



22

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)



SAILING ON CROSSROADS

Embracing a transformative journey, our 2022 Annual Report captures our navigation through a changing world. As our industry sets sail towards reducing carbon emissions, we seize the opportunity to navigate through uncharted waters. But also capturing the evolving dynamics into our management or the integration for the first time of ESG information, sticking to our values, we embark on a purpose-driven voyage that is made by the cross of several challenges, of several roads.

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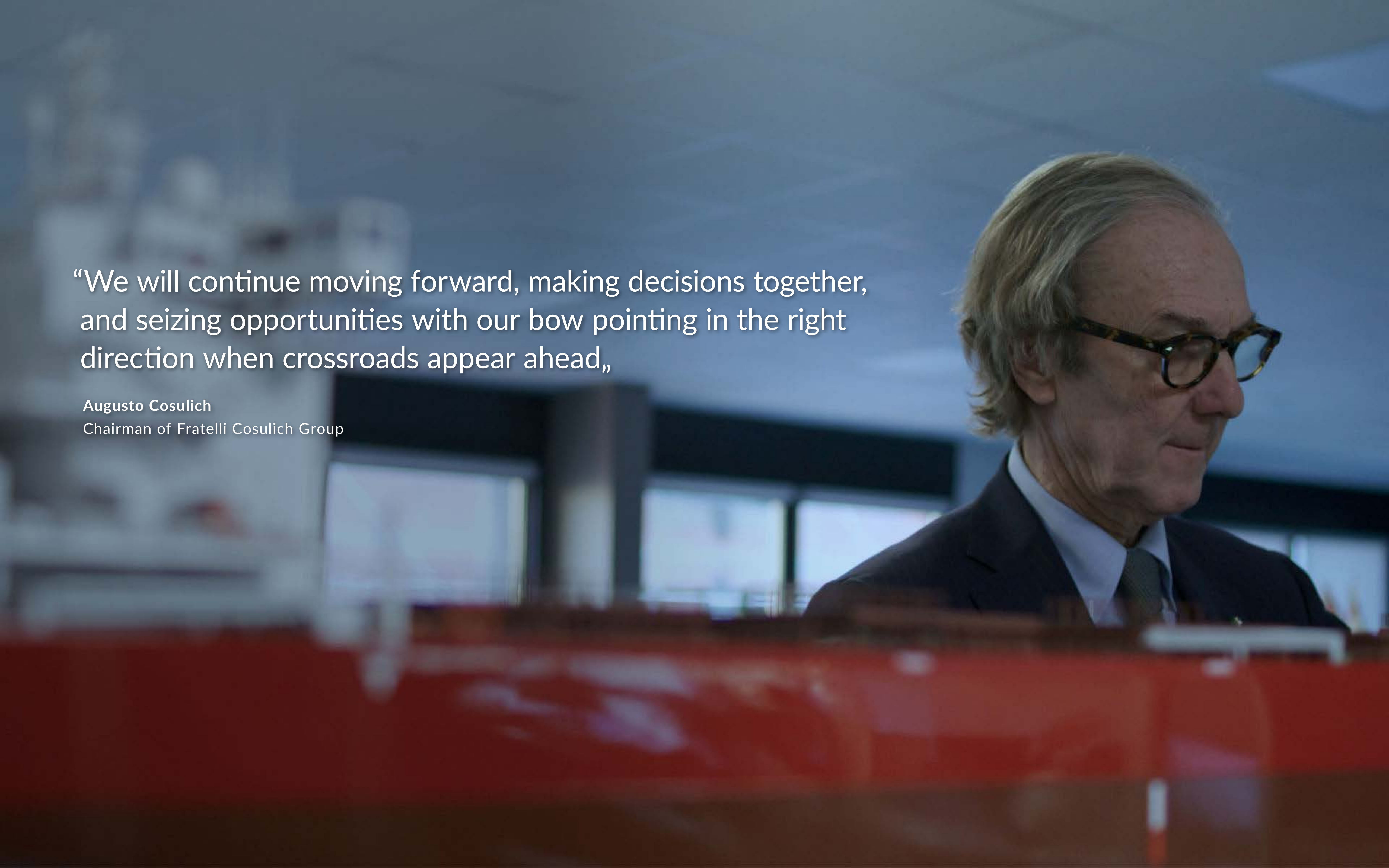
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OUR 2022 RESULTS

A photograph of Augusto Cosulich, Chairman of Fratelli Cosulich Group, speaking at a podium. He is wearing a dark suit, a light blue shirt, and a patterned tie. He has short, light-colored hair and is wearing glasses. The background is a blurred office or conference room with several computer monitors. The lighting is soft and professional.

“We will continue moving forward, making decisions together,
and seizing opportunities with our bow pointing in the right
direction when crossroads appear ahead,,

Augusto Cosulich
Chairman of Fratelli Cosulich Group

1.1

Letter from the Chairman

I want to share an insight: 2022 marked the beginning of a new era globally and within our organization, but we evolved beyond.

It feels like we are standing at the "crossroads of history". Last year, we witnessed the end of the pandemic as our lives returned to face-to-face meetings, exciting business trips, and a vibrant will to invest in the future. However, we also faced a substantial risk that hasn't been felt since the previous century—a global conflict that profoundly impacts our economy, its forecasts, and the scenarios in which we operate daily. Within this dynamic context, every shift represents immense opportunities and unprecedented challenges. But let me remind you of something I always say: in the Fratelli Cosulich Group, **challenges and opportunities are simply two sides of the same coin.**

The 2022 Annual Report represents a **"crossroads for information"** as it marks our commitment to significant steps towards ESG compliance. Our established internal corporate ESG team crafted all this information, which will now offer valuable insights into our progress and initiatives in these vital areas. We are certainly on the right path for a transformative journey towards a more sustainable and responsible future, and we invite others in the industry to join our approach. As we navigate uncharted waters on many aspects, we do so with a profound sense of responsibility and a determination to leave a positive legacy.

I feel honored to be the President of a Group that, I see with my own eyes, is now creating "corporate crossroads" like never before in its history. A

growing number of diversified businesses are smoothly creating synergies, bringing superior value to the entire supply chain and its stakeholders. **An increasing number of the professionals in our Group are actively participating in their networks to alter the course of the future of our sector.** I'm referring to our expanding position in the steel business, which is far from our roots but already deeply ingrained in our blood, where we completed the entrance into a prestigious Italian Group. I also think about our LNG bunker tanker vessels investment and our supply of new marine fuel with a smaller carbon footprint.

Additionally, our fleet of ships is still expanding despite the uncertainty level, and our direct involvement in the analysis of the digitalisation of the shipping industry is noteworthy. **All of these projects are on top of our unceasing strategy of external growth, focusing on two pillars: asset investments and M&A.** We have conducted an impressive number of activities in these areas last year, we are pleased to share all of them here with you.

With a heart full of gratitude to all internal and external stakeholders who made it happen, despite the difficulties and risks, I am pleased to announce that **2022 has been the most financially successful year for the Fratelli Cosulich Group.** This is even more significant, considering 2021 had already set the bar high.

As you will see in this Annual Report prepared by our Corporate Finance Team, **we have surpassed the 2 billion euros revenue mark, and more importantly, we have kept the positive trend in all financial KPIs, with a**

special mention to our Consolidated EBITDA of Euro 68m and Consolidated Net Result of approximately Euro 52m.

As we navigate the "crossroads of change", let us be inspired by the audacity of exploration and the spirit of innovation that always belonged to us. Looking back at last year, we understand that things have become even more complex. Amid all these developments, many companies and professionals may feel lost. They might hesitate to invest or build their future, preferring to "stop sailing and wait in the harbor for better conditions." However, at Fratelli Cosulich Group, we will keep our compasses firmly pointing north. **We will continue moving forward, making decisions together, and seizing opportunities with our bow pointing in the right direction when crossroads appear ahead.**

Let me conclude by saying that the 2022 Annual Report makes a loud statement, and I want to emphasize it: here at Fratelli Cosulich Group, we are fiercely and fearlessly **SAILING ON CROSSROADS.**

Augusto Cosulich

Chairman of Fratelli Cosulich Group



1.2

2022 Key results



2.2

TURNOVER Billion Euro

The highest level of turnover ever achieved by our Group in its history, consolidating the year-on-year growth that we are aiming for.



52

GROUP NET RESULT Million Euro

We hit a new high and we will continue to be consistent with our strategy of reinvesting our profits into new activities.



68,7

EBITDA Million Euro

A terrific year for all our activities, the result of a strong positive outlook that all our business units have been able to exploit.

>2.500

GROUP EMPLOYEES

Our greatest assets are people. Considering both subsidiaries and affiliated companies, our team is growing year on year.

56

SUBSIDIARIES COMPANIES

We are expanding the perimeter of our Group keeping the focus on our strategy of growth per external acquisition.

72

AFFILIATED COMPANIES

We are ready to invest with strategic business partners. This is the reason why our affiliated companies are growing, we are committed on a long - term perspective.

1.3

2022 Timeline

February

INVESTMENT Purchase of M/V Margherita Cosulich



With the goal of renovating our fleet operating in the crucial Singapore's bay, we added a recently built unit that is helping us to maintain the highest quality standards in our activities.

June

M&A C&C Transports S.r.l.



To better serve the steel industry, with the commitment of reducing the carbon footprint of the logistics, we create a JV with a long standing partner to use a river barge in the North East Italy area, from the port to the steel plant.

June

ESTABLISHMENT DepoLink Croatia d.o.o.



The secret to our added value is providing integrated logistics solutions. In order to offer it, it requires not only to have superior services supplied by professionals, but also to own critical assets such as land to accommodate goods and containers. We can now give more to our customers thanks to the 15,000 m2 block of land in the immediate hinterland of the port of Rijeka.

July

M&A Gente di Mare S.r.l.



We acquired 90% of Share Capital of GDM, the first company providing training to maritime staff operating on board in the center of Italy. A diversification of our activities that will help us to offer a broader portfolio of services to our Catering, Manning and Shipowning's customers.

July

ESTABLISHMENT Express Global Hungary s.r.o.



After the economic success of the first office based in the Czech Republic that was serving all three CEE countries (Czech Republic, Hungary and Slovakia), we need to be closer to the customers we have entered in touch with. A new office that will help us to expand in one of the most vigorous areas of Europe.

September

M&A MESCO International Ltd



We do have a special relationship with Turkey, and we wanted to increase our activity there. This is the rationale behind our choice to invest in MESCO's share capital, creating a partnership with a growing player in the freight forwarding industry that enables us, as a Group, to become part of the prime circle of players that are operating in the entire nation.

October

M&A Profilmec Group



Even if we are a newbie of the Steel industry, we do believe that there is a huge potential and not only on the logistics side, supporting our business partners to sustain the growth of companies within the perimeter. PROFILMEC is one of the most prestigious names in the Italian industry, and we are pleased that it has joined the Group as a result of the M&A transaction completed by our affiliated Trasteel International SA.

December

M&A Monaco Yacht Partner Sarl



The yachting industry is one of our activities where the commitment to properly serve the market necessitates the perfect balance of operations efficiency, strategy determination, and investment focus. MYP's acquisition is the optimal sum of the previous, propelling our Group to the forefront of the competitive landscape for shiphandling activities.

December

ESTABLISHMENT Mail Boxes Etc Serbia d.o.o.



We have accessed micro-logistics, opting for one of the most iconic names of the sector. With a distinguished and one-of-a-kind quality of customer care, Mail Boxes Etc. helps the daily operations of Small Medium enterprises, professionals, and private consumers.

2023 Preview

February 2023 **INVESTMENT** Purchase of M/V SATURNIA

February 2023 **M&A** Argenton & Soci S.r.l.

February 2023 **M&A** ASSA Adriatic Ship Supply Agency d.o.o.

March 2023 **INVESTMENT** Purchase of M/V TOTO

April 2023 **ESTABLISHMENT** CSS Singapore Ltd

PRESENTING OUR GROUP

2.1

165 years of history

For all these years, we have proudly upheld our heritage, guiding the Group to remarkable achievements and, at times, shaping the course of Italian economic development in our own small way. Today, as we reflect on our journey, we look back to all of these, as a testament to the Cosulich family's **resilience, dedication, and love of the seas**.

What sets us apart is not just our long-standing history, but the fact that the Fratelli Cosulich Group is still fully owned and managed by the Cosulich family, now in its 7th generation as active members of the daily activities. This **commitment to our roots** allows us to rely on leadership with a unique perspective, fostering a culture of continuity, trust, and most importantly, a shared vision for the future. We do believe that the family's dedication has played a crucial role in propelling the Group's success over the years.

Throughout our incredible journey, we are proud that we have also contributed, in our way, on the development of Italy. We have been pioneers on different occasions: from the **establishment of Cantieri di Monfalcone**, which has now transformed into the renowned Fincantieri shipbuilding company, to our pivotal role in the **creation of S.I.S.A.**, the first Italian airline and also the first name of ITA Airways. In the transatlantic realm, we offered



top-tier transportation services between the two World Wars, in particular with our two sister ships dedicated to passenger transport, **SATURNIA and VULCANIA**, that connected Trieste and Naples to New York, and still today among the “brand” names most representative of our Group. With them, we must not forget **OCEANIA and NEPTUNIA**, the other two passenger ships with which we reached South America, and also remembered as the fastest transatlantic in the world at the time.



Linking continents, we extended our networks and forged what is now our new normality: **global connections**.

Over the past two decades, we decided to move up the vertical chain, diversifying our activities. Now, we are in what we could define “roaring 20s”. Every year, we are concluding several acquisitions across all our busi-

ness units, from shipping agencies to freight forwarding companies, from logistics operators to asset based entities. More than 25 operations have been conducted in the last 3 years: an amazing path.

And as we embrace the opportunities we face, we have invested in the digital age as well as other more impacting choices. This is why, today, the **steel industry** occupies a prominent place. We have established meaningful relationships with industry leaders, and we are committed to becoming ourselves too recognised as one of the most renowned players.



As we look ahead to the future, we remain dedicated to progress, innovation, and surpassing expectations. In this ever-changing world of shipping and logistics, we want to stand out as a synonym of a Group that has its professionalism as high as its **passion for the seas built in 165 years of activity**.

The Fratelli Cosulich Group is ready to embark on the next chapter of our journey, sailing towards our 170th anniversary with determination and an unwavering sense of purpose. **We are sailing on crossroads made of new challenges** for our industry such as digitalization, new global regulations, new marine fuels development and last but not least, talent scouting, to create the professionals of tomorrow.

2.2

Business units composition details

BUSINESS UNIT	COMPANY	FC SHARE	ESG
Marine Fuel & LNG	Fratelli Cosulich S.p.A.	100%	●
Marine Fuel & LNG	Fratelli Cosulich France Sarl	100%	●
Marine Fuel & LNG	Fratelli Cosulich Greece SMPC	100%	●
Marine Fuel & LNG	Fratelli Cosulich Middle East DMCC	100%	●
Marine Fuel & LNG	Fratelli Cosulich Monaco SAM	100%	●
Marine Fuel & LNG	Fratelli Cosulich Unipessoal SA	100%	●
Marine Fuel & LNG	Fratelli Cosulich USA LLC	100%	●
Marine Fuel & LNG	Fratelli Cosulich Bunkers (S) Pte Ltd	88,57%	●
Marine Fuel & LNG	Fratelli Cosulich Bunkers (HK) Ltd	53,14%	●
Marine Fuel & LNG	Femo Bunker S.r.l.	45,00%	
Shipowning	Fratelli Cosulich LNG S.r.l.	100%	●
Shipowning	Fratelli Cosulich LNG 2 S.r.l.	100%	●
Shipowning	Pimlico Shipping Ltd	80,00%	●
Shipowning	Vulcania S.r.l.	80,00%	●
Shipowning	Ecos S.r.l.	40,00%	
Freight Forwarding	Express Global International Ltd	100%	●
Freight Forwarding	Fratelli Cosulich Tasimacilik Hizmetleri Ltd	100%	●
Freight Forwarding	Express Adriatica S.r.l.	85,84%	●
Freight Forwarding	Express S.r.l.	71,67%	●
Freight Forwarding	Express USA Inc.	71,67%	●
Freight Forwarding	Express Chita Ltd	53,75%	●

BUSINESS UNIT	COMPANY	FC SHARE	ESG
Freight Forwarding	MESCO International Forwarding Inc.	51,00%	●
Freight Forwarding	Arcese Cosulich Ireland Ltd	50,00%	
Freight Forwarding	Arcese Cosulich Lojistik Ltd Şti	50,00%	
Freight Forwarding	Italmare Lojistik Servis A.Ş.	50,00%	
Freight Forwarding	OC Lines Lojistik A.Ş.	50,00%	
Freight Forwarding	Archimede Gruden S.r.l.	43,00%	●
Freight Forwarding	Gruden USA Inc.	43,00%	●
Freight Forwarding	Luvitrans International S.r.l.	43,00%	●
Freight Forwarding	AGS HK Ltd	43,00%	
Freight Forwarding	Express Global d.o.o. (Croatia)	35,84%	
Freight Forwarding	Express Global d.o.o. (Slovenia)	35,84%	
Freight Forwarding	Express Global s.r.o. (Czech Republic)	35,84%	
Freight Forwarding	Express Global s.r.o. (Hungary)	35,84%	
Freight Forwarding	Express Global z.o.o. (Poland)	35,84%	
Freight Forwarding	Express Global BV (Belgium)	35,60%	
Freight Forwarding	TPG Lojistik d.o.o. (Slovenia)	25,09%	
Freight Forwarding	Express Global d.o.o. (Serbia)	23,65%	
Shipping Agency	Fratelli Cosulich S.p.A.	100%	●
Shipping Agency	Arco Denizcilik Servis A.Ş.	100%	●
Shipping Agency	Argosy S.r.l.	100%	●
Shipping Agency	Calle del Mar S.r.l.	100%	●



BUSINESS UNIT	COMPANY	FC SHARE	ESG
Shipping Agency	Fratelli Cosulich Monfalcone S.r.l.	85,00%	●
Shipping Agency	Agenzia Marittima Saidelli S.r.l.	80,00%	●
Shipping Agency	Marlines S.r.l. Shipping Agency	80,00%	●
Shipping Agency	Arkas Italia S.r.l.	50,00%	
Shipping Agency	Coscoc S.r.l.	50,00%	
Shipping Agency	Cosco Shipping Lines (Italy) S.r.l.	50,00%	
Shipping Agency	Dragon Maritime Adria d.o.o. (Croatia)	35,84%	
Shipping Agency	Dragon Maritime d.o.o. (Slovenia)	35,84%	
Shipping Agency	Dragon Maritime d.o.o. (Serbia)	23,65%	
Shipping Agency	Saimare S.p.A.	20,00%	
Trucking & Intermodal	Lorma Italcontainer S.r.l.	60,08%	●
Trucking & Intermodal	Lorma Logistic S.r.l.	60,08%	●
Trucking & Intermodal	Ne Logistic S.r.l.	60,08%	●
Trucking & Intermodal	C&C Transport S.r.l.	50,00%	
Trucking & Intermodal	Arko Shipping d.o.o. (Croatia)	35,84%	
Trucking & Intermodal	Arko Shipping d.o.o. (Slovenia)	35,84%	
Trucking & Intermodal	Roadliner International Ltd	50,00%	
Yachting	Catalano Shipping Services SAM	77,67%	●
Yachting	Menton Service Auto Sarl	77,67%	●
Yachting	Monaco Yacht Partner Sarl	77,67%	●
Yachting	Catalano Shipping Services France Sarl	76,89%	●
Yachting	Montecarlo Rent@Car SAM	76,89%	●
Yachting	Perfect Moorings Sarl	76,89%	
Yachting	Coscat Cannes SCI Sarl	76,11%	●
Yachting	Coscat SCIM SAM	76,11%	●
Yachting	Agence Maritime Tropezienne Sarl	73,78%	●
Yachting	La Route du Sud SAM	68,35%	●
Yachting	Marina Molo Vecchio Supply S.r.l.	31,50%	
Yachting	Monaco Engineers Sarl	48,93%	
Yachting	Pesto Sea Group S.r.l.	45,00%	

