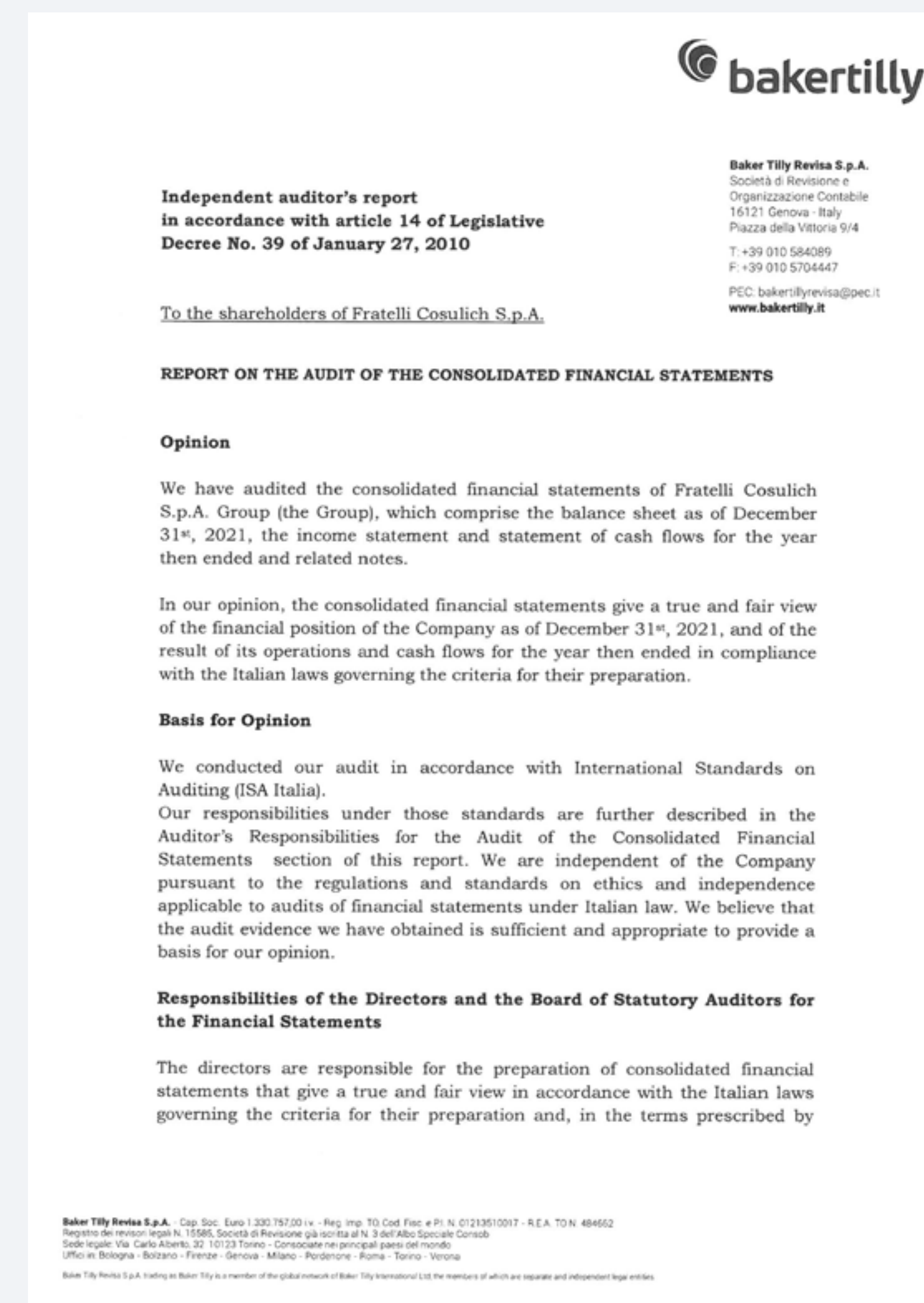
we suggest then to approve the consolidated financial statements for the financial year 2021, closing with a net Group's profit equal to Euro 24.249.348.