BUSINESS UNIT	COMPANY	FC SHARE	ESG
Yachting	Just Provisions Sarl	38,83%	
Yachting	Provence Yacht Services Sarl	38,83%	
Yachting	Simmor Marine d.o.o.	38,83%	
Yachting	Corsica Yacht Services Sarl	38,45%	
Yachting	Marina Molo Crociere S.r.l.	31,50%	
Yachting	Marina Molo Vecchio S.r.l.	31,50%	
Yachting	Catalano Shipping Services Indonesia Ltd	34,86%	
Yachting	International Food Logistic Sarl	34,86%	
Yachting	Catalano Shipping Services New Zealand Ltd	27,20%	
Yachting	Viale S.r.l.	22,95%	
Yachting	Pesto Sea Group La Spezia S.r.l.	22,50%	
Catering	Fratelli Cosulich S.p.A.	100%	●
Catering	Fratelli Cosulich Comércio & Serviços Ltda	99,99%	●
Business & Leisure Travel	Fratelli Cosulich S.p.A.	100%	●
Business & Leisure Travel	Griffin Marine Travel S.r.l.	50,00%	
Warehousing	Morgan 4Ship S.r.l.	100%	●
Warehousing	Sea Trend Holding S.r.l.	100%	●
Warehousing	Ambro Terminal S.r.l.	60,08%	●
Warehousing	Sultan Antrepo A.Ş.	50,00%	
Warehousing	Depolink d.o.o (Serbia)	23,65%	
Warehousing	Depolink d.o.o. (Slovenia)	23,65%	
Manning	Fratelli Cosulich S.p.A.	100%	●
Manning	Gente di Mare S.r.l.	90,00%	●
Trade & Manufacturing	Link Industries S.p.A.	100%	●
Trade & Manufacturing	Link Trading (Beijing) Ltd	88,57%	●
Trade & Manufacturing	Link Trading (HK) Ltd	88,57%	●
Trade & Manufacturing	Tamac S.r.l.	36,95%	
Trade & Manufacturing	Trasteel Holding SA	36,95%	
Trade & Manufacturing	Trasteel International SA	36,95%	
Trade & Manufacturing	Trasteel Trading DMCC	36,95%	

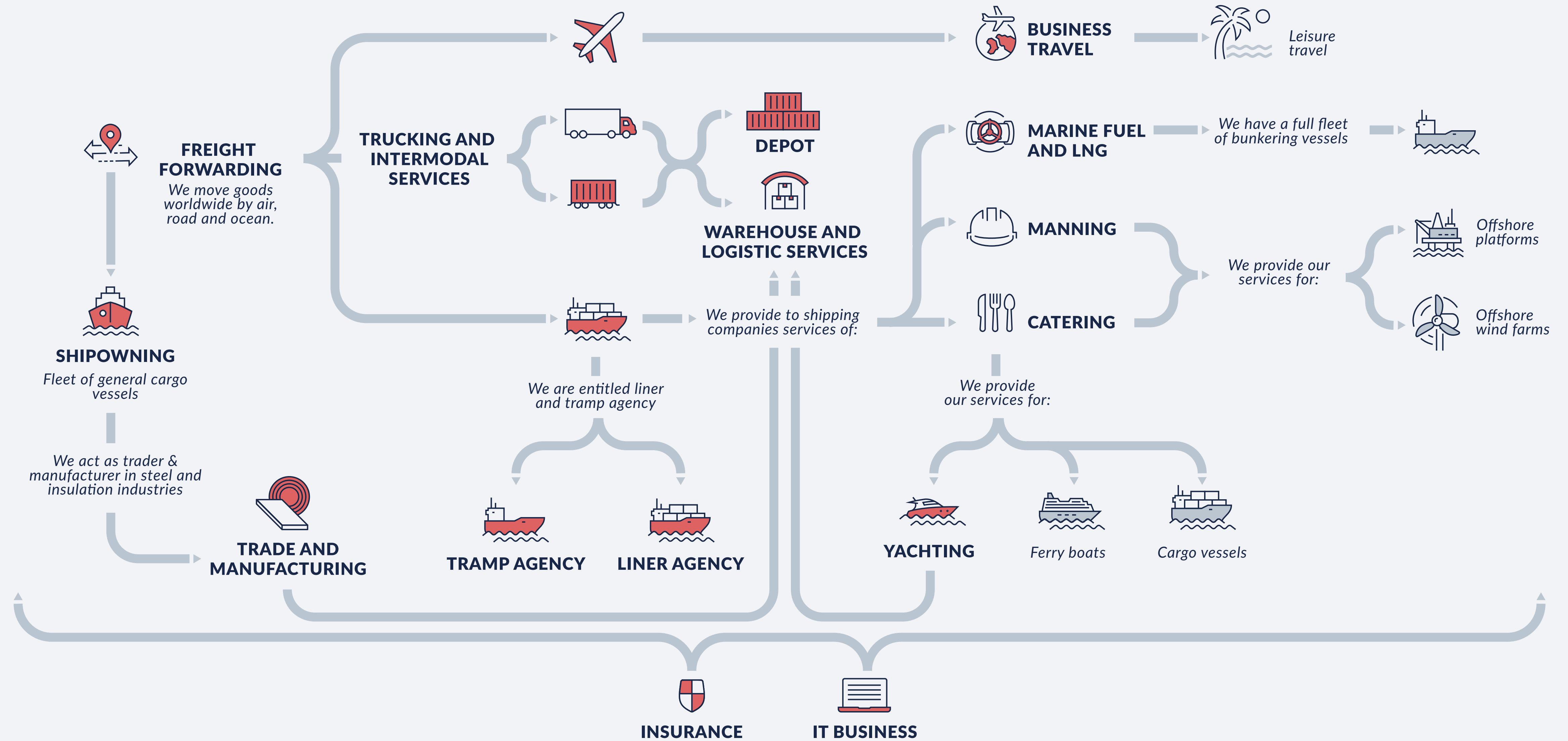


BUSINESS UNIT	COMPANY	FC SHARE	ESG
Trade & Manufacturing	Yugotub d.o.o.	27,71%	
Trade & Manufacturing	CMP S.r.l.	24,83%	
Trade & Manufacturing	Ispadue S.p.A.	24,83%	
Trade & Manufacturing	Profilmec S.p.A.	24,83%	
Trade & Manufacturing	SIT S.p.A.	24,83%	
Trade & Manufacturing	Officine Tecnosider S.r.l.	18,84%	
Trade & Manufacturing	Rolm S.r.l.	18,75%	
Trade & Manufacturing	SIM S.r.l.	12,42%	
Information Technologies	GeneSYS Informatica S.r.l.	95,50%	●
Information Technologies	Comunico S.r.l.	52,52%	●
Insurance Broking	Cosulich Assicurazioni S.r.l.	100%	●

NOTE: The list of companies represented here falls within the perimeter of consolidation for 2022 (i.e., subsidiaries and affiliated companies), excluding those not relevant to the business or who joined the Group after January 1, 2023.

2.3

Synergies of the Group





2.4

Global presence

ITALY: Trieste, Genoa, Leghorn, Milan, Monfalcone, Naples, Padua, Piacenza, Ravenna, San Giorgio di Nogaro, Savona, Spinetta Marengo, Venice

AUSTRIA: Kalsdorf bei Graz

BELGIUM: Antwerp

BOSNIA HERZEGOVINA: Sarajevo

BRAZIL: Macaè

CHINA: Beijing, Shenzhen, Shanghai, Hong Kong

CROATIA: Rijeka, Zagreb, Pula

CZECH REPUBLIC: Prague

FRANCE: Ajaccio, Antibes, Bonifacio, Calvi, Cannes, Cogolin, Paris, Saint Mandrier sur Mer

GREECE: Athens

HUNGARY: Budapest

INDONESIA: Bali

IRELAND: Belfast, Dublin

NETHERLANDS ANTILLES: Sint Maarten

NEW ZEALAND: Auckland

POLAND: Gdynia, Wroclaw

PORTUGAL: Funchal

PRINCIPALITY OF MONACO: Montecarlo

REPUBLIC OF SINGAPORE: Singapore

SERBIA: Belgrade, Nova Pazova

SLOVAKIA: Bratislava

SLOVENIA: Koper, Ljubljana

SWITZERLAND: Lugano

TURKEY: Istanbul, Izmir

UNITED ARAB EMIRATES: Dubai

UNITED KINGDOM: Felixstowe

U.S.A.: New York

VIETNAM: Haiphong

RESPONSIBLE BUSINESS MODEL AND GOVERNANCE

3.1

Our ESG journey

The Company history shows that we have always been able to **respond to new needs and challenges**, explore innovations and **contribute to the development of the shipping industry** in different parts of the world.

We are well aware that sustainability and innovation nowadays focus on detecting and analysing the impacts of climate change and other environmental and social challenges in our society. Since we operate in many different sectors and countries, conducting a materiality analysis is paramount. This analysis will investigate positive and negative impacts on our stakeholders or the Company's financials. It will help us to identify and prioritise material issues and, therefore, actions for the years to come. Such analysis culminates in an ESG Plan where we set objectives around the most critical material issues relating to sustainability.

For the first year of ESG reporting, our plan will only focus on short-term targets, whereas the future materiality analysis will take us to longer-term targets.

ESG REPORTING JOURNEY

For this first year, we have initiated our ESG reporting process and will disclose a set of ESG indicators in our Annual Report. Also, we have defined precise steps that will drive us to be compliant with the Corporate Sustainability Reporting Directive (CSRD) starting from **FY 2025**.

Implementing a robust ESG Governance is the first step to ensure greater awareness and better management of all the relevant topics¹.

The chart "Our ESG Reporting Journey" defines the main steps from FY 2022 to FY 2025 when the CSRD is to be fully adopted. Our guidelines are:

- **Adopted Standard:** GRI Standard (Global Reporting Initiative Reporting Standard) is a modular system of interconnected standards worldwide adopted.

- **Robust reporting process** and **high level of engagement** within the **Group**. We have identified an ESG Focal Point for every Company in the perimeter, to whom we have delivered training and implemented one-to-one sessions to explain the data collection process. We have also defined an essential set of data to be collected for the first year of ESG reporting.
- **A clear roadmap for our reporting journey** to illustrate the steps we should undertake to be "best in class".

Concerning our ESG reporting journey, the main targets for the following years that will take us to CSRD Compliance are:

	FY 2022	FY 2023	FY 2024	FY 2025
ANNUAL REPORT EVOLUTIONS	Annual Report GRI referenced on the subsidiaries' perimeter.	Annual Report GRI in accordance.	Annual Report GRI in accordance with an extended perimeter.	Annual Report fully respondent to CSRD with third party assurance.
ESG ACTIVITIES	<ul style="list-style-type: none"> • Creation of ESG internal awareness training sessions for all ESG Focal Points. • Identification of reporting perimeter and progress. • Collection of basic ESG data. • Implementation of an online tool to support the assessment of ESG performances. 	<ul style="list-style-type: none"> • Materiality analysis and subsequent definition of an ESG plan. • Creation of an ESG Committee to support the implementation of the ESG Plan. • Support and advice for affiliated Companies on creating an ESG Reporting Roadmap. 	<ul style="list-style-type: none"> • Double materiality analysis to further define financial impacts on (and of) all material topics. • Stakeholder engagement activities to further inform Materiality Analysis and to assess the relevance of different topics for our stakeholders. 	<ul style="list-style-type: none"> • Adoption of ESRS standards • Monitoring ESG targets and actions
ESG MAIN OUTCOME	ESG internal awareness.	ESG first comprehensive info for stakeholders.	ESG Management of targets.	Annual Report with ESG data assurance.

ESG GOVERNANCE

In FY 2022, we defined ESG targets for FY 2023 on some of the topics we have internally assessed as relevant and where we want to move forward with actions.

The ESG Plan is to be considered as an initial internal analysis to be further deepened in the next year's materiality analysis.

We are fully committed to implementing a governance system that should be a solid foundation for our ESG plan. We have defined an ESG governance that will help us determine and monitor action plans and targets, as all ESG topics for our Group of Companies need to be fully integrated into our business strategy and operations.

ESG subjects are responsibilities at the Board level, given that Group CFO is accountable for reporting and other Board Members are individually responsible for the Business Units and specific Corporate Functions.

The first step to start our ESG journey was to appoint an ESG Corporate Director in 2022 to designate the person responsible for:

- definition and implementation of the ESG Reporting journey and ESG plan;
- ESG Reporting and data collection processes.

The ESG Corporate Director works closely with the Corporate finance function and the Commercial Intelligence team.

We then defined the perimeter of reporting and identified a network of Managers and ESG Focal Points that could be the "ambassadors" in each Company of the Group. They are responsible for providing all necessary information and data to assess the status-quo and activate all the required actions and improvements at the Corporate and Company levels. The network is composed of **59 Focal Points**, representing all **13 Business Units** and coming from **13 different Countries**.

ESG PLAN

TARGETS FY 2023

ENVIRONMENTAL		
Decarbonisation	Decarbonisation in shipbuilding and management	<ul style="list-style-type: none"> • Fratelli Cosulich Ship Management establishment to best control ESG impacts in ship management • Action plan and KPIs for levers to be adopted on ship owned/managed
	Transition towards new fuels	<ul style="list-style-type: none"> • Appointment of a Head of New Fuels to accelerate and enhance our role in the transition to alternative fuels • ISCC certification for Biofuels
	Scope 1 and 2 GHG Emissions & Energy efficiency initiatives	<ul style="list-style-type: none"> • Appointment of an Energy Manager to implement energy efficiency initiatives • Electricity for Italian perimeter fully supplied from renewable sources
	Supply chain collaboration and Scope 3 reporting	<ul style="list-style-type: none"> • Monitoring Emissions coming from bunker tanker vessels
Resources management	Waste & Water Management	<i>no target for 2023</i>
	Biodiversity - Focus on life under water	<ul style="list-style-type: none"> • Feasibility study on buoys field in touristic ports
SOCIAL RESPONSIBILITY		
Employees development	Talent Attraction & Retention	<ul style="list-style-type: none"> • Job posting intercompany • Career portal embedded in corporate website and implementation for HR functions abroad • Launch of Youth Committee • Kick-off exit interviews to collect feedbacks
	People Development	<ul style="list-style-type: none"> • Pilot annual appraisal and evaluation program based on key values and their connected behaviors • Evaluation tool assessment to be carried out in some pilot Companies within the Group • Internal workshops to define behaviours linked to key values for Executives, Managers and all employees
Employees responsibility	Health and Safety	<ul style="list-style-type: none"> • ISO 22000 in Fratelli Cosulich Comércio e Serviços
	Welfare	<ul style="list-style-type: none"> • Agreement with an online training provider to support employees' physical and mental wellbeing • In Brazil extension of Health insurance to employees' family members
	Diversity, Equity & Inclusion	<ul style="list-style-type: none"> • Additional data collection to understand the current status of diversity KPIs;
Sustainable procurement	Supply Chain Management	<ul style="list-style-type: none"> • Pilot Suppliers evaluation based on ESG Criteria
Clients responsibility	Sustainable services	<i>no target for 2023</i>
	Customer Satisfaction	<i>no target for 2023</i>
Social responsibility	Community support	<ul style="list-style-type: none"> • First identification of the impacts of our activities on communities
	Human Rights Protection	<i>no target for 2023</i>
GOVERNANCE		
Responsible business model and governance	Ethical Business & Transparent Communication to stakeholder	<ul style="list-style-type: none"> • Key values sharing with internal and external stakeholders
	ESG Governance	<ul style="list-style-type: none"> • Corporate-wide e-Portal to assess ESG activities and performance • Define ESG Committee • ESG training and knowledge sharing for affiliated companies
e-Governance	Pillar of ISO 27001: independence and BI analysis	<ul style="list-style-type: none"> • Extend GeneSYS Group Companies' coverage of all four interest areas (IT Infrastructure, Email management, Software Development of tailor-made application, Internal development of Business Intelligence);

3.2

Ethical business: our 5 key values

In 2020, our Board of Directors engaged in a 360° assessment process involving over 100 managers and colleagues. In this assessment, they asked team members or peers for feedback on leadership performance. This "leading by example" exercise provided insights from behaviours, challenges and skills that Board members decided to share with their teams, identifying five common key values: Customer Focus, Behaviour Role Model, Team Work, Learning Mindset and Accountability.

These values are pillars passed on from generation to generation and on which the Group wishes to keep focusing in the future. Concrete and "measurable behaviours" are their natural application.

In 2022, we implemented a communication campaign to promote our values internally, ensuring they are well understood and shared by all colleagues. Each Board member published a video per value in the "in.cosulich" communication tool, showing that the Governance body is fully committed to being an ambassador of our key values.

In FY 2023, we will further work on these to define key behaviours underpinning all employees' everyday life. The Group will:

- organize workshops with different Business Units and Companies of the Group to share views and perspectives on what applying key values means to Executives, Managers and all employees in their working life;
- share key values with external stakeholders to ensure transparency;
- implement a pilot annual appraisal and evaluation program based on key values and their connected behaviours.

As they have always distinguished us since our foundation and still do in our present, we expect that our five key values will also guide our future work and life.

In the future, we aim to review the Code of Ethics and Conduct of all Companies, reflecting our shared identity and ensuring coherence amongst our fundamental principles of conduct towards all stakeholders.

Customer focus

Fratelli Cosulich Group has a long-standing commitment to putting its customers at the heart of all its operations, and this is also embodied in its team of solution-focused professionals. We emphasize the importance of listening to customers as the foundation for a "culture of innovation." This also involves the ability to envision and create new solutions for customers as we have an intimate understanding of our customers' needs and pain points.

Behaviour Role Model

Our Board of Directors has put the "leading by example" criteria at the core of expected behaviours from all in the Group. The pillars of the Behaviour role model are respect, humbleness, empathy, trust, problem-solving, and, above all, morality. These elements must be maintained over time to allow the Group to deliver excellence while playing by the rules, acting with integrity today and in the future, as it did in the past.

Team Work

Each member of the Fratelli Cosulich Group is essential and complementary to the others: we strongly believe in the importance of building collaborative and supportive relationships. Synergies between members are not only business-related but also social-oriented. The "work culture" is a priority, involving equality, fostering the Group's growth, and appreciating diversity. We have consistently recognized a sense of belonging among colleagues.

Learning Mindset

Since our foundation, we have been motivated to change, aiming to implement new solutions in line with customer demands and the context which we operate. Learning Mindset in the "Group definition" is an attitude of being curious and overcoming personal limits: the humbleness to start from scratch and the ability to set new goals is the leitmotif that distinguishes us. We are curious, focusing on finding new ways of doing things.

Accountability

An accountable person is prepared to be active: it is fundamental to be willing to change minds and recognize opportunities and personal mistakes. Strictly linked to this value is the "culture of feedback" concept, which is essential to react, improve ourselves and consequently for the Group to move forward. To summarize: accountability for Fratelli Cosulich means "to take personal responsibility for decisions, actions and failures".

3.3

Members of the board

Generation after generation, our family always shared and passed on the same values.

Freedom of thought, cooperation, respect of the rules and dedication to work are our guiding principles.

We believe that every result can be accomplished if the path to reach it is pursued with **passion and motivation**.

Each member of the Group contributes to the work of all, bringing their unique talents. In the same way, every Board member continues to carry out their work demonstrating a **strong sense of responsibility** and ongoing commitment.

The secret of our success is hidden in **our people**, and we all feel very proud and grateful of being **actively part of this incredible Group**.



Andrea Cosulich

Naval engineer with extensive professional experience in ship building and shipmanagement, he held responsibility for shipowning activities involving the new building ones, in addition to his responsibilities for the development of Catering and Manning. Since 2020, he has served as Honorary President with a special mandate to oversee the construction of new LNG Bunker tanker vessels.

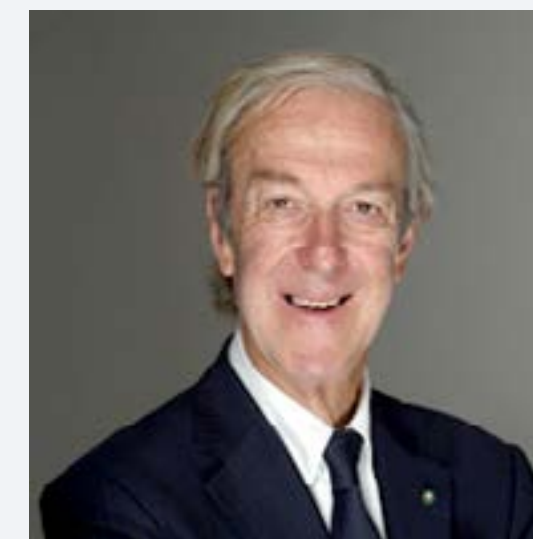
Joined the Group in: 1976

Member of the Board since: 1976

Business Unit Responsible for: Ship management department

Responsible for Corporate function: LNG development supervision

Other Public roles: Consul of Germany from 2004 to 2014



Augusto Cosulich

With a Law degree, he began his professional experience abroad before taking on the responsibility of developing relationships with companies operating in the Far East for the Group. His contributions resulted in significant JVs with COSCO and ARKAS, as well as the re-entry into shipowning activities and internal diversification in the steel industry. As Chairman his commitment is to develop a stronger and diversified Group, able to produce more job and business opportunities.