Genoa, 10 June 2022

**The Chairman of the Board of Directors**

Cav. Lav. Augusto Cosulich

## Auditors' report





law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the holding company Fratelli Cosulich S.p.A. or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud



may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient and appropriate audit evidence on the financial information of the companies or of the various economic activities carried out within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit engagement. We are solely responsible for the audit opinion on the consolidated financial statement.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



including any significant deficiencies in internal control that we identified during our audit.

**REPORT ON COMPLIANCE WITH OTHER LAWS AND REGULATIONS**

**Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10**

The directors of Fratelli Cosulich S.p.A. are responsible for preparing a report on operations of Fratelli Cosulich S.p.A. as of December 31<sup>st</sup>, 2021, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Fratelli Cosulich Group as of December 31<sup>st</sup>, 2021 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of Fratelli Cosulich Group as of December 31<sup>st</sup>, 2021 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Genova, June 10, 2022

Baker Tilly Revisi S.p.A.  
  
 Davide Trincheri  
 Partner

*This report has been translated into English from the Italian original solely for the convenience of international readers*

## Group companies

### Marine Fuel and LNG



### Freight Forwarding and Logistics



### Shipping Agency



**Yachting****Catering and Marine Offshore Personnel****Vulcania****Shipowning****Warehouse and Logistic services****Business and Leisure travel****Trade and Manufacturing****IT Business****Insurance Activities**