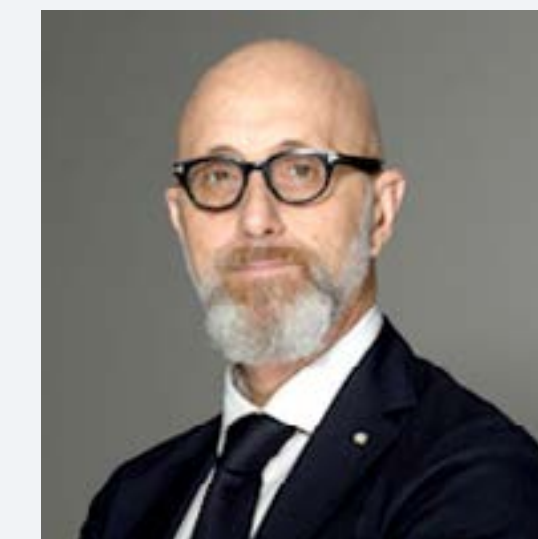
Joined the Group in: 1980

Member of the Board since: 1981

Business Unit Responsible for: Agency, Logistics, Freight Forwarding, Trade & Manufacturing and Warehousing

Responsible for Corporate function: Group Business development on commercial and strategic activities, Marketing and PR activities

Other Public roles: Cavaliere del Lavoro, Honorary Consulate of Malta, Head of Consulates for Genoa City



Matteo Cosulich

With a multifunctional background and extensive international experience, he has been in charge of the Group's innovation and technology development for nearly three decades. His contribution has helped into implementing in the Group's operations, added value digital processes. He has been working for the creation of the right corporate tools to develop a unique identity as a Group since his appointment as Vice-Chairman.

Joined the Group in: 1992

Member of the Board since: 1995

Business Unit Responsible for: Manning, Business and Leisure Travel, Insurance Broking, IT Business and Warehousing

Responsible for Corporate function: Real Estate activities



Tomaso Moreno

With more than two decades in the yachting industry, his substantial contributions have been pivotal in the establishment, development, and expansion of the Group's activities in this sector. Leveraging exceptional interpersonal skills and a winning strategic approach, he has enabled the Group to distinguish itself as one of the rare entities capable of encompassing nearly all continents, in the most exclusive ports and marinas.

Joined the Group in: 2000

Member of the Board since: 2012

Business Unit Responsible for: Yachting



Marta Cosulich

Graduated in Mathematics, she entered the Group after a fruitful experience in companies managing big data. Thanks to her professional background, she contributed to the introduction of new tools for the collection and analysis of data within the Group. Leveraging on her flexible skills, she has held various positions within the Group, ultimately assuming a key role in logistics activities within the Central Eastern Europe area.

Joined the Group in: 2007

Member of the Board since: 2012

Business Unit Responsible for: Trade and Manufacturing, Freight Forwarding, Catering and Warehousing

Other Public roles: CDA Member of the University of Genoa, Board Member of Banca Sella Holding, Member of AIDDA



Timothy Cosulich

With a remarkable academic career into Business Administration at renowned universities such as INSEAD and Harvard Business School, he joined the Group, after a number of years around Europe and Asia working in strategic consulting at PwC and in logistics at AP Moller Maersk. His exceptional leadership skills and visionary mindset have been instrumental in consolidating the Group's presence in the Far East and promoting the Group as an Employer of choice. He recently added the leadership of the HR function to his portfolio of responsibilities

Joined the Group in: 2010

Member of the Board since: 2012

Business Unit Responsible for: Marine Fuel and LNG

Responsible for Corporate function:

Human resources

Other Public roles: Chair of IBIA, Member of YPO



Stefano Abate

An academic international background with extensive experience as a Financial Auditor before joining the Group as CFO. His dynamic way of working and thinking has helped to reach the Group's significant milestones over the last two decades. Thanks to his expertise and the team he assembled to work with, he ensured that the Group had everything it needed to compete with the best in the industry. As the only member of the board who does not belong to the family, his contribution is well recognized.

Joined the Group in: 2001

Member of the Board since: 2017

Business Unit Responsible for: Shipowning

Responsible for Corporate function:

Corporate Finance, Accounting and Reporting, Admin & General services

3.4

e-Governance

Our e-Governance framework is designed to ensure an adequate level of security for all information that we manage.

Our Group acquired GeneSYS Informatica S.r.l. in 1995 to centralise the digital evolution of all Companies over time. To further enhance Group security, in 2021, GeneSYS Informatica achieved ISO27001 for its information security management system.

The three pillars of ISO27001 security are Availability, Confidentiality, and Integrity. The Group has added two additional aspects: Independence and Business Intelligence analysis. These are the key concepts related to each pillar:

Availability: guarantee that a digital asset or service is available in compliance with Confidentiality.

Confidentiality: concerns the privacy of any digital asset, meaning data should be available only to the intended audience.

Integrity: proof that a digital asset can only be updated when it is explicitly requested or necessary.

Independence: the maximum effort to ensure that digital assets are engineered, developed and maintained by internal resources.

BI analysis: maximum care to constantly monitor operating data with Business Intelligence tools.

To safely manage the e-Governance of the Group, we identified four different interest areas: IT Infrastructure, Email management, Software development of tailor-made applications, and Internal development of Business

Intelligence aimed at controlling and managing of relevant KPIs.

The aim is to run these areas using as many shared policies and tools as possible, to keep strict control over:

- know-how on company workflows;
- critical events management (related to external sudden changes);
- change management (planned and orchestrated technology-related changes);
- security management.

Furthermore, in 2023, in cooperation with Fratelli Cosulich Turkey, GeneSYS aims to map other Group companies interested in undertaking the ISO27001 path.

PRIVACY AND SECURITY

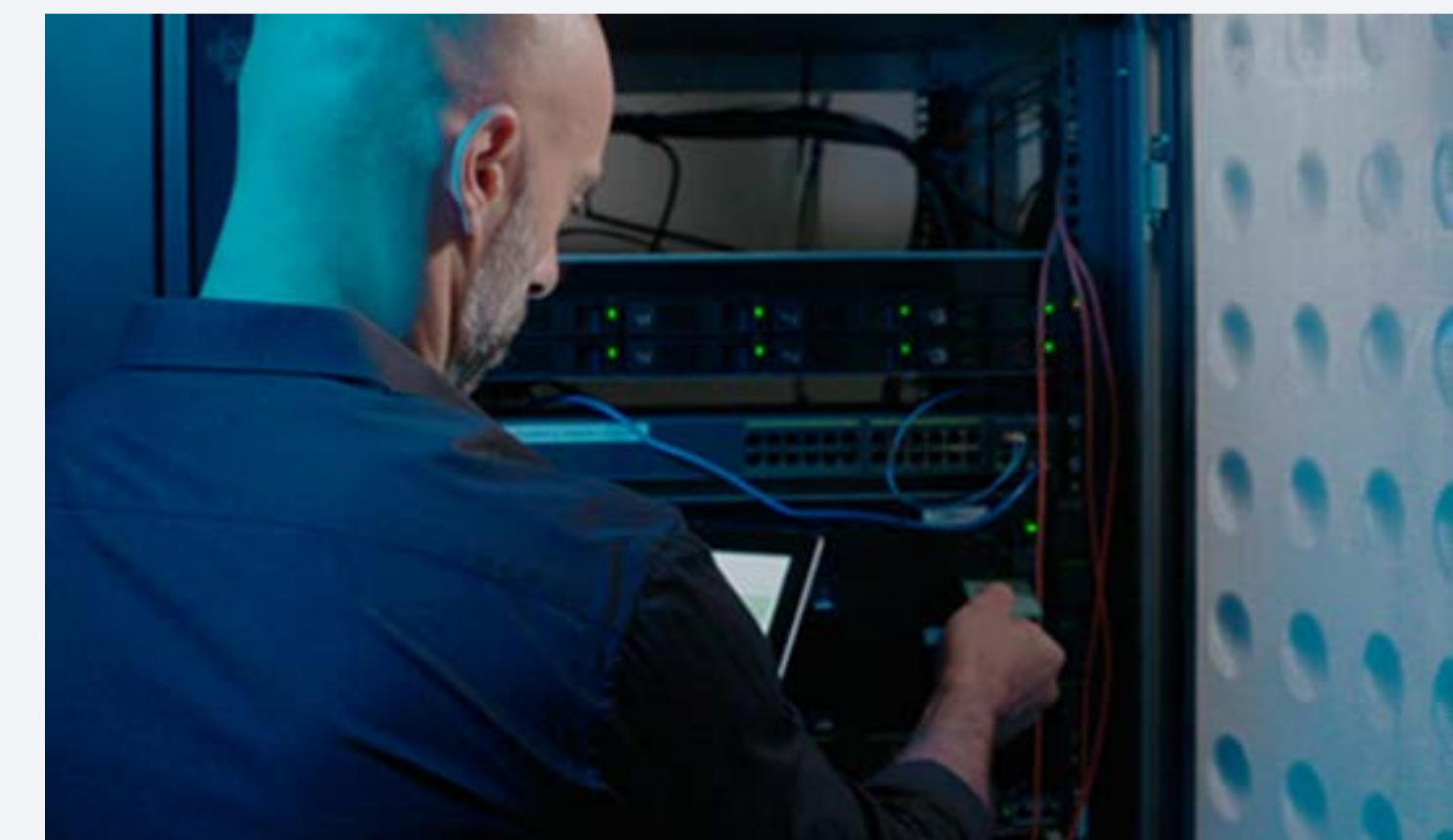
Our stakeholders expect their personal information to be protected with the best care. Therefore, we take this responsibility very seriously.

Ensuring data security and compliance with privacy regulations is one of our top priorities, given the requirements for data protection laws in various jurisdictions have become stricter in recent years.

Particular attention is paid to the GDPR principle of “Privacy by design”. Our privacy framework sets out five main privacy principles that all employees must respect, wherever they are in the world: privacy by default, privacy by

design, transparency, reasonable care, and collecting consent if needed. The processes underlying privacy compliance in the EU are continuously monitored, and an annual program of training courses on the subject guarantees accountability.

In 2023 the e-Governance improvements aim to extend the Group’s coverage of all interest areas mentioned above (IT Infrastructure, Email management, Software Development of tailor-made applications, Internal development of Business Intelligence).





THE PILLARS OF THE GROUP: OUR BUSINESS UNITS

4.1

Marine Fuel and LNG

We achieved our best financial results ever, while our Board Member Timothy Cosulich has been elected Chair in the most prestigious entity of the sector, the International Bunker Industry Association, cementing our leadership. We are pioneering the transition to new marine fuels, with tangible assets, but also exploring with selected partners how to reduce the carbon footprint. Embracing the future means hiring and empowering young talents that will help us lead the way. Together with our stakeholders, progress, sustainability and excellence are possible. We are ready to shape the industry, stem by stem.

In a year where the world is in full transition, we have leveraged on a key concept: efficiency for a greater output.

The 2022 outstanding results are directly linked to the capabilities of our team to transform this concept in a mantra for their daily operations. The financial performance of our business unit has been the best to date, with a Gross Profit that more than doubled compared to the previous year. Due to the significant price increase during 2022, our efforts have been to optimize our credit lines while focusing on those transactions making the best economic contribution.

As a result, our Net Profit (Fratelli Cosulich Group Share) is Euro 12.6 million, with our EBITDA surpassing Euro 27.2 million.

Since ownership and management of our fleet of bunker tanker vessels are crucial for us, describing our activities' results solely from a trading perspective would not give a complete picture of our performance. During 2022 we renewed our fleet with the addition of "Margherita Cosulich" (built 2019, 7.994 dwt), which replaced "Patrizia Cosulich".

Our units are managed by our internal ship-management team, working proactively to remain best-in-class at the service of major oil companies.

Finally, during 2022 our team in China has been following up the construction of the very first two Italian flagged LNG Bunker Tanker Vessels, which will be delivered in Q3 2023 and Q1 2024.



OUR ACTIVITIES' PERIMETER

The Marine Fuel and LNG department at the Fratelli Cosulich Group offers world-class solutions for marine fuel and LNG needs. With a global team and cutting-edge bunkering vessels, we supply a diverse range of fuels, while prioritizing safety and environmental responsibility. Our commitment to shaping a better future for global shipping is also reflected in our industry leadership and membership in the International Bunker Industry Association (IBIA).

CHANGES IN THE PERIMETER

February 2022 - Investment - Purchase of M/V Margherita Cosulich

KPI

EBITDA Euro - Million	27.2	Net Result Euro - Million	12.6
Companies	12	Countries	9



4.2

Shipowning

Our shipowning activities are the essence of our strategy. They are not just investments for economic gain; they form the foundation of strong relationships with our business partners. We operate on three main fronts, and 2022 has brought exciting developments. Just a few years ago, we made the decision to re-engage in shipowning activities, beyond our activities in Singapore. Our intention was to generate positive side-effects across all our operations. As the Latin saying goes, "Audentes fortuna iuvat", we are delighted to see that this sector has emerged as one of the top performers within our entire Group.

We want to start at the end: nearly Euro 9 million in net profit (Fratelli Cosulich Group shares). A result that has increased by five times over the previous year. Without taking into account the fact that not all assets are already in the ROI phase. But these activities go beyond mere economic gains. We have set sail on three main fronts in the vast ocean of opportunities, and 2022 has brought us significant achievements.

Firstly, our bunker tankers operating in Singapore Bay recorded the entrance of Margherita Cosulich, a recent building (2019) that has replaced an older unit of ours. We are keeping our fleet updated, and our Shipmanagement team expertise transformed us into the top choice for Oil Majors, meeting their operational needs with utmost efficiency. Moreover, our Dry Bulk carriers' fleet has experienced remarkable growth, contributing to a

prosperous year of economic expansion in 2022. We have tracked down the smooth construction of our two LNG Bunker Tanker vessels as planned. Now, we are closer to seeing in action (2023 - 2024) our units that will transmit our commitment to sustainable operations for the sector. Lastly, we have taken a unique stride by establishing a joint venture with a renowned Italian Group to operate a river barge that serves the thriving steel industry. This innovative approach highlights our willingness to adapt and cater to the diverse needs of our partners, with particular attention to the environmental impact of our activities.

We are confident that our strategy will continue to reward us as we navigate uncharted waters, and we are ready to seize any new opportunities to invest more in this area of activities.



OUR ACTIVITIES' PERIMETER

With over 160 years of shipowning expertise, Fratelli Cosulich Group boasts a diverse fleet of bunker tankers, dry bulk carriers, and upcoming LNG bunker tankers. Our vessels, chartered to major oil companies and serving the steel industry, operate on a global level with a commitment to excellence, safety, and sustainability. Offering customized ship management services and investing in fuel efficiency, we are a trusted partner for meeting the evolving needs of the shipping industry.

KPI

EBITDA Euro - Million	15.2	Net Result Euro - Million	7.4
Companies	6	Countries	2



PIMLICO

Vulcania

4.3

Freight Forwarding

It's the name itself of our business unit that indicates the way: forward. And proceeding ahead, advancing or progressing are all synonyms of our 2022. To better serve our customers, we have expanded our physical and virtual operations by implementing cutting-edge custom tools created in-house. Our financial results are the best to date yet. We are now beginning to earn back from our investments: acquiring companies, establishing others in crucial locations, and, most importantly, developing synergies among all of them. Global integration relies on freight forwarding activities, and our Group is ready to play its leading role.

We started the year, still managing the “long-term effects of COVID19” and we found ourselves facing the “short-term impacts of the ukrainian-russian conflict” on world trade.

This has had a significant impact on our relationships with counterparts in eastern Europe because, over the past year, we have strengthened our position in the freight forwarding activities for the steel industry. In order to maintain a high level of customer satisfaction, we understood that we needed to move quickly when looking for new solutions to new routes.

We announced that TPG Logistics, a major player in the Koper port, would join the Group at the end of 2021. With its arrival, we quickly forged connections with all Express Global businesses operating in this area, expanding our commercial influence and service offering. Additionally, we com-

pleted a strategic acquisition last year to elevate our position in Turkey, where we have long-term plans. By purchasing the majority of MESCO' shares, we reaffirm our dedication to investing to create long-term partnerships and opportunities, while preserving the company's current equilibrium with the other shareholders.

But again, on the same path of the previous years, the financial results have been the best we have ever tracked so far. The contribution to this performance is built on the growth of all our Group's companies. With EBITDA about Euro 15m leading to a Net Profit (Fratelli Cosulich Group Share) close to Euro 9m, we are looking forward to reinvesting those profits in new activities.



OUR ACTIVITIES' PERIMETER

Our Freight Forwarding division plays a vital role in our Group, connecting departments and serving customers directly. With a global presence and strategic partnerships, we offer top-tier forwarding services by sea, land, or air. Synergically working with other business units such as Trucking, Warehousing, and strongly supported by our IT solutions, we provide tailored solutions for all types of shipments, ensuring efficient transport management and real-time control of operations.

CHANGES IN THE PERIMETERS

September 2022 - M&A - MESCO International Ltd

KPI

EBITDA Euro - Million	15	Net Result Euro - Million	8.9
Companies	26	Countries	16



4.4

Shipping Agency

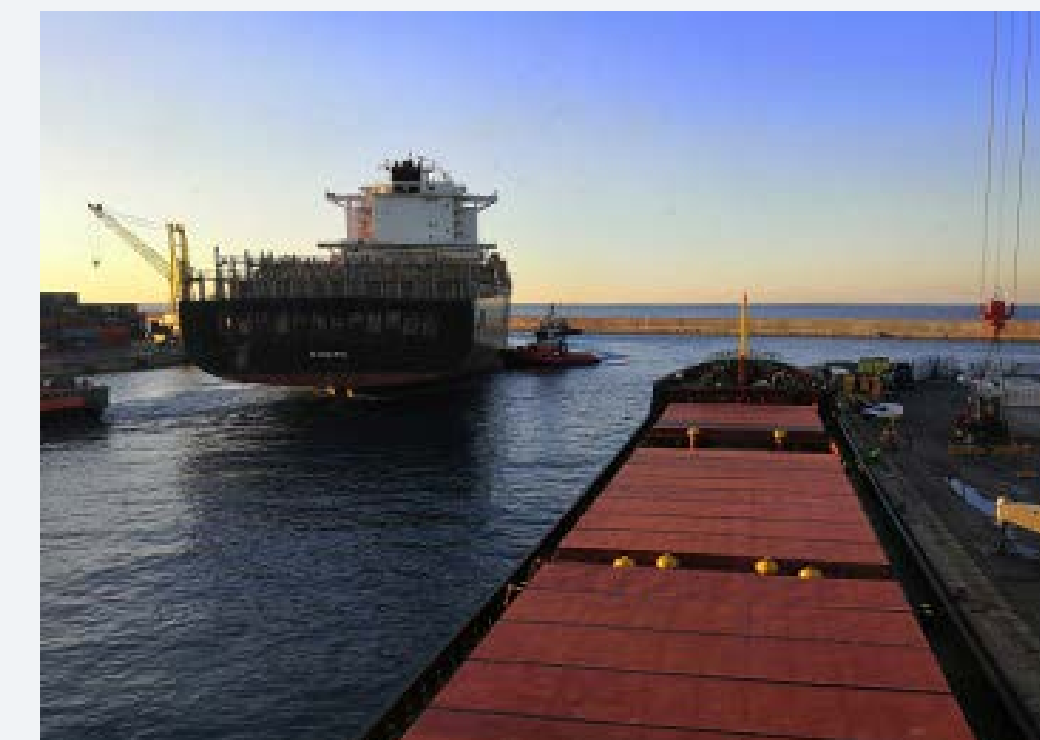
Benefiting from the increased price for shipping services linked to the pandemic. Realizing that, as a result of the conflict's escalation, all our shipping services for the steel industry must be rebuilt from scratch. Two sides of the same coin: 2022. A coin that is worth almost Euro 10m of Net Profit, a growth to the previous year, which was already the best year ever for us. We want to remain loyal to us: a unique entity among all other shipping agents, able to provide added value to the entire supply chain, sourcing primarily from the Group synergies.

After a couple of years marked by the pandemic's aftereffects, which brought container freight rates inflation, lack of available containers, ports' congestion, and anything but not a smooth process on the global supply chain, 2022 has unquestionably changed in the right direction. Thanks to our professionals and the powerful synergies among our companies, we worked arduously to reduce all negative factors, and as a result, the Group has been able to grow even in a complex situation.

It has been a significant year for our activities connected to what we define as Liner Agency. We introduced a fully updated in-house developed tool, "Line2k20", that has allowed us to improve on what was already close to perfect in terms of operational processes and documentation management with our company's represented and final customers. Additionally, other affiliated companies focused on the goal of supply chain digitization,

beginning to join international networks and, more importantly, gradually implementing logistics software, again, in-house developed, designed specifically for our customers' needs.

With regard to the Tramp Agency's operations, the escalation of the conflict between Ukraine and Russia has forced us to react quickly. We started managing all new flows coming from the Far East and South America related to the steel industry thanks to the great relationship we are keeping with all stakeholders of the sector. We have managed to change the vessels' dimensions significantly in order to maintain the same volumes. We improve the effectiveness of work management by centralizing the commercial and oversight of all offices across the Group to the head office, in order to better adapt to these changes.



OUR ACTIVITIES' PERIMETER

As a Shipping Agency, we combine our Liner and Tramp teams to represent major shipping line companies and provide port operation assistance. Besides being line agents in Italy and in the Balkan, we also expanded our Italian presence establishing two important joint ventures with both Turkish and Chinese lines. The Tramp unit cooperates with the Liner, providing agency services for vessels and cargoes, including barge transport, dry-bulk cargo handling and project cargo assistance. Furthermore, we also specialize in professional assistance for the steel industry at major ports throughout Italy.

KPI

EBITDA Euro - Million	5.0	Net Result Euro - Million	9.9
Companies	12	Countries	5



4.5

Trucking and Intermodal

The Trucking and Intermodal business unit of Fratelli Cosulich Group provides environmentally friendly road and intermodal transport services. With a focus on reducing air and noise pollution, we have invested in a fleet of over 90 trailers and 70 trucks, and started a conversion to LNG. Operating from multiple offices in Northern Italy, we want to offer comprehensive coverage and are specialized in transporting tank containers for the food and chemical industry, as well as ADR cargo.

In 2022, we implemented a growth strategy to enhance our capabilities and seize opportunities in the trucking industry. Expanding our fleet was a key focus, resulting in significant results. By increasing the number of trucks and trailers in Italy and Central Europe, we improved client service and accommodated higher cargo volumes. These investments ensured our capacity met the growing transportation demand.

Additionally, we established the ARKO office in Rijeka to optimize operations and expand our reach. Rijeka's strategic location and connectivity make it an ideal hub for our activities in the Balkans. This office enhances our presence in the region, allowing us to capitalize on emerging opportunities.

We prioritized strengthening our expertise in tank transports, particularly

under Lorma Logistic. Targeted investments in equipment, technology, and training improved our capabilities in specialized liquid and gas transportation. This niche market specialization provides a competitive advantage and diversifies our growth opportunities.

Despite challenges like driver shortages, volatile gas prices, and pandemic effects, we remain committed to success. Our resilience, adaptability, talent acquisition, and driver retention efforts will help overcome the driver shortage. Strategic partnerships and collaborations will also contribute to our success. By prioritizing customer service, operational efficiency, and innovation, we are well-positioned for greater achievements in 2023. We are proud of our 2022 outcomes and confident that our positive momentum will continue.



OUR ACTIVITIES' PERIMETER

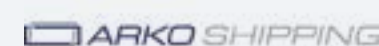
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CHANGES IN THE PERIMETER

June 2022 - Establishment - C&C Transports S.r.l.

KPI

EBITDA Euro - Million	3.6	Net Result Euro - Million	1.0
Companies	6	Countries	4



4.6

Yachting

The numbers show how our 2022 will look, but there are a wide range of investments and strategies. The outcomes are even more encouraging in light of the fact that a number of factors, including the driver shortage, the volatility of gas prices, and some pandemic long-term effects in the logistics industry, have significantly impacted our competitive landscape. On these premises, we have a positive outlook and a desire to increase our outputs for an even brighter 2023.

Despite the effects of the pandemic, in the past year, the Yachting division of Fratelli Cosulich Group has achieved remarkable milestones, solidifying our position as a leading force in the industry.

In 2022, we proudly invested in new physical and digital assets, launching new initiatives. We began operations in our New Zealand and Singapore offices, further expanding our global footprint and improving our service capabilities.

In addition, we proudly fulfilled a strategic acquisition that has propelled us to the forefront of ship-chandling activities in the southern Mediterranean region. The acquisition of Monaco Yacht Partner, a company known for its exceptional services, has strengthened our leadership position and our support to prestigious clientele.

Committed to innovation, providing seamless efficient experiences for our customers, we launched two innovant web applications to ease the monitoring and interactions in the field of yachts' operations and their fiscal compliance in the Mediterranean.

Furthermore, we want to highlight that our companies in Croatia have worked in synergies to conclude (in 2023) a M&A operations, that will reinforce our network within ship-chandling activities, We are also thrilled to announce the opening of new offices by PESTO Sea Group in central Italy: an expansion reflecting our dedication to deliver exceptional service and convenient customer access.

We are confident that these developments will empower us with tangible and intangible aspects of our daily lives, supporting us on shaping the future's yachting industry.



OUR ACTIVITIES' PERIMETER

The Yachting and Cruise Agency of the Fratelli Cosulich Group provides tailored services for yachts of all sizes, including additional assistance as needed. With a strong market share and a worldwide presence across three continents, we set the industry standard. Our skilled staff, strategic locations, and comprehensive range of services ensure accurate and customized support for technical, logistical, and agency needs of affluent customers and their representatives.

CHANGES IN THE PERIMETER

December 2022 - M&A - Monaco Yacht Partner Sarl

KPI

EBITDA Euro - Million	1.3	Net Result Euro - Million	0.9
Companies	24	Countries	7



4.7

Catering

We are happy to report that in 2022, our catering business unit made significant advancements, turning in an exceptional financial performance. We exceeded our own expectations with an impressive EBITDA of 1 million Euros and a Net Profit of 800.000 Euros. These outstanding outcomes are a result of our team's expertise and hard work, as well as our strategic initiatives. We have improved our position in the market by carefully controlling costs and seizing growth opportunities. We are eager to maintain this upward trend, providing top-notch catering services and fostering long-term profitability.

2022 brought us numerous achievements and positive developments for the Catering section of Fratelli Cosulich Group, encompassing Fratelli Cosulich S.p.A. and Fratelli Cosulich Do Brazil.

Our ferry operations have continued to thrive as a profitable venture, generating consistent revenue streams by managing onboard collections. In addition, we successfully managed the transfer of four FPSO units from China to Brazil, which are now under contract with FCdB, opening up new avenues of growth. This achievement confirms our skills in handling large-scale operations, consolidating our reputation as a reliable partner in the industry.

Despite market challenges, we have made remarkable progress. While it is difficult to quantify the overall increase, which we estimate to be around

25-30%, our ability to navigate these challenges demonstrates our resilience and adaptability. We have strategically tried renegotiating contracts and adjusting pricing structures to ensure sustained profitability. Although we encountered inevitable delays in customer acceptance, we successfully addressed these issues and improved our profitability margins.

Regarding our accomplishments, we are proud to have expanded our presence in the Brazilian market, thanks to our collaboration with key clients. While we recognize the importance of diversification, this partnership has played a significant role in our growth and market penetration.

Looking ahead, we remain committed to innovation and customer satisfaction, enhancing operational efficiency, and seizing new opportunities in the evolving market landscape.



OUR ACTIVITIES' PERIMETER

The Catering business unit of the Fratelli Cosulich Group manages comprehensive catering and victualling operations since 1946. We provide high-level services, delivering provisions 24/7 on board and offshore. With expertise in serving various types of ships worldwide, we create a homely atmosphere for crew and guests, collaborating closely with other Group units for a seamless experience.

KPI

EBITDA Euro - Million	1.0	Net Result Euro - Million	0.8
Companies	2	Countries	2



4.8

Business and Leisure Travel

The travel industry has made a remarkable comeback, demonstrating resilience and adaptability. The business travel division of Fratelli Cosulich Group and Griffin have noticed a significant increase in travel activity, returning to pre-pandemic levels. Despite the ongoing difficulties, our teams adapted to the shifting environment, with strategic investments to promote commercial growth. The resurgence of travel shows the persistence of human desire for connection and exploration, and we're still dedicated to maximizing these opportunities, delivering top-notch services.

Although the leisure travel sector continued to be affected by the pandemic, Fratelli Cosulich S.p.A.'s Business Travel division achieved important milestones, in line with pre-COVID performance in 2022. The investments in web development and marketing communication generated significant commercial opportunities.

Additionally, a strategic shift in business development was implemented, with the Naples office focusing on creating a sales network targeting larger entities and public administrations, while reducing services provided to smaller travel agencies.

Moving on to Griffin, 2022 saw a return to pre-pandemic values as our clients resumed their normal lives. Even though we discovered that many

tasks could be completed remotely, resulting in fewer staff travels, the desire to socialize with human contacts was stronger.

Currently, we are operating at 2022 levels, with one downside being the transition of our long-standing client Scorpio to a shared client arrangement with ATPI. This change resulted in the loss of a portion of work handled by our Indian office and a drastic reduction in margins due to implementing a transparent fee-based contract.

Despite these challenges, we remain committed to providing a highly valued service to an expanding portfolio of private and public entities, allowing us to maximize the economic return.



OUR ACTIVITIES' PERIMETER

Our Business & Leisure Travel unit, active since 1922, offers comprehensive travel solutions for corporate clients, maritime personnel, B2B clients, and final customers. With a focus on personalized experiences, our professional team creates tailored itineraries that exceed expectations. This department is a key part of our business, and whether it's business travel, specialized services for seafarers, travel management solutions, or bespoke travel experiences, we always deliver integrated solutions that meet diverse needs.

KPI

EBITDA Euro - Million	0.1	Net Result Euro - Million	0.2
Companies	2	Countries	1

4.9

Warehousing

In 2022, our Warehousing business unit soared to unprecedented levels. From the Balkans to Italy and Turkey, we delivered remarkable results. Strategically positioned with off-dock terminals near major ports, revitalized warehouses, and optimized capacities, we forged key partnerships and expanded market potential. Collaboration and innovation drove our success as we became industry leaders, propelling growth and thrilling possibilities. The future is full of endless potential for us, with a growing demand for integrated logistics services. We are confident that greater results are on the horizon.

The warehousing business is growing in importance, becoming crucial for offering an integrated logistics service to the final customers.

In the Balkans, our brand Depolink established unparalleled logistical connections. We have set up off-dock terminals near top Adriatic ports such as Koper, Rijeka, Trieste, and Ploče, and our multimodal terminals in key hinterland locations like Belgrade and Zagreb expanded our market potential. We proudly provide now tailor-managed container terminal solutions for Far East key customers, solidifying our position as industry leaders.

Moving to Italy, our company Morgan4Ship has undergone an impressive transformation. The refurbished warehouse serves the catering business

unit activities, but also supports a wider range of services into shipchandling. Leveraging synergies within our group and forging key collaborations with industry players, we become a formidable force in the sector. Our company Luvitrans, under its new management approach, our warehouse has become the central hub for all freight-related activities near Milan. Its strategic value within the Express Global Group has more than doubled, driving our growth to unprecedented levels.

Lastly, in Turkey, our company Sultan completed its reorganization phase. We also attracted a loyal customer base by offering competitive rates for long-term stops, and propelled our business to new heights. We achieved full utilization, with positive economic impacts.



OUR ACTIVITIES' PERIMETER

Our Warehousing unit offers diversified and tailored solutions to meet customer needs. With multiple facilities across Italy and international locations, we provide storage for various goods, including foodstuffs, and specialize in container handling, maintenance, and cleaning. Our strategic locations near ports and airports ensure efficient connections, while promoting synergic cooperation with other business units within the Fratelli Cosulich Group for high-quality and well-timed services to our customers.

KPI

EBITDA Euro - Million	0.1	Net Result Euro - Million	0.1
Companies	8	Countries	3



4.10

Manning

As we overcame obstacles in 2022, we recognized a paradigm shift in our Manning operations. It's safe to say that it was a challenging year for us. But despite the hardship, we seized a remarkable chance to keep investing. We acquired the majority of an Italian company that specializes in training seafarers.

Our business model can be reshaped thanks to this tactical choice, which also puts us in a better position for the future. We're committed to adapt our strategy to deliver better results and successfully navigate the shifting business environment.

Throughout 2022, our Manning activities at Fratelli Cosulich Group encountered challenges that necessitated reevaluating our strategies. Despite the challenges faced in 2022, our Manning activities positively contributed to the Net Profit of the Group.

As part of our evolving strategy, we are now considering potential shifts in our hiring practices and exploring the possibility of direct recruiting seafarers. It will allow us greater control over the entire process, enabling us to assemble a highly skilled and motivated workforce aligned with the organizational goals of both us and our customers.

However, amidst the difficulties, we seized a remarkable opportunity to acquire a majority stake in Gente di Mare, an esteemed Italian company

specializing in seafarer training. This strategic investment enhances our training capabilities and paves the way for establishing a state-of-the-art training centre in Leghorn, the first of its kind in Central Italy. This significant development positions us to shape the future of seafarer education, ensuring the highest standards and equipping our workforce with the necessary skills to excel in the evolving maritime landscape.

We are confident that we will achieve sustainable growth with our renewed focus on seafarer training and the synergies generated by our partnership with Gente di Mare. We are excited about the opportunities and are confident that our strategic initiatives will position us as industry leaders, driving progress and delivering superior outcomes.

**OUR ACTIVITIES' PERIMETER**

The Manning unit of Fratelli Cosulich Group offers staffing and crewing services to industries such as Oil & Energy and maritime. With our expertise in crew management and a wide range of qualified candidates, we provide effective solutions for filling all ranks and meeting diverse personnel requirements, supporting offshore wind energy, oil exploration, pipeline construction, and more.

KPI

EBITDA Euro - Million	0.1	Net Result Euro - Million	0.1
Companies	2	Countries	1

4.11

Trade and Manufacturing

2022 was a game-changer for Fratelli Cosulich Group's Trade and Manufacturing division. Our economics led us to be the top Fratelli Cosulich Group performance contributor. With the help of commercial development and market conditions, Link Industries ended the market with its best year ever. At the same time, Trasteel Group achieved record-breaking revenues of \$ 1.3 billion on its own. The Group, based in Switzerland, is investing to dominate the steel industry through acquisitions like Profilmec and Fematec. The business units and our corporate focus are now more aligned than ever.

The year 2022 has witnessed exceptional achievements for both Link Industries and Trasteel Group within the Trade and Manufacturing business unit of Fratelli Cosulich Group.

Link Industries, specializing in cast iron and marine and building insulation, has experienced its most successful year. The market's increasing demand for industrial insulation, driven by rising energy costs and the need for enhanced efficiency and savings, created a favourable environment for Link Industries. Moreover, the post-COVID economic recovery contributed significantly to the growth of the building materials sector, further boosting the company's performance.

Meanwhile, Trasteel Group, a multi-purpose group solely focused on the steel industry, continued its remarkable ascent. With revenues of approximately \$ 1.3 billion, close to 1.000 employees, and 13 operating compa-

nies, Trasteel solidified its position in the market. Remarkably, the Group achieved sales of approximately 15 million tons across 60 countries in 2022, generating a gross profit of around \$ 200 million and an EBITDA of \$ 80 million.

The year's standout event for Trasteel was the acquisition of the majority of shares of Profilmec Group, headquartered in Turin. This strategic move further expanded Trasteel's reach and capabilities. Additionally, the purchase of Fematec (Trasteel Makina) marked another significant milestone for the Group. As Trasteel navigates the complexities of its new organizational structure and explores potential synergies among its subsidiaries, a dedicated corporate team comprising experienced individuals and fresh talent was formed. These investments align with the natural progression of our captive market, bolstering Trasteel's position and driving further growth.



OUR ACTIVITIES' PERIMETER

The Trade and Manufacturing business unit of Fratelli Cosulich Group specializes in insulation and steel. With over 25 years of experience, we offer customized solutions for thermo-acoustic insulation, as well as supplying manhole and gully tops, fences, and building nets. Through strategic partnerships and trading expertise, we seize global logistics opportunities in the steel industry while prioritizing sustainability and supporting the decarbonisation process.

CHANGES IN THE PERIMETERS

October 2022 - M&A - Profilmec Group

KPI

EBITDA Euro - Million	3.4	Net Result Euro - Million	9.8
Companies	12	Countries	7



4.12

Information Technologies

Our Group is revolutionizing its core business, bringing it closer to our activities. We've developed game-changing software and web portals in-house, enhancing customer service across all our business units. This brings the Group to the forefront, securing our prime position. We invested in IT infrastructure, supported digital communication, and strategic projects. To deliver this growth, we expand our workforce and conducting M&A activities, broadening our portfolio of services.

Evaluating the success of our business unit goes beyond economics alone, although we're thrilled to report an impressive EBITDA of over Euro 260k. Our true measure of achievement lies in the contribution and support we provide to our sister companies and stakeholders.

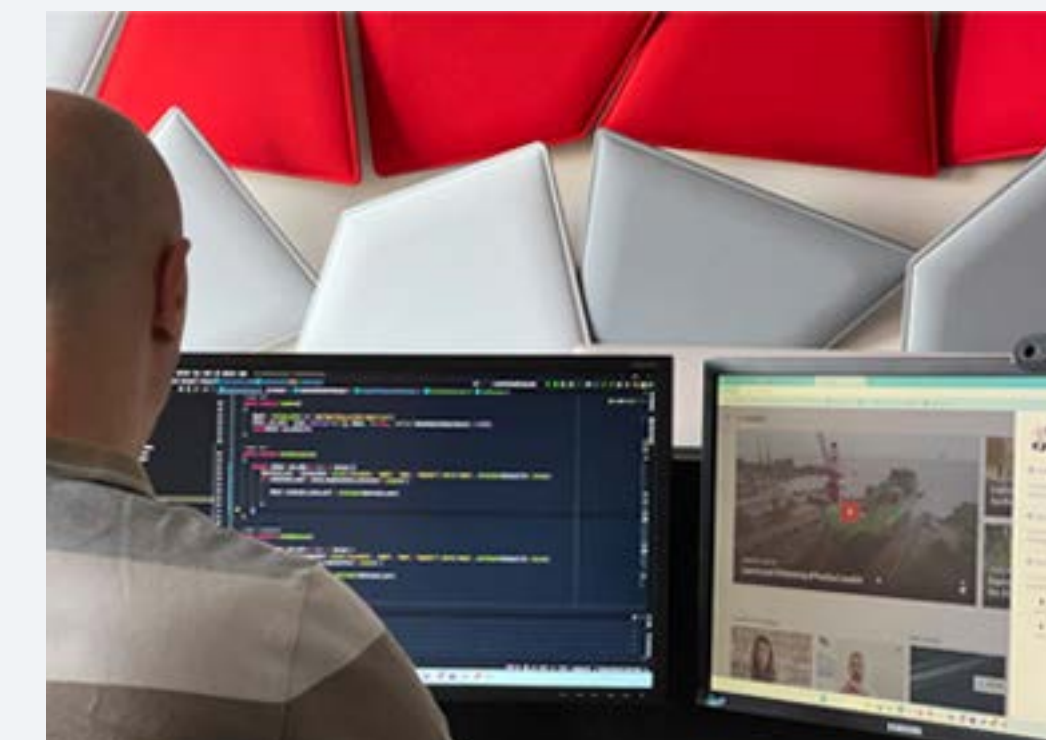
Our professionals work closely with colleagues from all business units, empowering them in their commercial endeavors and promoting the services that are now with the added value of the IT embedded. Our business model revolves around listening to the needs of our colleagues' customers and together developing operational software, web portals, and websites that provide to them solutions, to us customers' retention.

Last year alone, we successfully executed over 100 projects, making it

challenging now to identify the most significant ones. However, we've received exceptional feedback on our tools offered in the freight forwarding and logistics' area.

We're expanding both our personnel and the number of companies we collaborate with. 2023 will be a milestone as we acquire a Satellite Maritime Solutions provider, Argenton & Soci, adding valuable expertise to our team but also creating immediate synergies with our Shipowning and Yachting activities.

The head company of the business unit's motto is "from the core to the outside" and now more than ever, we are at the core of everything that is outside of IT.



OUR ACTIVITIES' PERIMETER

Fratelli Cosulich Group's IT division provides innovative services using cutting-edge technology. We provide tailored solutions and seamless connectivity through our areas of expertise in Information Technologies, Business Intelligence, Software Development, Commercial Intelligence, Project Management, and Maritime Satellite Communication. This unit is critical in providing reliable technology, web, and software solutions to improve efficiency, knowledge sharing, and cost reduction across our business units.

KPI

EBITDA Euro - Million	0.3	Net Result Euro - Million	0.1
Companies	3	Countries	1



4.13

Insurance Broking

While economic returns are important in the competitive landscape, it is synergies and added value that truly distinguish a diverse group. The Insurance Activities of the Fratelli Cosulich Group demonstrate this through innovative programs, strategic collaborations, and comprehensive offerings. We provide unrivaled competitive advantages by leveraging the collective strengths of the Group's companies. It's not just about the numbers; it's about fostering a dynamic ecosystem that promotes growth, resilience, and exceptional service. In a world where differentiation is key, the Fratelli Cosulich Group definitely stands out.

In 2022, we transformed into reality our strategy to be at the service of Group companies, acting with the only goal of creating synergies with and for the Group companies.

We are working to build on the success of our freight forwarding business unit by launching the innovative "Cargo Insurance Master Program" alongside our well-established "Freight Forwarding Liability Master Program." The newly developed offering enabled all of our companies to provide comprehensive and customized insurance coverage for our customers' goods. Furthermore, we expanded our insurance programs to include haulage businesses both within and outside the Group, broadening our reach and strengthening our market position.