08

**2021 PARENT COMPANY  
FINANCIAL STATEMENT**

## Balance sheet

| ASSETS   | 31/12/2021        | 31/12/2020        | LIABILITIES  | 31/12/2020         |
|--|-------------------|-------------------|--|--------------------|
| <b>B. FIXED ASSETS</b>                         |                   |                   | <b>A. NET EQUITY</b>                                 |                    |
| I INTANGIBLE ASSETS                            |                   |                   | I Share capitals                                     | 2.000.000          |
| 4) Concessions, licences and similar           | 57.510            | 37.174            | III Re-evaluation reserves                           | 4.866.433          |
| 6) Assets under constructions                  | 37.235            | 0                 | IV Legal reserve                                     | 4.866.433          |
| 8) Other                                       | 698.175           | 732.715           | VII Other reserve                                    | 1.516.971          |
| <b>TOTAL INTANGIBLE ASSETS</b>                 | <b>792.920</b>    | <b>769.889</b>    | VIII Group retained earnings carry forwards          | 18.100.874         |
| II TANGIBLE ASSETS                             |                   |                   | IX Group Net profit of the year                      | 3.027.989          |
| 1) Land and buildings                          | 9.037.710         | 9.228.969         | X Negative Reserve for own shares                    | -6.760.000         |
| 2) Plant and machinery                         | 178.771           | 183.806           | <b>TOTAL CONSOLIDATED NET EQUITY A.</b>              | <b>23.152.267</b>  |
| 4) Other tangible assets                       | 452.181           | 459.379           |  | <b>20.124.278</b>  |
| <b>TOTAL TANGIBLE ASSETS</b>                   | <b>9.668.662</b>  | <b>9.872.154</b>  | <b>B. PROVISION FOR LIABILITIES AND CHARGES</b>      |                    |
| III INVESTMENTS                                |                   |                   | 1) Provision for pensions and similar obligations    | 47.801             |
| 1) Shares in:                                  |                   |                   | 2) Provision for deferred income taxes               | 136.745            |
| a) Subsidiaries                                | 32.766.201        | 28.557.980        | 3) Negative financial derivatives instruments        | 0                  |
| b) Affiliated Companies                        | 7.620.145         | 7.620.145         | 4) Other provisions                                  | 5.250.000          |
| d bis) Other shares                            | 40.327            | 47.827            | <b>TOTAL PROVISION FOR LIABILITIES AND CHARGE B.</b> | <b>5.434.546</b>   |
| 2) Receivables                                 |                   |                   |  | <b>571.452</b>     |
| a) From subsidiaries companies                 |                   |                   | <b>C. TOTAL STAFF SEVERANCE FUND</b>                 |                    |
| <i>Receivable within next year</i>             | 11.843.424        | 13.627.264        |  | <b>393.653</b>     |
| b) From affiliated companies                   |                   |                   | <b>D. ACCOUNTS PAYABLE</b>                           |                    |
| <i>Receivable within next year</i>             | 16.014.648        | 15.276.899        | 4) Accounts payable to banks                         |                    |
| c) From parent companies                       |                   |                   | <i>Receivable within next year</i>                   | 30.804.260         |
| <i>Not Receivable within next year</i>         | 1.400.000         | 1.180.000         | <i>Not Receivable within next year</i>               | 18.747.860         |
| d bis) From Others                             |                   |                   | 7) Accounts payable to suppliers                     |                    |
| <i>Not Receivable within next year</i>         | 21.558            | 20.058            | <i>Receivable within next year</i>                   | 7.993.793          |
| <b>TOTAL INVESTMENTS</b>                       | <b>69.706.303</b> | <b>66.330.173</b> | 9) Accounts payable to Subsidiaries companies        |                    |
| <b>TOTAL FIXED ASSETS B.</b>                   | <b>80.167.885</b> | <b>76.972.216</b> | <i>Receivable within next year</i>                   | 3.021.178          |
|  |                   |                   | <i>Not Receivable within next year</i>               | 7.804.331          |
| <b>C. CURRENT ASSETS</b>                       |                   |                   | 10) Accounts payable to affiliated companies         |                    |
| I STOCKS                                       |                   |                   | <i>Receivable within next year</i>                   | 2.149.244          |
| 4) Finished goods for resale                   | 455.561           | 333.783           | 12) Taxes payable                                    |                    |
| <b>TOTAL STOCK</b>                             | <b>455.561</b>    | <b>333.783</b>    | <i>Receivable within next year</i>                   | 578.756            |
| II ACCOUNTS RECEIVABLE                         |                   |                   | 13) Social security                                  |                    |
| 1) From debtors                                |                   |                   | <i>Receivable within next year</i>                   | 349.443            |
| <i>Receivable within next year</i>             | 10.473.059        | 9.026.265         | 14) Other accounts payable                           |                    |
| 2) From subsidiaries companies                 |                   |                   | <i>Receivable within next year</i>                   | 6.612.794          |
| <i>Receivable within next year</i>             | 1.474.543         | 1.441.271         | <b>TOTAL ACCOUNTS PAYABLE D.</b>                     | <b>78.061.659</b>  |
| 3) From Affiliated Companies                   |                   |                   |  | <b>73.628.297</b>  |
| <i>Receivable within next year</i>             | 814.275           | 389.293           |  |                    |
| 4) From Parent Companies                       |                   |                   | <b>E. TOTAL ACCRUALS AND DEFERRED INCOME</b>         |                    |
| <i>Receivable within next year</i>             | 1.220             | 0                 |  | <b>686.181</b>     |
| 5 bis) Taxes receivable                        |                   |                   |  | <b>755.282</b>     |
| <i>Receivable within next year</i>             | 195.577           | 362.300           |  |                    |
| 5 quater) From Others                          |                   |                   | <b>TOTAL ASSETS (A+B+C+D)</b>                        | <b>107.728.306</b> |
| <i>Receivable within next year</i>             | 3.290.552         | 2.287.816         |  | <b>100.467.517</b> |
| <b>TOTAL ACCOUNTS RECEIVABLE</b>               | <b>16.249.226</b> | <b>13.506.945</b> | <b>TOTAL LIABILITIES (A+B+C+D+E)</b>                 | <b>107.728.306</b> |
| IV LIQUID ASSETS                               |                   |                   |  | <b>100.467.517</b> |
| 1) Bank and postal deposits                    | 9.530.182         | 8.506.865         |  |                    |
| 3) Cash and cash equivalents                   | 172.626           | 74.716            |  |                    |
| <b>TOTAL LIQUID ASSETS</b>                     | <b>9.702.808</b>  | <b>8.581.581</b>  |  |                    |
| <b>TOTAL CURRENT ASSETS C.</b>                 | <b>26.407.595</b> | <b>22.422.309</b> |  |                    |
| <b>D. TOTAL PREPAYMENTS AND ACCRUED INCOME</b> | <b>1.152.826</b>  | <b>1.072.992</b>  |  |                    |