Furthermore, we made significant progress in assuming the Group's bulk fleet's insurance coverages, with the goal of achieving standardized costs

and conditions across all of our owned ships. This strategic initiative streamlines our operations while also improving our risk management capabilities. Last year, we started a fruitful collaboration with our affiliated Tra-steel Group. We are working together to create new insurance solutions that address the unique cargo and liability risks that their newly added entities face. This collaboration strengthens and expands our portfolio, demonstrating our commitment to meeting our clients' changing needs.

Last but not least, our most notable achievement last year was the project that resulted in the adoption of new insurance solutions for Group employees. In keeping with our corporate commitment to well-being, we successfully launched a new corporate program "welfare". This comprehensive Health Insurance initiative has been already adopted by several companies, ensuring that our valued team members have access to high-quality healthcare services.



OUR ACTIVITIES' PERIMETER

Insurance Broking: Cosulich Assicurazioni S.r.l., established in 2011, is the dedicated insurance department of our Group, with offices located in Genoa. Initially focused on serving our maritime clients, we now provide comprehensive consultancy and analysis, specializing in risk management, policy drafting, claims handling, and employee assistance. Our goal is to support both our Group companies and their clients, particularly in the logistics sector.

KPI

EBITDA Euro - Million	0.2	Net Result Euro - Million	0.1
Companies	1	Countries	1



OUR MAIN ASSET: PEOPLE

5.1

Who we are

In the last years, our Group has experienced relevant growth made possible with the skills, commitment, energy and contribution of our greatest asset: people.

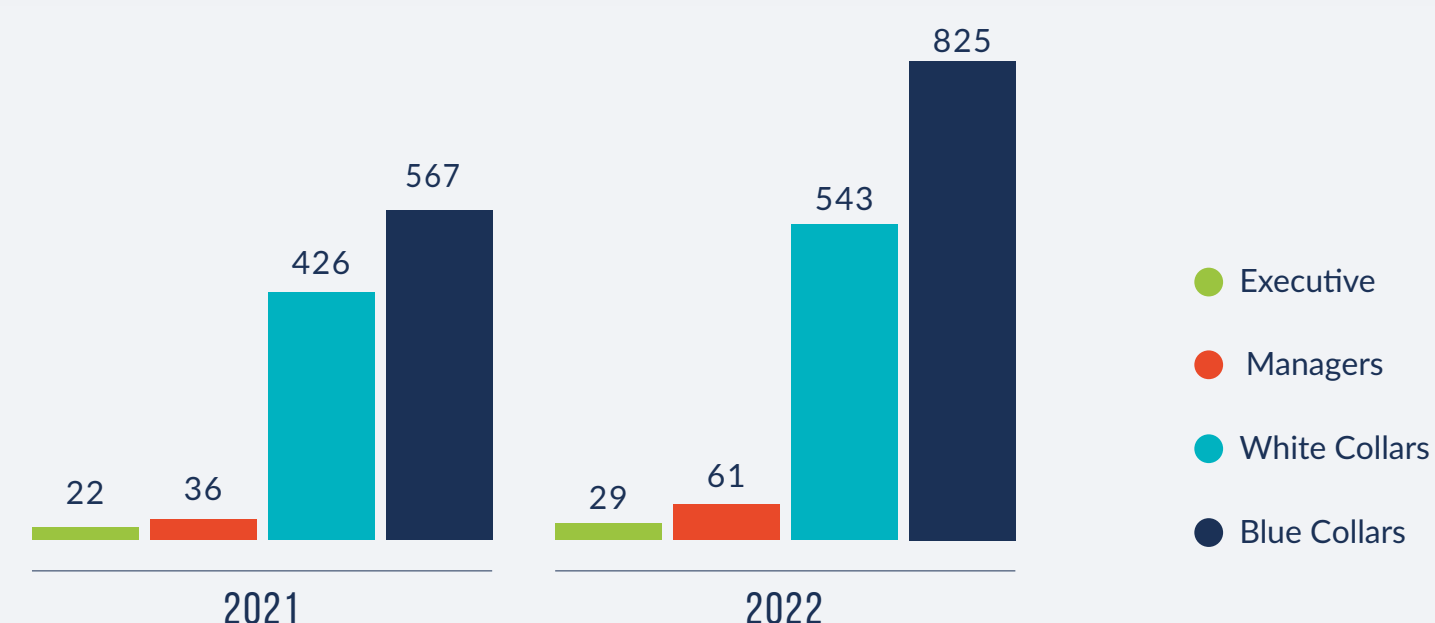
On the one hand, this expansion is built on those values and features that have characterized the Fratelli Cosulich Group since its foundation in 1857. We are particularly proud of preserving the peculiarities of a family company in a globally competitive environment. On the other hand, our evolving process has given rise to the necessity of creating more structured HR processes and systems to support our people in thriving, developing and expressing their full potential. It is our deep conviction that without these ingredients, it would be impossible to repeat the extraordinary performances of these years.

The pace of our growth is testified by the rise we registered in terms of companies part of our perimeter, which, at least partially, caused the increase in the total number of employees.

In fact, in 2022, we experienced a relevant increase in the employees' total number, from 1051 to 1458, with a rise of 38,7% during fiscal year 2022. Assuming the two perimeters are the same, the increase is still relevant and amounts to 25,1%².

In 2022 we registered growth in all employee categories. In particular, for Managers and White-collars, the most significant contribution comes from the acquisition of MESCO, while a generalized increase explains the rest. Instead, for Blue-collars, a rise is observable in all the Companies with this job category. This relates to the nature of their activities, especially for

Fratelli Cosulich Do Brazil, Fratelli Cosulich Singapore and Lorma Logistic, which rely more on this category of employees.



GENDER COMPOSITION

During the reporting period, the percentage of women in the Group has remained substantially stable, from 22,0% in 2021 to 21,5% in 2022, while the total number of women has increased in every job category from 231 to 313. The percentage has remained the same since the number of men has risen proportionally in the same period.

The following table shows that at the end of 2022, executive women represented 17% of the total while looking at managers' distribution shows a more significant balance. Women constituted 36% of total managers.

A situation close to parity is visible in the white collar segment, where women were 44% of the workforce. In contrast, blue collar women still repre-

sented a small part of the total (approximately 6%). Percentages are relatively stable year on year in every analyzed category.

JOB ROLE	2022 WOMEN	2022 MEN	2021 WOMEN	2021 MEN
Executives	17,2%	82,8%	18,2%	81,8%
Managers	36,1%	63,9%	36,1%	63,9%
White Collars	43,3%	56,7%	41,5%	58,5%
Blue Collars	6,2%	93,8%	6,5%	93,5%
Total employees	21,5%	78,5%	22,0%	78,0%

The relative weight of the age ranges is stable over the examined period.

JOB ROLE	TO 31 DECEMBER 2022			TO 31 DECEMBER 2021		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Executives	-	55%	45%	-	50%	50%
Managers	-	59%	41%	3%	56%	42%
White Collars	20%	61%	18%	16%	64%	20%
Blue Collars	4%	83%	13%	7%	78%	15%
Total employees	10%	73%	17%	10%	71%	19%

As reported in the GRI content index, a vast majority favours permanent and full-time contracts.

5.2

Hiring process and talent development

Fratelli Cosulich is well aware of the strategic role that our people play in defining and achieving challenging targets and in pursuing constant growth. Hence, ensuring the best working conditions and practices is a priority to help them thrive and grow, personally and professionally.

During 2022 we have worked hard to strengthen our recruitment process and share best practices among different Companies in the Group. During our Italian Managers Meeting held in July 2022, it was asked to define tools to support hiring processes. Thanks to the support of our in-house IT Company, GeneSYS Informatica, the Group designed and developed an in-house portal **career.cosulich** to guide hiring Managers from all different Business Units in the process with the constant support of the Corporate HR function. The tool allows posting open positions, tracking candidates that apply and monitoring progress: it represents the platform for constant dialogue between hiring managers and the corporate HR function, from the job description definition to the final job offer.

Internal mobility can give our colleagues opportunities to grow within the Group and provide access to new skills and experiences. While avoiding the risk of potentially losing talents, job posting can offer visibility in work assignments and strengthen links among different companies in the Group. In 2023 we will share positions posted externally on our intranet **in.cosulich**.

We also plan to launch the Youth Committee that wants to embrace employees as active participants in implementing changes within the Group. It is a project designed for young people to promote engagement and

innovation within the Group. It will represent employees under 35, bridging the new generation and Fratelli Cosulich Board of Directors. The Youth Committee will propose ideas to the Board and work on approved cross-functional projects to bring an innovative point of view and contribution to the Group.

The Company structure has significantly changed in recent years through several acquisitions. New companies are included in the perimeter every year, and in this context, ensuring coherent and comprehensive HR processes within the Group is our priority: we identified the performance assessment and evaluation process as a stepping stone to build such an HR structure.

The main objectives of the performance and evaluation program are:

- defining a clear process that will hold employees and managers accountable for their goals and behaviours while clarifying expectations for the future;
- supporting with feedback to recognize accomplishments;
- discussing development opportunities and creating a roadmap for common success.

To help managers define key objectives and targets aligned with our key values, the Group introduced the SMART Objectives Framework: Specific, Measurable, Achievable, Relevant and Time-Bound. Considering the importance of a consistent performance management process, GeneSYS Informatica will develop in 2023 an evaluation tool to keep records of em-

ployees' performance, making it easier to leave and receive reviews and provide meaningful feedback.

In addition to the performance and evaluation program, to define a shared purpose and live our key values, we have set two main goals to foster employees' development:

- **identify skills to enhance** behaviours that have the potential to push us ahead on our journey to living our key values;
- **encourage leaders to take a deeper and more reflective look** at their behaviours and how they are linked to key values.

In 2022 Fratelli Cosulich Turkey launched a **360 Assessment** to accelerate employees' development. Through honest feedback and constructive criticism, a 360 assessment can provide valuable insight that we would not be able to get otherwise. The system Fratelli Cosulich Turkey adopted offers confidential and comprehensive information beyond individual benefit or personal development. Team dynamics improve, peer relationships strengthen, and the organization can reinforce a consistent employee-manager experience.

Discover more on

career.cosulich

5.3

Health and Safety

The safety of our people is a top priority in every field of our operations and in every Country where we are present. Also, due to the heterogeneous nature of our Group, managing risks has different meanings and involves distinct aspects.

Figures testify our commitment to promote safety: in fact, both in 2021 and 2022, we did not experience any fatalities, high-consequence work-related injuries or ill health cases, and our rate of recordable work-related injuries was 3,86 in 2021 and 2,19 in 2022³.

Paying attention to health and safety is fundamental not only for our staff but for our overall operations. For example, we conducted several audits to verify that the shipyard appointed to build our LNG tanker vessels had adopted adequate safety measures. For the same reason, we participated in the Global Centre for Maritime Decarbonisation project to investigate the safety of using ammonia as a marine fuel.

Investing in health and safety training is crucial to preserve the well-being of our people. Besides the mandatory training provided to every colleague, a particular focus is put on our crews, involved in the riskiest operations. Fratelli Cosulich Comércio e Serviços provides specific H&S training to prevent work-related injuries and diseases. Since 2021 our Brazilian subsidiary has been preparing and implementing an annual operational development plan to provide its employees with training opportunities. This results from an employee engagement process made through an internal satisfaction survey carried out in 2020. Given the satisfactory result, the

operational development plan was successfully integrated into the already existing training procedure.

In Brazil, there is also a dedicated and responsible staff for Health & Safety. KPIs are defined to obtain information for an agile decision-making process and to monitor the performance on safety, environment and health.

Fratelli Cosulich Singapore has an induction program for newly hired shore-based employees that foresees: training on the Company Policy, introduction to HSEQ Management System; customer's requirements and Safety & Health practices and Regulations. Shore-based personnel are also responsible for monitoring the practical implementation and continuous improvement of HSSE. A monthly shipboard safety committee meeting is held to analyze performances, discuss relevant events, and implement potential improvements.

Fratelli Cosulich Singapore has adopted a formal risk management system to evaluate and avert all possible hazards and threats and is committed to improving the H&S training of the entire staff ashore and onboard. In this regard, through prevention, the aim is to reach zero oil spills and zero accidents. In Morgan 4Ship and Fratelli Cosulich Comércio e Serviços, given the specific catering business, we fully comply with food safety regulations to ensure the highest level of attention to customers' expectations. Morgan 4Ship S.r.l. holds ISO UNI 45001:2018 certification for occupational health and safety.

Fratelli Cosulich Comércio e Serviços has begun a process to obtain ISO 22000 certification. The procedure is ongoing and should be finalized in

the next few years. ISO's food safety management standards help organizations identify and control food safety hazards in synergy with other ISO management standards, such as ISO 9001. On top of this, a traceability and recall procedure for food products has been implemented, allowing the Company to identify and manage potentially unsafe products.

WELFARE AND WELLBEING

Since 2021, we have established health insurance in Italy to support our employees' medical needs. In 2022 the insurance policy covered 249 people in our Group⁴.

A similar Health insurance has been provided to our people in Brazil since our operations in the country began. Our goal for 2023 is to extend its coverage to our employees and their families.

In 2023, we will sign a Company-wide agreement with an online training provider focused on fitness and well-being classes.

welfare.cosulich



OUR VISION TO PROTECT THE ENVIRONMENT

6.1

Main environmental challenges in the sectors we operate

"There is a rapidly closing window of opportunity to secure a liveable and sustainable future for all."

2023 Report of the Intergovernmental Panel on Climate Change (IPCC)

In a context where climate-related risks are ever-increasing, freight transportation contributes to 8% of global greenhouse gas emissions (11% counting warehouses and ports). Without significant changes towards greater environmental sustainability, logistics could become the highest carbon-emitting sector by 2050⁵. This trend would undermine the targets of the Paris Agreement (the treaty on climate change aimed to limit global warming to well below 2°C and pursue efforts to limit it to 1.5°C) and the UN Sustainable Development Goals.

For this reason, many International organizations are intensifying their efforts to reduce sectors' carbon footprints.

In this regard, the European Union launched the Fit for 55 package, a set of measures to reduce its net greenhouse gas emissions by at least 55% within 2030, compared with 1990 levels. The package would make Europe the first climate-neutral continent by 2050. Although the approval processes still need to be completed at the time of writing, introducing these measures would be revolutionary for the whole logistic sector.

The extension of the EU Emissions Trading System (ETS) will also impact the entire maritime transport sector. Shipping companies will have to acquire and surrender ETS EUA (Emission Unit Allowance) for each tonne of

reported CO2 emissions in the scope of the system. To avoid excessive disruptions, the proposal foresees a phase-in period in which shipping companies will only have to surrender allowances for some of their emissions, starting from 40% to 100% after three years. The objective is to create a carbon price signal that should encourage a drop in GHG emissions, improve low-carbon solutions, and reduce the price difference between alternative fuels and traditional maritime fuels.

As we write, The EU Council and the Parliament have reached a provisional deal on the new rules for using renewable and low-carbon fuels in maritime transport (Fuel EU Maritime). This measure aims to reduce the greenhouse gas intensity of the energy used onboard ships by up to 75% by 2050 through greater use of greener fuels. This process should be gradual through the application of different thresholds over time.

The resolution includes credits granted for energy generated on board and the provision starting from 2030 for container and passenger vessels to connect to shore power for stays longer than two hours. In addition, significant consequences for the logistics sector could derive from the Re-fuelEU Aviation proposal, which intends to foster the supply and demand for sustainable aviation fuels in the EU to diminish the sector's environmental footprint (similar to FuelEU Maritime for shipping). Fit for 55 also envisages the revision of two existing directives on alternative fuel infrastructures and energy taxation. The first one should push the availability of LNG and onshore electrical power supply in EU ports. In contrast, the second one should remove some outdated exemptions to align the taxation of energy products with the EU's climate objectives.

At the same time, the IMO is revising its decarbonization strategy, which could become more ambitious and aligned with some of the EU proposals mentioned above. The normative framework that emerges from different sources is undoubtedly evolving and challenging for the whole logistic sector and will significantly impact several operational aspects.

Our Group has prioritized environmental sustainability, embedding it in our strategy and operations. To provide complete transparency to all our stakeholders, **from this version of our Annual Report, we will report the energy consumption within the organization as well as our direct (Scope 1) and indirect energy (Scope 2) GHG emissions** (paragraph 6.3).

Indeed, monitoring and reporting emissions is essential in our path towards an even greater environmental responsibility.

In this regard, our goal is not only to be compliant with legislation but also to use our know-how and our competencies, developed 165 years from our foundation, to go beyond in our contribution to ecological transition, being able, at the same time, to take advantage of the business opportunities that this transition can present.

6.2

Our road-map toward environmental consciousness

The ongoing environmental transition can not be overlooked in designing a business strategy for the implications it has in terms of risk, materiality (financial and not only) and opportunities.

AN OVERVIEW ON OUR INITIATIVES

Our engagement in decarbonising shipping is also indicated by our look to future perspectives. In this regard, in 2021, through our subsidiary Fratelli Cosulich Bunkers Singapore, we signed a Joint Development Project (JDP) Agreement with Rina and SeaTech Solutions aimed to develop the design for an ammonia bunker tanker. Ammonia is in fact one of the potential zero carbon fuels that can represent a significant improvement towards a more sustainable shipping industry. On this subject we are involved in several studies, such as the ammonia bunker safety study run by the Global Centre for Maritime Decarbonisation (GCMD).

In September 2022, less than one year after the signature of the JDP we signed a Memorandum of Understanding (MOU) for the construction of an ammonia bunker tanker with Nantong CIMC Sinopacific Offshore & Engineering, the same shipyard wherewith we cooperate in the realization of the two LNG Bunker Tanker Vessels.

In April 2023 RINA granted the Approval-in-Principle (AiP) for the design of a 21,000 (cbm) ammonia bunker tanker jointly developed by SeaTech Solutions and Fratelli Cosulich Bunkers Singapore.

OUR INVOLVEMENT IN SHIPPING ASSOCIATIONS

We are actively engaging with several organizations ⁶ that are at the forefront of many environmental topics.

IBIA

International Bunker Industry Association



IBIA is actively engaged in consultations and negotiations with policy makers. In 2005 the association achieved a consultative status in the IMO with consequent right to attend meetings, representing the industry's points of view and interests and providing its expertise. IBIA is particularly active in the field of alternative fuels and plays an important role in the energy transition. Our commitment in the association is testified by our CEO Timothy Cosulich who has been elected as IBIA Chairman in 2022.

SSA

Singapore Shipping Association



Within SSA our Group is present in the Marine Fuels Committee and in the Alternative Marine Fuels Sub-Committee, which has the aim of studying the use and feasibility of different types of alternative marine fuels, evaluating and making recommendations on the use of the different types of alternative marine fuels available and promoting awareness and understanding among the maritime and related industries on the development and research within the area of alternative marine fuel.

In addition, we are part of the **Italian committee for decarbonisation (launched by RINA)** and the focus group on Fuel EU Maritime & ETS (Emission Trading System) is overseen by Andrea Cosulich, our Honorary President.

COMMITMENT IN MITIGATING OUR FOOTPRINT

Our role in decarbonisation focuses on managing and mitigating our environmental impact in the industry. As a Group we are fully committed to improving the carbon footprint of Group operations, offices and warehouses, as well as fleet of trucks.

To enhance greater sustainability in our operations in 2023, we will introduce in our Group the Energy Manager role to define and implement energy efficiency initiative.

In 2023 our objectives are:

- increasing the amount of electricity coming from renewable sources, reducing the GHG emissions associated;
- achieving ISCC certification as sustainable biofuel supplier;
- appoint a Head of new marine fuels;
- establishment of Fratelli Cosulich Ship Management to best control ESG impacts;
- providing disclosure of ESG KPIs related to our bunker tanker vessels, as first step towards reporting Scope 3⁷.

A FOCUS ON SMALL SCALE LNG BUNKER TANKER VESSELS

As widely recognized, LNG represents a critical element of the transition towards a more sustainable economy and a fundamental asset for decarbonizing the maritime value chain.

Even though LNG is a fossil fuel, it provides several advantages compared to traditional marine fuels. The table below shows how LNG can provide substantial environmental benefits in reducing emissions compared to “traditional” marine fuels. In particular, it almost eliminates Sulphur oxides (SOx), and particulate matter (PM) emissions and diminishes Nitrogen oxides (NOx) by up to 80%. At the same time, GHG emissions can be reduced by up to 23%.

LNG can also help meet regulatory requirements and enhance competitiveness, especially regarding EEDI rating and Carbon Intensity Indicator that can be reduced by 20%⁸.

REDUCTION OF EMISSION OF LNG⁹

CO₂ 25% | NOx 80% | SOx -100% | PM -100%

In addition, LNG does not imply those disadvantages slowing down the spread of the so-called “new fuels”. In fact, by way of example, LNG is already used and tested, infrastructures are under development, and specific regulations for LNG are already present in IMO’s International Code of Safety for Ships using Gases or other Low-flashpoint Fuels (IGF code).

On the other hand, LNG still emits GHG, so, in the long run, LNG can be partially replaced with blue fuels, e-fuels and biofuels. At the moment, there is not a unanimous consensus towards a specific new fuel, but rather the more realistic possibility foresees a mix of the different kinds of fuels, the composition of which depends on several factors. However, the role of LNG is not in question, and the most reliable scenarios forecast an increase in usage up to 2030/2035.



For these reasons, in 2022, LNG was the dominant alternative fuel choice within a continuing trend of ships ordered with alternative fuel propulsion. LNG is a prevalent choice for larger vessels, especially in the car carrier and containership segments, and a significant spread is also being seen for tankers and bulk carriers¹⁰.

In this framework, with the newly established Fratelli Cosulich LNG, the Group has decided to invest in the environmental transition through the order of two LNG Bunker Tanker Vessels. The first one, Alice Cosulich, was launched and christened in March 2023 and will be delivered in October 2023, while the second one, Paolina Cosulich, was launched in June 2023 and will be delivered in the first quarter of 2024.

The vessels, which have a 5,300 DWT and can carry 8,200 m³ of LNG and 500 m³ of MGO, will be fitted with Wartsila’s Dual Fuel technology, which is used in many marine propulsion and power production systems. The LNG subcooling plant will offer the most efficient ‘boil off’ treatment techniques, eliminating any potential environmental effects and minimi-

zing cargo losses. The propulsion and manoeuvring system will be of the azimuth type, with a double bow thruster, which allows high manoeuvrability in port areas. It will be operated by both onshore and offshore personnel with extensive LNG vessel management skills.

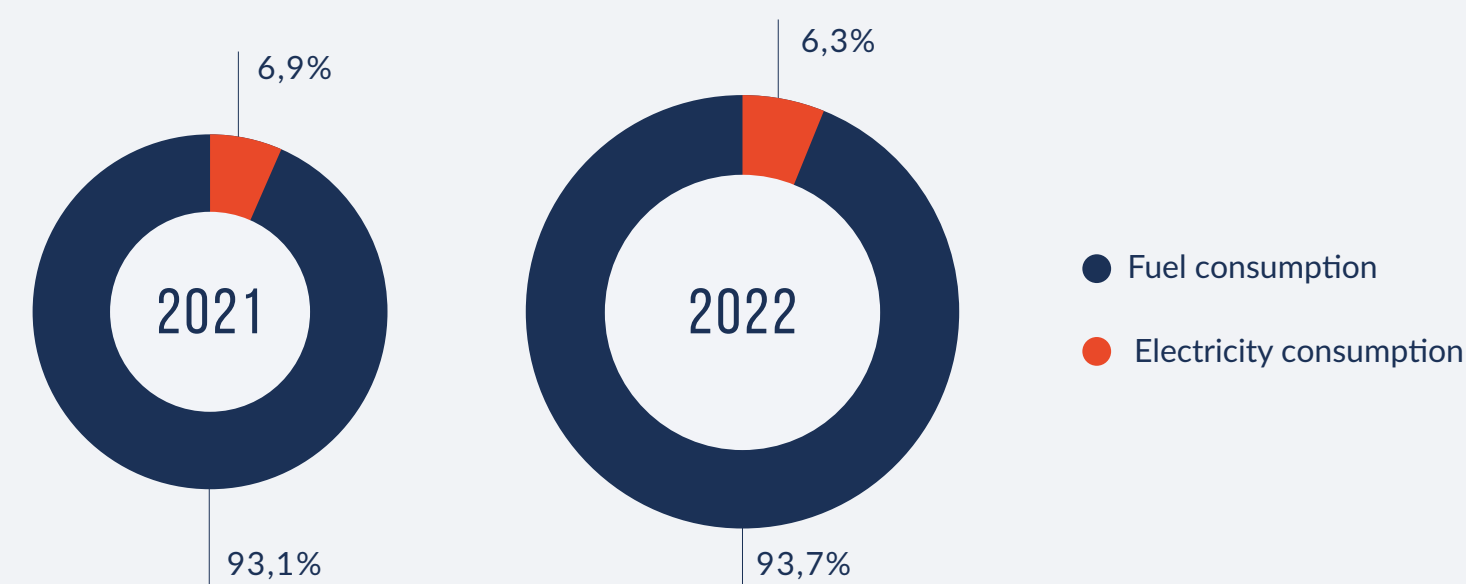
The new bunker tanker vessel creates an integrated network of (bio) LNG distribution to support the decarbonization of the maritime sector. It contributes to the EU Green Deal’s decarbonization objective, achieving a carbon-neutral economy.

For this reason, the European Union has awarded the vessel construction project a grant under the Connecting Europe Facility (CEF) programme.

6.3

Our Scope 1 and Scope 2 GHG emissions and mitigation initiatives

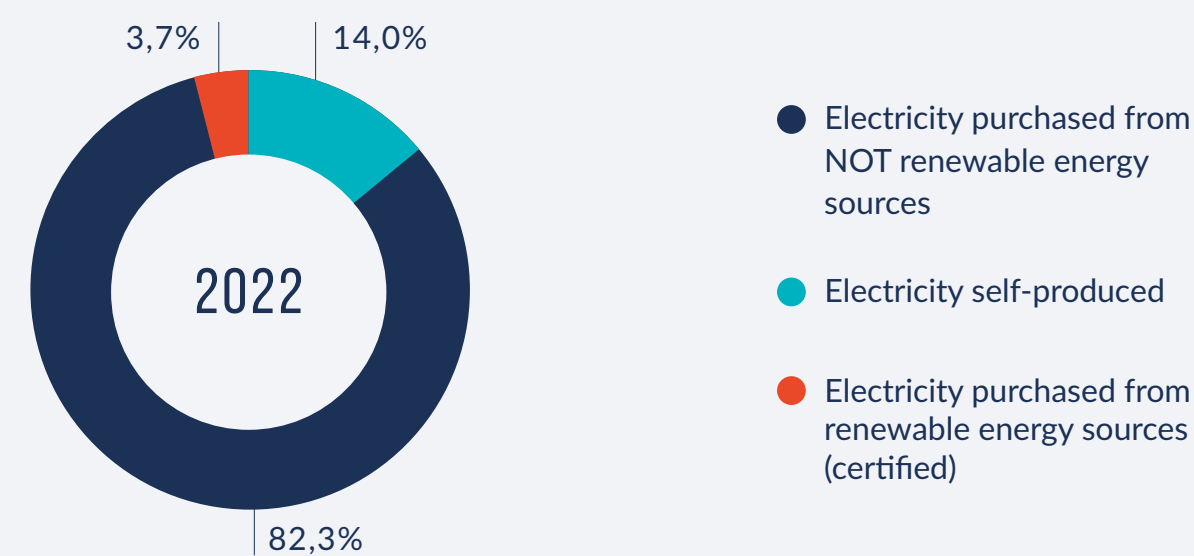
Detailed disclosure of our energy consumption and emissions represents a milestone to start evaluating our environmental impact: the aim is to define improvement actions in the Companies and Business Units where we can monitor direct (Scope 1) and indirect (Scope 2) GHG emissions. For 2021 and 2022, we have collected data, and overall the total Energy Consumption in the Organisation is 89.473 GJ in 2021 and 109.159 GJ in 2022, with an increase of 22%. The increase is also due to 2022's larger perimeter¹¹.



The chart above displays that the most significant energy consumption derives from fuel (diesel in particular) utilized by Lorma Logistic, given the specific nature of the Company operations (trucking transportation services). Regarding the last one, in 2022, the Company has enlarged its trucking fleet from 70 to 105 vehicles. This increase has led to greater fuel consumption and, consequently, higher emission levels. Moreover, the rise in truck numbers should consider that Lorma has substituted the older

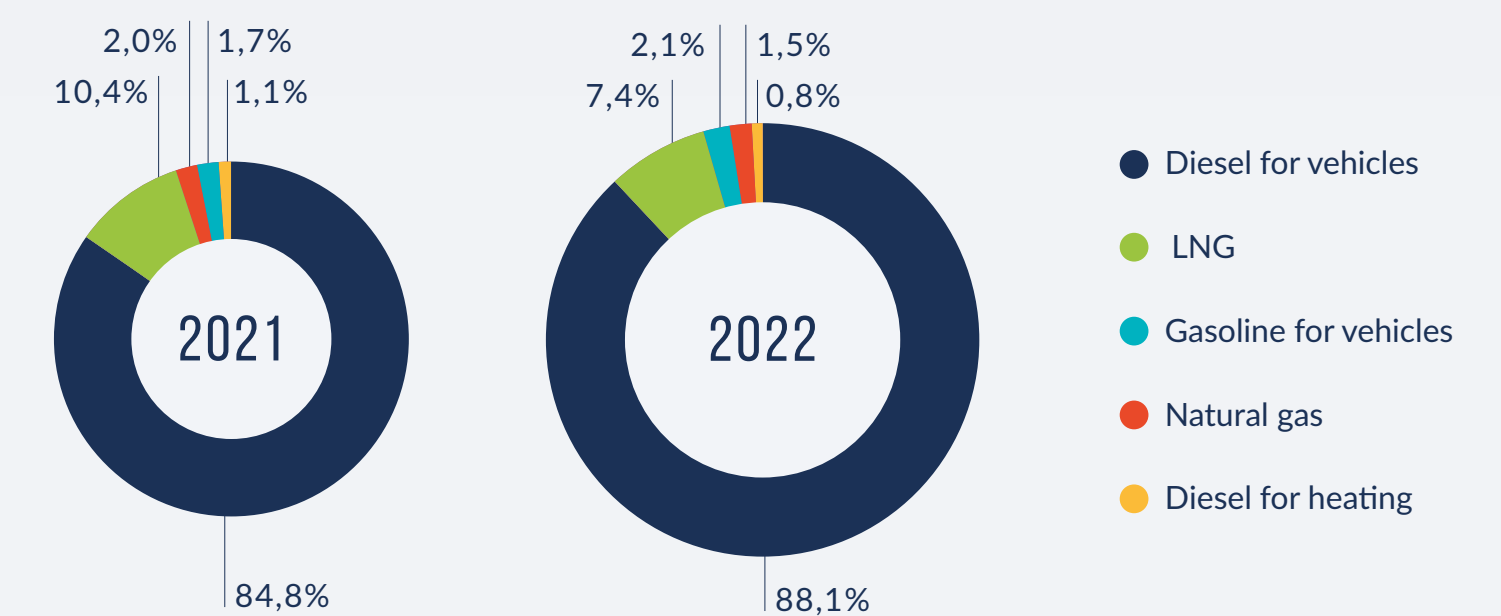
vehicles with more recent models that are more innovative in terms of emissions reduction¹². To increase efficiency and to reduce our carbon footprint, the Company has also adopted cutting-edge technological fleet management systems that allow it to pinpoint vehicles, monitor distance travelled, consumption and costs, and generate specific reports.

In 2022, through photovoltaic systems present in our headquarter in Genoa, in our Brazilian subsidiary's building in Macaé, and the Morgan 4Ship warehouse in Navacchio (Pisa, Italy), we self-produced 14% of our total electricity requirement¹³. The Group has expanded its renewable energy capacity in the current year thanks to the enhancement of the two mentioned photovoltaic power stations.




The following graphics show how the Direct (Scope 1) GHG emissions structure reflects the energy consumption and highlights an increase

between 2021 and 2022 (from 5.668 tCO₂eq to 7.112 tCO₂eq¹⁴). This rise is ascribable to the inclusion of other companies within the Group's perimeter - as described in the Methodology - and to the impact mentioned above of Lorma activity.



Regarding our energy indirect (Scope 2) GHG emissions, the trend between the two reported years is quite linear (591 tCO₂eq in 2021 vs 643 tCO₂eq in 2022), especially considering perimeter differences¹⁵. Within our Group, companies such as Ambro Terminal and Fratelli Cosulich Monaco rely entirely on purchased electricity coming from renewable sources. One of our goals for 2023 is to expand the electricity sourced from renewable to other Companies to reduce our carbon footprint.

2022 CONSOLIDATED FINANCIAL STATEMENT



“And 2022 was more than ever the result of the two previous years. A year in which we came close to, met, and exceeded all of our business and, more significantly, our financial goals,”

Stefano Abate
CFO of Fratelli Cosulich Group

7.1

Letter from the CFO

Another year has concluded, and I would like to use just one word to describe it: success. I want to be clear. I use this concept with great consciousness borrowing its old meaning from the Latin "succedere", namely "coming close after". And 2022 was more than ever the result of the two previous years. **A year in which we came close to, met, and exceeded all of our business and, more significantly, our financial goals.**

Despite all pessimistic forecasts for 2022, I am here to reveal that we entered into the Euro 2 billion Revenues Club with an increase of 45% compared to the previous year. With over 20 years of experience in this role, **I want to emphasize that Revenues, like stunning fireworks, lose their shine quickly. In the long run, EBITDA and Net Profit genuinely matter. These trustworthy measures guide us towards sustained growth and prosperity, with their "light" lasting longer.** And last year, our EBITDA increased by 80% up to Euro 68 million, resulting in our Group Net Profit, including third-party shares reaching its highest level yet at Euro 52 million, a +74% increase (of which Euro 40m Fratelli Cosulich Share).

As widely known, the Cosulich family has always had a golden rule passed down through generations: increase the results to be able to reinvest in acquire new assets or conclude new acquisitions to create more business and job opportunities. Our Consolidated Net Equity, including third parties, has increased over the last three years, bringing it closer to the top of Euro 250 million. **The international financial system widely acknowledges our financial strength. It continues to support us with our investments,** such as the nearly Euro 90 million operations for two sister Small Scale

and LNG Bunker Vessels, the seven special operations conducted in 2022 or the availability of new commercial credit lines to expand our offerings. A small glimpse into 2023, I am delighted to report that our corporate finance team, equipped with exceptional treasury expertise, has accomplished a remarkable milestone: we reached Euro 500 million in financial facilities granted.

Value added in financial operations extends beyond mere liquidity. We strive to be seen as a reliable partner who inspires trust and fosters fruitful business relationships. **We provide accurate and up-to-date consolidated figures thanks to the efforts of our corporate finance team and accounting professionals from each of our over 120 companies.** Their commitment ensures we can access and share timely and comprehensive information, enabling us to make informed decisions.

Another element above our exceptional financial performance is that the Fratelli Cosulich Group, **I am here pleased to anticipate, will undergo a process for obtaining a Corporate Rating from an independent accredited international entity based on its 2022 Annual Report figures.** This recognition emphasizes our commitment to transparency and strengthens our credibility in the eyes of leading international stakeholders and the competitive landscape.

Determining our future with a 360° approach is essential. We are proactively preparing for the future by working ahead of regulations that will be implemented in 2025. **We have already taken a significant step forward**

by establishing a dedicated Corporate ESG team with over 15 years of experience in the field. This strategic move is consistent with our commitment to sustainability and responsible business practices. We hope to inspire others and positively contribute to the environment and society by setting an excellent example in our industry.

Evolving beyond the regulations, behaving not looking just at compulsory is the best way to act, and feeling connected to future generations. In 2023 we are targeting to reach the same level as 2021, our second-best year ever, cementing what we have just conquered.

In conclusion, our achievements in 2022, coupled with the upcoming Corporate Rating and ESG initiatives, put now ourselves where strategic decisions and forward-thinking actions cross. **We are deciding today the road that will determine who we will be tomorrow.** But believe my words: with our focus on business and financial excellence, transparency, and sustainable mindset, we are already SAILING ON CROSSROADS.

Stefano Abate

CFO of Fratelli Cosulich Group

7.2

Our financial performance

The Group experienced substantial growth in turnover over the past three years, reaching Euro 2.214 million in 2022. This represents an impressive increase of 45% compared to the previous year.

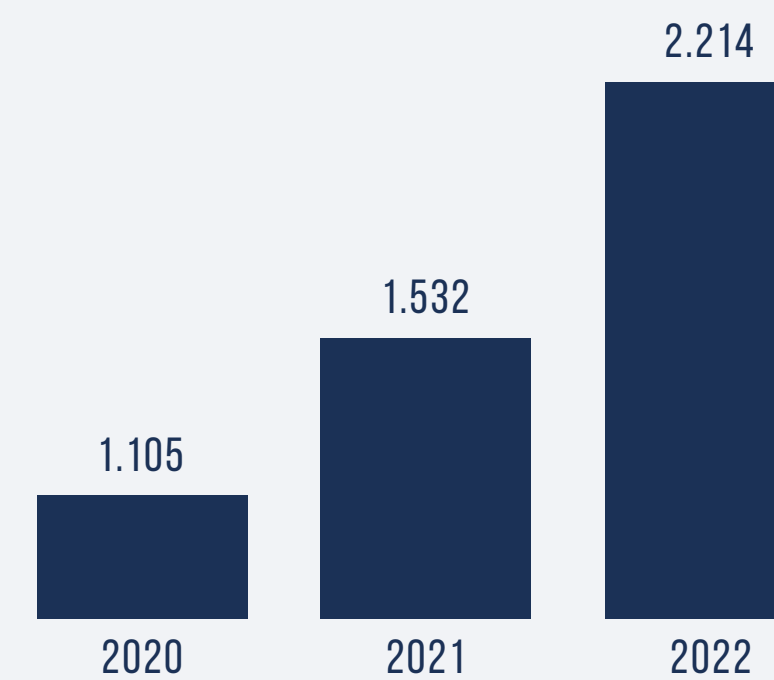
Fratelli Cosulich Group's EBITDA has also shown remarkable growth, reaching Euro 68.675 thousand in 2022. This reflects a substantial increase of 80% compared to the previous year's EBITDA of Euro 38.062 thousand. The significant improvement in EBITDA underscores the Group's ability to exploit the unique market opportunities risen during the year on its operations, with some control costs to maximize profitability.

The net profit attributable to Fratelli Cosulich Group's shareholders has experienced consistent growth, reaching Euro 40.195 thousand in 2022. This represents a remarkable increase of 66% compared to the previous year. These figures highlight the Group's ability to effectively manage its operations and generate sustainable profitability.

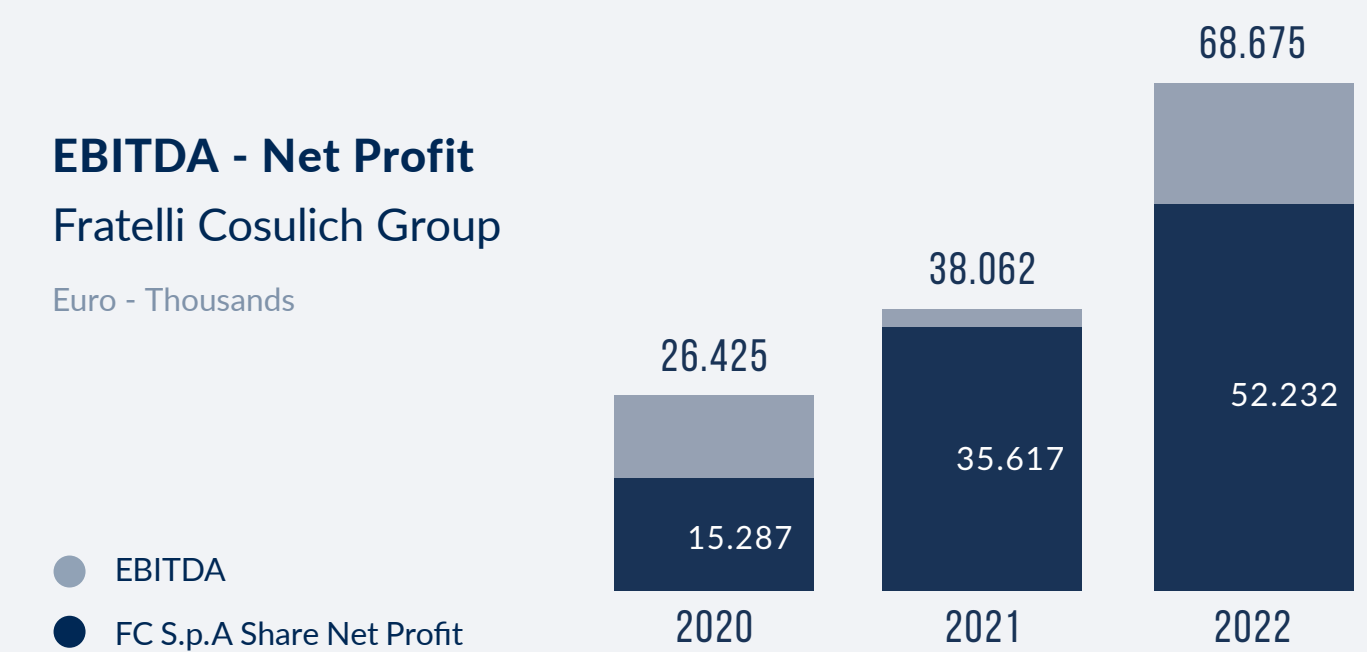
Fratelli Cosulich Group's net equity has also demonstrated steady growth, reaching Euro 211.531 thousand in 2022. Our commitment is to re-invest the earnings, to create strong foundations for our future growth with investments into assets and M&A actions.