## Income statement

|   | 31/12/2021         | 31/12/2020         |
|---|--------------------|--------------------|
| <b>A. REVENUE</b>                                     |                    |                    |
| 1) Turnover   | 59.091.894         | 53.270.909         |
| 2) Inventory change (finished and semi-finis.prod.)   | 121.778            | 49.552             |
| 5) Other income                                       | 4.277.142          | 4.601.016          |
| <b>TOTAL REVENUE A.</b>                               | <b>63.490.814</b>  | <b>57.921.477</b>  |
| <b>B. COST OF SALE</b>                                |                    |                    |
| 6) Raw materials and consumables                      | -37.220.188        | -3.331.081         |
| 7) Rendering of services                              | -16.268.292        | -44.835.122        |
| 8) Enjoyments of third parties property               | -647.350           | -646.750           |
| 9) Wages  |                    |                    |
| a) Salaries and wages                                 | -6.224.317         | -5.463.804         |
| b) Social security                                    | -1.836.003         | -1.667.617         |
| c) Staff severance fund                               | -402.638           | -341.041           |
| d) Provident fund                                     | -23.052            | -23.135            |
| e) Other costs for employees                          | -72.925            | -179.362           |
| 10) Depreciation and amortisation                     |                    |                    |
| a) Amortisation on intangible assets                  | -79.613            | -59.928            |
| b) Amortisation on tangible assets                    | -519.808           | -405.415           |
| 12) Risk reserve                                      | -                  | -1.500.000         |
| 14) Other expenses                                    | -749.168           | -904.523           |
| <b>TOTAL COST OF SALE B.</b>                          | <b>-64.043.354</b> | <b>-59.357.778</b> |
| <b>DIFFERENCE BETWEEN REVENUES AND EXPENSES (A-B)</b> | <b>-552.540</b>    | <b>-1.436.301</b>  |
| <b>C. FINANCIAL INCOME AND COSTS</b>                  |                    |                    |
| 15) Income from share in:                             |                    |                    |
| a) Subsidiaries companies                             | 750.000            | 80.000             |
| b) Affiliated companies                               | 2.194.056          | 3.237.528          |
| e) Other companies                                    | -                  | 16.503             |
| 16) Other financial income                            |                    |                    |
| d) Other financial income                             | 579.380            | 465.001            |
| 17) Interest payable and similar costs                | -774.539           | -784.427           |
| 17 Bis) Profit/Loss on exchange rate                  | 957.728            | 227.673            |
| <b>TOTAL FINANCIAL INCOME AND COSTS C.</b>            | <b>3.706.625</b>   | <b>3.242.278</b>   |
| <b>RESULT BEFORE TAXES (A-B+C+D+E)</b>                | <b>3.154.085</b>   | <b>1.805.977</b>   |
| 20) Taxes on income for the year                      | -126.096           | -107.397           |
| <b>NET PROFIT OF THE YEAR</b>                         | <b>3.027.989</b>   | <b>1.698.580</b>   |





Please find enclosed all additional financial information for Fratelli Cosulich S.p.A.