In conclusion, with rising turnover, improved EBITDA, and higher net profits, the Group's cash flow is trending upward as well. This increase allows us to invest in strategic initiatives, pursue expansion opportunities, and improve its market competitiveness without concern and higher trust from the financial institutions.

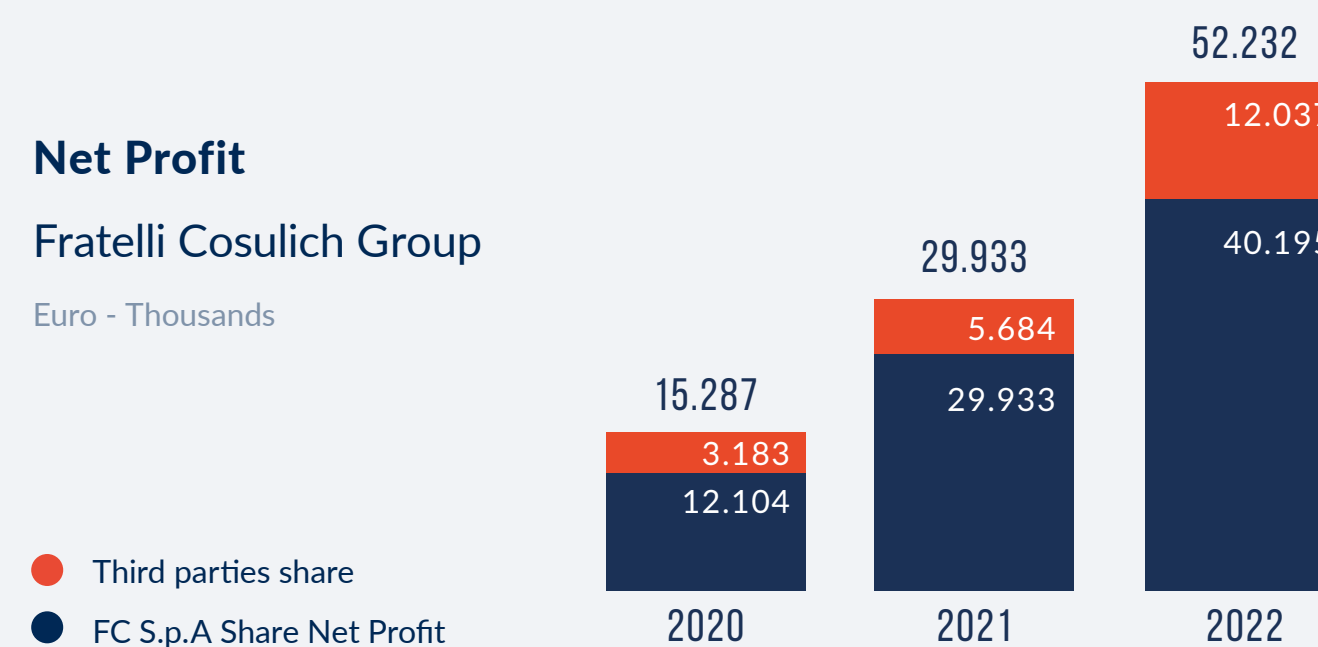
Turnover
Fratelli Cosulich Group
Euro - Millions



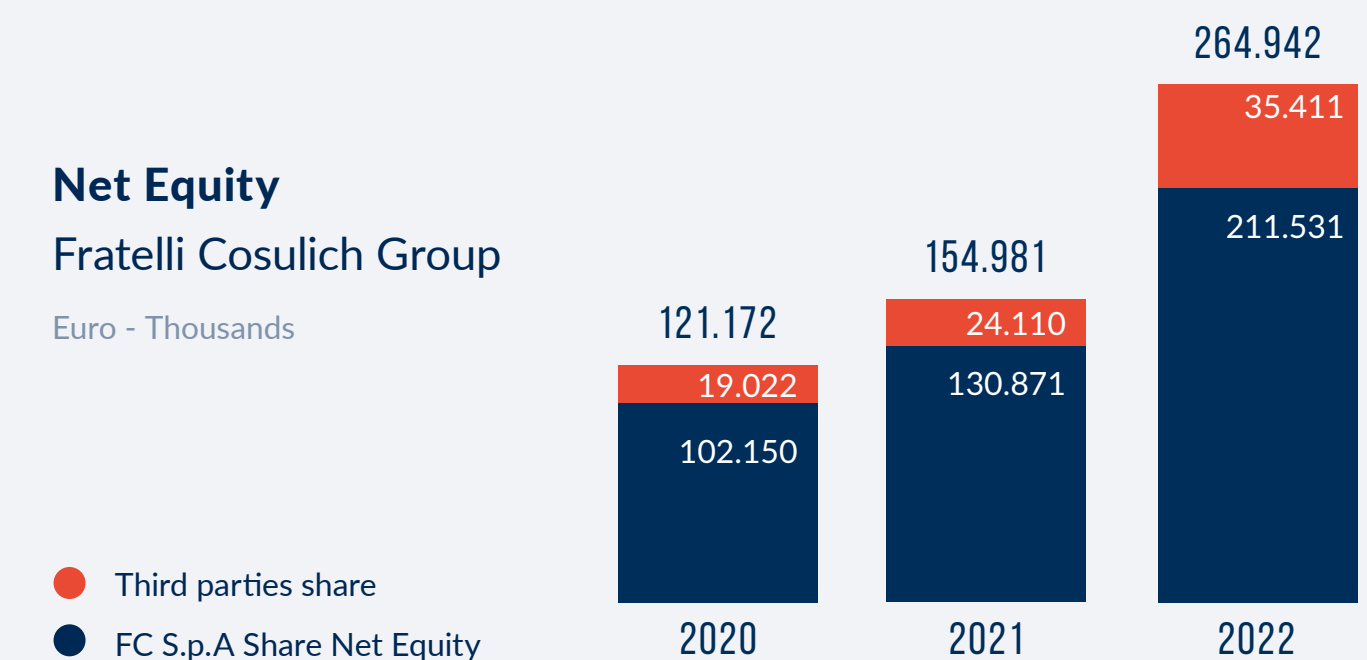
EBITDA - Net Profit
Fratelli Cosulich Group
Euro - Thousands



Net Profit
Fratelli Cosulich Group
Euro - Thousands



Net Equity
Fratelli Cosulich Group
Euro - Thousands



7.3

Cash flow statement and KPIs

	31/12/2022	31/12/2021
A. OPERATING CASH FLOW		
1. Profit (loss) before tax, interest, dividends and Asset disposal	64.377.982	34.637.288
2. Cash Flow before Working Capital movements	74.449.209	42.947.423
3. Cash Flow after Working Capital movements	50.766.191	10.090.085
A. Operating Cash Flow	48.868.097	7.598.026
B. INVESTMENT CASH FLOW		
Tangible Assets investments	-21.425.491	-33.068.141
Intangible Assets investments	-5.519.899	-5.429.818
Financial Assets investments	-34.245.692	-632.244
B. Investment Cash Flow	-61.191.082	-39.130.203
C. FINANCIAL CASH FLOW		
C. Financial Cash Flow	38.721.501	63.286.044
D. INCREASE/DECREASE OF CASH (A+B+C)	26.398.516	31.753.867
Cash as at 01/01	82.630.919	50.877.052
Cash as at 31/12	109.029.435	82.630.919

RATIOS, THOUSANDS EURO	2022		2021	
E.B.I.T./Net Invested	46.701	12,7%	24.839	6,2%
	367.431		403.675	
E.B.I.T./Turnover	46.701	2,1%	24.839	1,6%
	2.214.186		1.532.279	
E.B.I.T.D.A./Turnover	68.675	3,1%	38.062	2,5%
	2.214.186		1.532.279	
N.F.P. / E.B.I.T.D.A.	-79.824	-1,2	-107.830	2,8
	68.675		38.062	
N.F.P. / Net equity	-79.824	-32%	-107.830	70%
	246.942		154.981	
N.F.P. / Non-current fixed assets	-79.824	-32%	-107.830	59%
	246.514		183.870	

7.4

Balance Sheet & Income statement

ASSETS	31/12/2022	31/12/2021	LIABILITIES	31/12/2022	31/12/2021
B. FIXED ASSETS			A. NET EQUITY		
I INTANGIBLE ASSETS			I Share Capital	2.000.000	2.000.000
1) Incorporation procedure cost	6.336	9.405	IV Legal reserve	400.000	400.000
4) Concessions, licences and similar	488.626	357.580	VII Re-evaluation reserves	4.866.433	4.866.433
7) Consolidation differences	9.588.732	6.022.908	4) Free reserve	2.115.213	1.516.971
8) Other	1.708.367	1.724.502	VIII Group retained earnings carry forwards	168.713.913	104.597.801
TOTAL INTANGIBLE ASSETS	11.792.061	8.114.395	IX Group Net profit of the year	40.195.226	24.249.348
II TANGIBLE ASSETS			X Negative Reserve for own shares	-6.760.000	-6.760.000
1) Land and buildings	22.012.908	22.263.342	TOTAL GROUP NET EQUITY	211.530.785	130.870.553
2) Plant and machinery	5.097.005	1.930.873	XI Third parties Net Equity	23.374.665	18.426.757
2 bis) Ships	74.419.923	78.174.349	XII Third parties Net profit of the year	12.036.589	5.683.524
3) Fixtures, fitting, tools and equipment	1.040.097	1.044.932	TOTAL CONSOLIDATED NET EQUITY A.	246.942.039	154.980.834
4) Other tangible assets	4.021.002	4.418.644	B. PROVISION FOR LIABILITIES AND CHARGES		
5) Other fixed assets in progress	20.442.521	8.333.032	1) Provision for pensions and similar obligations	469.406	359.966
TOTAL TANGIBLE ASSETS	127.033.456	116.165.172	2) Provision for deferred income taxes	641.274	233.151
III INVESTMENTS			3) Negative financial derivatives instruments	-	-
1) Shares in:			4) Other provisions	10.590.513	6.178.079
a) Subsidiaries	603.713	1.150.417	TOTAL PROVISION FOR LIABILITIES AND CHARGE B.	11.701.193	6.771.196
b) Affiliated Companies	84.154.854	35.363.664	C. TOTAL STAFF SEVERANCE FUND	3.609.695	3.250.054
d bis) Other shares	99.141	541.642	D. ACCOUNTS PAYABLE		
2) Receivables			4) Accounts payable to banks		
b) From affiliated companies			<i>Receivable within next year</i>	132.189.183	128.457.228
<i>Receivable within next year</i>	16.531.864	16.142.034	<i>Not Receivable within next year</i>	62.390.993	65.909.401
c) From parent companies			5) Accounts payable to third party lenders		
<i>Receivable within next year</i>	1.400.000	1.400.000	<i>Receivable within next year</i>	1.104.785	1.274.459
d bis) From Others			<i>Not Receivable within next year</i>	4.977.251	6.029.013
<i>Receivable within next year</i>	44.290	45.097	7) Accounts payable to suppliers		
<i>Not Receivable within next year</i>	4.795.494	4.868.263	<i>Receivable within next year</i>	174.565.661	145.291.023
3) Other Investments	58.657	79.552	10) Accounts payable to affiliated companies		
TOTAL INVESTMENTS	107.688.013	59.590.669	<i>Receivable within next year</i>	3.826.518	2.586.791
TOTAL FIXED ASSETS B.	246.513.530	183.870.236	11) Accounts payable to parent companies		
C. CURRENT ASSETS			12) Taxes payable		
I STOCKS			<i>Receivable within next year</i>	7.866.474	3.841.916
4) Finished goods for resale	9.784.105	6.383.336	13) Social security		
TOTAL STOCK	9.784.105	6.383.336	<i>Receivable within next year</i>	2.490.935	2.730.785
II ACCOUNTS RECEIVABLE			14) Other accounts payable		
1) From debtors			<i>Receivable within next year</i>	11.128.824	14.361.805
<i>Receivable within next year</i>	263.234.071	243.239.701	TOTAL ACCOUNTS PAYABLE D.	400.540.624	370.482.421
3) From Affiliated Companies			E. TOTAL ACCRUALS AND DEFERRED INCOME	4.282.594	3.819.003
<i>Receivable within next year</i>	8.393.074	2.308.892	TOTAL LIABILITIES (A+B+C+D+E)	667.076.145	539.303.508
5) From Companies subject to control of Parent Companies					
5 bis) Taxes receivable					
<i>Receivable within next year</i>	4.124.122	2.586.399			
5 ter) Taxes advance payment					
<i>Receivable within next year</i>	2.461.506	1.046.322			
5 quater) From Others					
<i>Receivable within next year</i>	7.820.547	3.797.858			
TOTAL ACCOUNTS RECEIVABLE	286.033.320	252.979.172			
III NOT FIXED INVESTMENTS					
6) Other investments	11.808.890	11.209.042			
TOTAL NOT FIXED ASSETS	11.808.890	11.209.042			
IV LIQUID ASSETS					
1) Bank and postal deposits	108.048.450	81.789.158			
2) Cheques	488.833	423.727			
3) Cash and cash equivalents	492.152	418.034			
TOTAL LIQUID ASSETS	109.029.435	82.630.919			
TOTAL CURRENT ASSETS C.	416.655.750	353.202.469			
D. TOTAL PREPAYMENTS AND ACCRUED INCOME	3.906.865	2.230.803			
TOTAL ASSETS (A+B+C+D)	667.076.145	539.303.508			

INCOME STATEMENT	31/12/2022	31/12/2021
A. REVENUES		
1) Turnover	2.206.881.361	1.523.161.893
2) Inventory change (finished and semi-finis.prod.)	205.258	146.933
5) Other income	7.099.696	8.970.372
TOTAL REVENUES A.	2.214.186.315	1.532.279.198
B. COST OF SALE		
6) Raw materials and consumables	-1.852.326.482	-1.262.969.165
7) Rendering of services	-243.150.754	-187.330.354
8) Enjoyments of third parties property	-3.367.281	-2.886.534
9) Wages		
a) Salaries and wages	-36.785.516	-31.043.097
b) Social security	-7.187.287	-6.196.527
c) Staff severance fund	-1.510.241	-1.188.433
d) Provident fund	-438.875	-334.058
e) Other costs for employees	-668.187	-826.012
10) Depreciation and amortisation		
a) Amortisation on intangible assets	-1.842.233	-2.485.346
b) Amortisation on tangible assets	-10.557.207	-7.370.279
c) Other write-downs of assets	-	-37.500
d) Write-downs of receivable (current assets)	-4.829.341	-3.230.996
11) Inventory change, raw materials and consumables	2.668.073	269.861
12) Risk reserve	-4.744.982	-136.265
13) Other provisions	-	-
14) Other expenses	-2.744.908	-1.675.644
TOTAL COST OF SALE B.	-2.167.485.221	-1.507.440.349
DIFFERENCE BETWEEN REVENUES AND EXPENSES (A-B)	46.701.094	24.838.849
C. FINANCIAL INCOME AND COSTS		
15) Income from share in:	-	-
b) Affiliated companies	4.335.707	2.699.418
e) Other companies	-	-
16) Other financial income		
c) of current assets	-	-
d) Other financial income	1.702.204	4.199.279
17) Interest payable and similar costs	-8.597.949	-4.804.450
17 Bis) Profit/Loss on exchange rate	3.825.236	3.363.198
TOTAL FINANCIAL INCOME AND COSTS C.	1.265.198	5.457.445
D. OFFSETTING ADJUSTMENTS OF FINANCIAL ASSETS		
18) Write-ups:		
a) of shareholdings	23.168.116	9.818.077
19) Write downs:		
a) of shareholdings	-9.316.464	-3.382.835
TOTAL OFFSETTING ADJUSTMENTS OF FINANCIAL ASSETS D.	13.851.652	6.435.242
RESULT BEFORE TAXES (A-B+-C+-D+-E)	61.817.944	36.731.536
20) Taxes on income for the year	-9.586.129	-6.798.664
21 bis) Third parties net profit	12.036.589	5.683.524
GROUP NET PROFIT OF THE YEAR	52.231.815	29.932.872
FRATELLI COSULICH S.p.A. SHARE NET PROFIT OF THE YEAR	40.195.226	24.249.348

7.5

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.

Always 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.
- Link Industries S.p.A.
- GeneSYS Informatica S.r.l.

- 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 SA
- 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
- Express Global International Ltd
- Catalano Shipping Services SAM
- Catalano Shipping Services France Sarl
- Coscat SCIM
- Coscat Cannes SCI
- La Route du Sud SAM
- Agence Maritime Tropezienne Sarl
- Montecarlo Rent@Car Sarl
- Menton Service Auto Sarl
- Monaco Yacht Partner Sarl
- Monaco Engineers Sarl

- Fratelli Cosulich Turkey Ltd
- Fratelli Cosulich Comércio e Serviços 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.
- Morgan 4Ship 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
- Fratelli Cosulich France Sarl
- Calle de Mar S.r.l.
- Gente di Mare S.r.l.
- MESCO International Forwarding Inc.

The subject statement of accounts ends with a Group's profit equal to Euro 40.195.226 and a profit equal to Euro 12.036.589 in favour of third parties for a total equal to Euro 52.231.815.

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 para 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 L.D. 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 31st December 2022 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 31st 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 2022.

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.	Genoa	Euro 500.000	100%		Trading of raw materials
GeneSYS Informatica S.r.l.	Genoa	Euro 78.000	95,50%		IT services
Comunico S.r.l.	Genoa	Euro 20.150		52,52%	IT services
Vulcania S.r.l.	Genoa	Euro 10.000	80,00%		Holding and Shipowning
Pimlico Shipping Ltd	Malta	USD 1350		72,00%	Shipowning
Fratelli Cosulich Unipessoal S.A.	Madeira	Euro 1.000.000	100%		Bunker trading
Fratelli Cosulich Europe Lda	Madeira	Euro 5.000	100%		Holding
Fratelli Cosulich Greece SMPC	Athens	Euro 100.000		100%	Bunker broking
Fratelli Cosulich Monaco SAM	Monaco	Euro 225.000		100%	Bunker trading
Fratelli Cosulich Middle East DMCC	Dubai	AED 50.000	100%		Bunker trading
Fratelli Cosulich LNG S.r.l.	Genoa	Euro 10.000	100%		Shipowning
Fratelli Cosulich LNG 2 S.r.l.	Genoa	Euro 10.000	100%		Shipowning

SUBSIDIARY COMPANY	HEAD OFFICE	SHARE CAPITAL	DIRECT	INDIRECT	BUSINESS ACTIVITY
Fratelli Cosulich Monfalcone S.r.l.	Monfalcone	Euro 10.000	85,00%		Shipping services
Marlines S.r.l. Shipping Agency	S. Giorgio Nogaro	Euro 104.000	80,00%		Shipping services
Express Adriatica S.r.l.	Venice	Euro 10.000	50,00%	35,835%	Shipping services
Express S.r.l.	Naples	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.	Milan	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.	Leghorn	Euro 22.000	75,00%		Shipping services
Cosulich Assicurazioni S.r.l.	Genoa	Euro 10.000	100%		Insurance Broking
Sea Trend Holding S.r.l.	Leghorn	Euro 1.553.000	83,25%		Catering and Warehousing
Morgan 4Ship S.r.l.	Leghorn	Euro 10.000		83,250%	Catering and Warehousing
Lorma Logistic S.r.l.	Venice	Euro 50.000		60,080%	Inland transportation
Lorma Italcontainer S.r.l.	Venice	Euro 50.000		60,080%	Inland transportation
Ne Logistic S.r.l.	Venice	Euro 20.000		60,080%	Inland transportation
Ambro Terminal	Milan	Euro 50.000		60,080%	Shipping services
Fratelli Cosulich UK Ltd	Felixstowe	GBP 50.000		100%	Shipping services and transports
Catalano Shipping Services SAM	Monaco	Euro 153.000		77,670%	Shipping services
Catalano Shipping Services France Sarl	Cannes	Euro 25.000		76,890%	Shipping services
Coscat SCIM	Monaco	Euro 1.000		76,110%	Shipping services
Coscat Cannes SCI	Cannes	Euro 1.000		76,110%	Shipping services
La Route du Sud SAM	Monaco	Euro 150.000		68,350%	Inland transportation
Agence Maritime Tropezienne Sarl	Monaco	Euro 13.000		73,780%	Shipping services
Montecarlo Rent@Car SAM	Monaco	Euro 120.000		76,890%	Shipping services and transports
Menton Service Auto Sarl	Menton	Euro 45.000		77,670%	Shipping services and transports
Monaco Yacht Partner Sarl	Monaco	Euro 15.000		77,670%	Shipping services
Arco Denizcilik	Istanbul	TRY 75.000		100%	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%	Shipping services and transports
Fratelli Cosulich (HK) Ltd	Hong Kong	USD 69.231	19,998%	68,574%	Bunker trading and Catering
Fratelli Cosulich Bunkers (HK) Ltd	Hong Kong	USD 12.820		60%	Bunker trading
Fratelli Cosulich Bunkers (S) Pte Ltd	Singapore	USD 13.816.228		100%	Bunker trading and Shipowning
Fratelli Cosulich USA LLC	New York	USD 20.000		100%	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
MESCO International Forwarding Inc.	Izmir	TRY 8.000.000		51,00%	Shipping services and transports
Gente di Mare S.r.l.	Leghorn	Euro 10.000	90,00%		Seafarers training

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, Calle de Mar S.r.l., Fratelli Cosulich France Sas are not included in the consolidation area as they have been liquidated or are in the of liquidation, inactive or not yet considered relevant for the corporate purpose and/or non-material balance sheet values, compared to the consolidated data.

Gente di Mare S.r.l., MESCO International Forwarding Inc., Monaco Yacht Partner Sarl and Monaco Engineers Sarl, 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
Coscoss S.r.l.	Genoa	Euro 400.000	50,00%		Shipping services
Cosco Shipping Lines (Italy) S.r.l.	Genoa	Euro 100.000	40,00%		Shipping services
Arkas Italia S.r.l.	Genoa	Euro 20.000	50,00%		Shipping services
Saimare S.p.A.	Genoa	Euro 2.000.000	20,00%		Shipping services
Femo Bunker S.r.l.	Genoa	Euro 25.500	45,00%		Shipping services
Griffin Marine Travel S.r.l.	Genoa	Euro 10.200	50,00%		Business Travel
Pesto Sea Group S.r.l.	Genoa	Euro 26.000	45,00%		Shipping services
Ecos S.r.l.	Genoa	Euro 10.000	40,00%		Shipping services
Calle del Mar S.r.l.	Venice	Euro 10.000	50,00%		Shipping services
Trasteel Holding SA	Luxembourg	USD 52.000.000	36,95%		Trading of raw materials
Yugotub d.o.o.	Nova Pazova	Euro 3.255.959		27,71%	Industrial activity
Trasteel Trading DMCC	Dubai	UAE 200.000		36,95%	Trading of raw materials
Trasteel International SA	Lugano	Euro 560.802		36,95%	Trading of raw materials
Officine Tecnosider S.r.l.	Udine	Euro 10.000.000		18,84%	Industrial activity
Tamac S.r.l.	Massa Carrara	Euro 10.000		36,95%	Industrial activity
Profilmec S.p.A.	Turin	Euro 4.810.000		24,83%	Industrial activity
Rolm S.r.l.	Cuneo	Euro 300.000		18,75%	Industrial activity
Ispadue S.p.A.	Pordenone	Euro 2.064.000		24,83%	Industrial activity
SIM S.r.l.	Teramo	Euro 780.000		12,42%	Industrial activity
SIT S.p.A.	Pordenone	Euro 3.612.000		24,83%	Industrial activity
CMP S.r.l.	Turin	Euro 20.000		24,83%	Industrial activity
Express Koper d.o.o.	Koper	Euro 20.000		35,84%	Shipping services
Dragon Maritime d.o.o.	Koper	Euro 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. (Slovenia)	Koper	Euro 7.500		17,92%	Shipping services
Depolink d.o.o (Serbia)	Belgrade	RSD 5.868.780		23,65%	Shipping services
Express Global d.o.o. (Croatia)	Rijeka	HRK 747.800		35,84%	Shipping services
Express SEE d.o.o. (Serbia)	Belgrade	RSD 6.628.622		23,65%	Shipping services
Dragon Maritime SEE d.o.o.	Belgrade	RSD 17.754.900		23,65%	Shipping services
Arko Shipping d.o.o.	Koper	Euro 20.000		35,84%	Shipping services

AFFILIATED COMPANY	HEAD OFFICE	SHARE CAPITAL	DIRECT	INDIRECT	BUSINESS ACTIVITY
Arcese Cosulich Ireland Ltd	Dublin	Euro 100.000		50,00%	Shipping services
Viale S.r.l.	Imperia	Euro 20.000		22,95%	Shipping services
Pesto Sea Group La Spezia S.r.l.	La Spezia	Euro 20.000		22,50%	Shipping services
Marina Molo Vecchio S.r.l.	Genoa	Euro 50.000		31,50%	Shipping services
Marina Molo Vecchio Supply S.r.l.	Genoa	Euro 50.000		46,59%	Shipping services
Italmare Lojistik Servis A.Ş.	Istanbul	TRY 500.000		50,00%	Shipping services
Sultan Antrepo A.Ş.	Istanbul	TRY 8.000.000		50,00%	Shipping services
Arcese Cosulich Lojistik Ltd Şti	Istanbul	TRY 14.517.950		50,00%	Shipping services
OC Lines Lojistik A.Ş	Istanbul	TRY 440.000		50,00%	Shipping services
Just Provisions Sarl	Monaco	Euro 60.000		38,63%	Shipping services
Corsica Yacht Services Sarl	Ajaccio	Euro 10.000		38,45%	Shipping services
Provence Yacht Services Sarl	St. Mandrier	Euro 2.000		38,83%	Shipping services
International Food Logistic Sarl	Nice	Euro 2.000		34,86%	Shipping services
Monaco Engineers Sarl	Monaco	Euro 2.000		48,93%	Shipping services
C&C Transports S.r.l.	Monfalcone	Euro 50.000		50,00%	Shipping services
Simmor d.o.o.	Rijeka	HRK 2.622		38,83%	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 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 shares owned by third parties is booked in the item relevant to the net equity 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 31/12/2022 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%
- Unspecific machineries and plants 15%
- Owned vessels 5%
- Vehicles and motorbikes 25%
- Electronic machinery 20%
- Switchboards 20%
- Mobile phones and accessories 20%
- Furniture and fittings 12%
- Ordinary office machines 12%

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	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	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	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.

DESCRIPTION	COST	EXPIRING YEAR	CASH SURRENDER VALUE	COMPANY
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.
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.

Inventory

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 Brazil Ltda and by Morgan 4Ship S.r.l., 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 employee starting from 1st 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	2022	2021	DELTA
Final Value	6.336	9.405	-3.069

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	2022	2021	DELTA
Final Value	488.626	357.580	131.046

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

CONSOLIDATION DIFFERENCES	2022	2021	DELTA
Final Value	9.588.732	6.022.908	3.565.824

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., Ne Logistic S.r.l., Argosy S.r.l., Comunico S.r.l., Archimede Gruden S.r.l. and Marlines S.r.l. Shipping Agency to which was added the acquisition of MESCO International Forwarding Inc. and of Monaco Yacht Partner Sarl.

This difference emerges from comparing the book value of the equity investments and the related net equity 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	2022	2021	DELTA
Final Value	1.708.367	1.724.502	-16.135

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

TANGIBLE ASSETS

LAND AND BUILDINGS	2022	2021	DELTA
Final Value	22.012.908	22.263.342	-250.434

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.

PLANTS AND MACHINERIES	2022	2021	DELTA
Final Value	5.097.005	1.930.873	3.166.132

They are related mainly to the trucks of Lorma Logistic S.r.l. and generic plants used by the companies of the Group.

VESSELS	2022	2021	DELTA
Final Value	74.419.923	78.174.349	-3.754.426

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 Hoverla A, Mont Blanc A and Monte Rosa A river vessels and by the bulk carriers M/V Tzarevna and M/V Stellina, acquired by Vulcania S.r.l. in 2021.

INDUSTRIAL EQUIPMENT	2022	2021	DELTA
Final Value	1.040.097	1.044.932	-4.835

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

OTHER TANGIBLE ASSETS	2022	2021	DELTA
Final Value	4.021.002	4.418.644	-397.642

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 AND ADVANCES	2022	2021	DELTA
Final Value	20.442.521	8.333.032	12.109.489

The amounts recorded in this item represent the advances paid to the Chinese 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 2022, by consolidation companies and relevant financial movements, please see the management Report and the singular company's financial statement.

FIXED FINANCIAL ASSETS

INVESTMENTS IN SUBSIDIARIES	2022	2021	DELTA
Final Value	603.713	1.150.417	-546.704

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

INVESTMENTS IN AFFILIATED	2022	2021	DELTA
Final Value	84.154.854	35.363.664	48.791.190

It deals with investments in affiliated, 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 equity reconciliation prospect and in the Group's result. The significant increase is due to the positive results of the affiliated companies. The most significant effect is recorded with the acquisition of the shares in the Profilmec Group, which, following the valuation at equity, shows an incremental effect of approximately Euro 29 million. For further details please see the list reported in the paragraph relevant to the scope of consolidation.

INVESTMENTS IN OTHER COMPANIES	2022	2021	DELTA
Final Value	99.141	541.642	-442.501

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 AFFILIATED	2022	2021	DELTA
Final Value	16.531.864	16.142.034	389.830

The credit in question represents financial positions with affiliated companies 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	2022	2021	DELTA
Final Value	1.400.000	1.400.000	-

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.

OTHER ACCOUNTS RECEIVABLES	2022	2021	DELTA
Final Value	4.839.784	4.913.360	-73.576

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	2022	2021	DELTA
Final Value	58.657	79.552	-20.895

This item records investments in securities made by the subsidiary Comunico S.r.l..

CURRENT ASSETS

FINISHED PRODUCTS AND COMMODITIES	2022	2021	DELTA
Final Value	9.784.105	6.383.336	3.400.769

The above item includes the values of the inventory 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
- Morgan 4Ship S.r.l.
- Lorma Logistic S.r.l.
- Monaco Yacht Partner Sarl

The evaluation of these inventory 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	2022	2021	DELTA
Final Value	263.234.071	243.239.701	19.994.370

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.

During the year, there was a slight increase in bad debt provisions, compared to what was recorded in previous years, justified by the significant increase in turnover achieved during 2022.

AFFILIATED COMPANIES RECEIVABLES	2022	2021	DELTA
Final Value	8.393.074	2.308.892	6.084.182

The affiliated 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	2022	2021	DELTA
Final Value	4.124.122	2.586.399	1.537.723

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	2022	2021	DELTA
Final Value	2.461.506	1.046.322	1.415.184

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	2022	2021	DELTA
Final Value	7.820.547	3.797.858	4.022.689

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	2022	2021	DELTA
Final Value	11.808.890	11.209.042	599.848

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.

LIQUID ASSETS	2022	2021	DELTA
Final Value	109.029.435	82.630.919	26.398.516

The balance represents the liquid assets and the existence of cash and assets 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	2022	2021	DELTA
Final Value	3.906.865	2.230.803	1.676.062

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	2022	2021	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 equity of the parent company. The capital results to be fully undersigned and paid-up. The value of net equity 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	2022	2021	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 S.p.A., 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	2022	2021	DELTA
Final Value	400.000	400.000	-

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

FREE RESERVE	2022	2021	DELTA
Final Value	2.115.213	1.516.971	598.242

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

EARNINGS CARRIED FORWARD	2022	2021	DELTA
Final value	168.713.913	104.597.801	64.116.112

The noticed increase, compared with the retained earnings registered in the statutory financial statements 2021 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)	2022	2021	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)	2022	2021	DELTA
Final Value	40.195.226	24.249.348	15.945.878

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

THIRD PARTIES' CAPITAL AND RESERVES	2022	2021	DELTA
Final Value	23.374.665	18.426.757	4.947.908

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

THIRD PARTIES OPERATING PROFIT (LOSS)	2022	2021	DELTA
Final Value	12.036.589	5.683.524	6.353.065

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

PROVISION FOR RISKS AND CHARGES

PROVISION FOR PENSION LIABILITIES	2022	2021	DELTA
Final Value	469.406	359.966	109.440

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	2022	2021	DELTA
Final Value	641.274	233.151	408.123

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.

OTHER PROVISIONS FOR RISKS AND CHARGES	2022	2021	DELTA
Final Value	10.590.513	6.178.079	4.412.434

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 by Fratelli Cosulich S.p.A. in order to cover the risk of potential liabilities arising from the Tecnoservice transaction. The increase recognized during the year was estimated on the basis of generic country risk to cover possible unforeseeable circumstances of political and economic nature which could translate into risks for the Group.

RESERVE FOR SEVERANCE INDEMNITIES

SEVERANCE INDEMNITIES	2022	2021	DELTA
Final Value	3.609.695	3.250.054	359.641

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 451.736
• Link Industries S.p.A.	Euro 672.270
• Genesys Informatica S.r.l.	Euro 265.214
• Comunico S.r.l.	Euro 36.519
• Express Adriatica S.r.l.	Euro 72.148
• Express S.r.l.	Euro 513.383
• Archimede Gruden S.r.l.	Euro 401.968
• Luvitrans S.r.l.	Euro 182.210
• Morgan 4Ship S.r.l.	Euro 63.110
• Agenzia Marittima Saidelli S.r.l.	Euro 78.469
• Cosulich Assicurazioni S.r.l.	Euro 12.054
• Catalano Shipping Services France Sarl	Euro 8.137
• Lorma Logistic S.r.l.	Euro 514.824
• Ambro Terminal S.r.l.	Euro 48.026
• Argosy S.r.l.	Euro 24.581
• Fratelli Cosulich LNG S.r.l.	Euro 803
• Fratelli Cosulich Monfalcone S.r.l.	Euro 10.367
• Marlines S.r.l. Shipping Agency	Euro 253.654

LIABILITIES

LIABILITIES DUE TO BANKS	2022	2021	DELTA
Final Value	194.580.176	194.366.629	213.547

This amount is payable within the following financial year for an amount equal to Euro 62.390.993 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 36.473.534
Link Industries S.p.A.	Euro 11.738.990
Express S.r.l.	Euro 60.456
Sea Trend Holding S.r.l.	Euro 97.975
Morgan 4Ship S.r.l.	Euro 506
Fratelli Cosulich SA	Euro 37.736.913
Fratelli Cosulich USA Inc.	Euro 20.595.317
Express Global International Ltd	Euro 115.780
Fratelli Cosulich Bunkers (S) Pte Ltd	Euro 18.466.154
Lorma Logistic S.r.l.	Euro 22.385
Ne Logistic S.r.l.	Euro 17.481
Ambro Terminal S.r.l.	Euro 158.258
Vulcania S.r.l.	Euro 4.000.000
Pimlico Shipping Ltd	Euro 1.189.734
Fratelli Cosulich Monfalcone S.r.l.	Euro 1.419.286
Monaco Yacht Partner Sarl	Euro 96.415

LIABILITIES DUE TO OTHER LENDERS	2022	2021	DELTA
Final Value	6.082.036	7.303.472	-1.221.436

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

PAYABLES TO SUPPLIERS	2022	2021	DELTA
Final Value	174.565.661	145.291.023	29.274.638

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	2022	2021	DELTA
Final Value	3.826.518	2.586.791	1.239.727

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

TAX LIABILITIES	2022	2021	DELTA
Final Value	7.866.474	3.841.916	4.024.558

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	2022	2021	DELTA
Final Value	2.490.935	2.730.785	-239.850

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	2022	2021	DELTA
Final Value	11.128.824	14.361.805	-3.232.981

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	2022	2021	DELTA
Final Value	4.282.594	3.819.003	463.591

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	OVER 5 YEARS
Fratelli Cosulich S.p.A.	230.152
Fratelli Cosulich S.p.A.	87.328
Fratelli Cosulich S.p.A.	847.718
Sea Trend Holding S.r.l.	1.244.554
Total Liabilities Payables Over 5 Years	2.409.752

TURNOVER AND REVENUES BREAKDOWN

The revenues coming from sales and services of the group amount in total to Euro 2.206.881.364 and they are divided in the following business services' typologies:

TURNOVER AND SERVICES	2022	2021	DELTA
Tourism industry	3.302.209	743.743	2.558.466
Manning and Catering	21.930.354	18.761.242	3.169.112
Trading and Bunker Commission	1.831.268.232	1.249.619.818	581.648.414
Shipping Agency and Shipowning	72.738.713	54.660.449	18.078.264
Freight Forwarding and Logistics	230.368.113	164.721.798	65.646.315
Trading in Insulating Materials and Iron Derivatives	45.033.642	32.678.597	12.355.045
Information Technologies	2.240.101	1.976.246	263.855
Total Turnover and Services	2.206.881.364	1.523.161.893	683.719.471

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 780.815. 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	2022	2021	DELTA
Final Value	9.863.147	10.261.895	-398.748

FINANCIAL INCOME	2022	2021	DELTA
Dividends	4.335.707	2.699.418	1.636.289
Other financial income:			
- Different financial income	1.702.204	4.199.279	-2.497.075
- Exchange gain and losses	3.825.236	3.363.198	462.038
Total financial income	9.863.147	10.261.895	-398.748

FINANCIAL COSTS	2022	2021	DELTA
Interests and other financial costs	-8.597.949	-4.804.450	-3.793.499
Exchange gain and losses	-1	-	-1
Final value	-8.597.950	-4.804.450	-3.793.500

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, finally, 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	2022	2021	DELTA
Write-ups	23.168.116	9.818.077	13.350.039
Write-downs	-9.316.464	-3.382.835	-5.933.629

Main adjustments relate to write-downs and revaluations of investments in unconsolidated subsidiaries and affiliates 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	2022
Managers	29
Middle Managers	61
Office Employees	543
Seafarers	825
Total Employees	1.458

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 322.224
Link Industries S.p.A.	Euro 110.000
GeneSYS Informatica S.r.l.	Euro 170.000
Comunico S.r.l.	Euro 45.000
Express S.r.l.	Euro 43.448
Archimede Gruden S.r.l.	Euro 425.319
Express Adriatica S.r.l.	Euro 20.800
Agenzia Marittima Saidelli S.r.l.	Euro 26.000
Lorma Logistic S.r.l.	Euro 80.000
Ne Logistic S.r.l.	Euro 30.000
Ambro Terminal S.r.l.	Euro 12.000
Argosy S.r.l.	Euro 0
Cosulich Assicurazioni S.r.l.	Euro 137.455
Marlines S.r.l. Shipping Agency	Euro 372.161
Fratelli Cosulich LNG S.r.l.	Euro 45.000
Catalano Shipping Services SAM	Euro 338.000
Fratelli Cosulich Monaco SAM	Euro 1.450.000
Fratelli Cosulich (HK) Ltd	USD 0
Fratelli Cosulich Bunkers (HK) Ltd	USD 0
Fratelli Cosulich Bunkers (S) Pte Ltd	USD 178.667

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 20.027
Express S.r.l.	Euro 14.560
Archimede Gruden S.r.l.	Euro 15.704
Lorma Logistic S.r.l.	Euro 12.000

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 consolidated 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 equity of the holding company and the values of the consolidated balance sheet
- the statement of assets and liabilities
- consolidated reclassified income statement

Genoa, 9th June 2023

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 31st December 2022, between net equity 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 2022	RESULT 2022
Financial statement Fratelli Cosulich S.p.A.	29.705.306	6.553.039
Subsidiaries' equity cancellation	113.454.831	23.927.315
Associates equity evaluation and other shares	77.868.120	18.304.522
Leasing indexation as per law 17	3.874.618	299.496
Intragroup elisions	-780.347	-280.347
Intercompany margins' adjustments	-60.506	-13.899
Deferred tax adjustments	-1.023.282	-1.023.282
Provision for risks on receivables	-11.507.955	-7.571.618
Net equity and Group's profit	211.530.785	40.195.226
Net equity and third parties' profit	35.411.254	12.036.589
Net equity and total profits	246.942.039	52.231.815

FRATELLI COSULICH GROUP CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST DECEMBER 2022

ASSET AND LIABILITY STATEMENT (data in thousands of Euro)	31.12.2022	31.12.2021
Intangible fixed assets	11.792	8.114
Tangible fixed assets	127.033	116.165
Shareholdings and other financial fixed assets	107.688	59.591
Fixed capital	246.514	183.870
Stocks	9.784	6.383
Receivables	286.033	252.979
Accruals and deferrals	3.907	2.231
Short term current assets	299.724	261.593
Liabilities	-199.878	-168.812
Accruals and deferrals	-4.283	-3.819
Short term current assets	-204.161	-172.631
Net capital	95.563	88.962
Employees severance	-3.610	-3.250
Other medium/long-term liabilities (risk fund)	-11.701	-6.771
Net invested capital	326.766	262.881
Group's Net Equity	211.531	130.871
Third parties' Net Equity	35.411	24.110
Shareholders' funding	-	-
Medium/Long-term financial borrowing	67.368	71.938
Short term financial net position	12.456	35.892
Own equity and financial debts	326.766	262.811

FRATELLI COSULICH GROUP CONSOLIDATED FINANCIAL STATEMENT RECLASSIFIED AS AT 31ST DECEMBER 2022

INCOME STATEMENT (data in thousands of Euro)	31.12.2022	31.12.2021
Turnover and services	2.206.881	1.523.162
Other income and revenues	7.305	9.117
Value of production	2.214.186	1.532.279
Consumption of raw materials and consumable stores	-1.849.658	-1.262.699
Services	-243.151	-187.330
Other management and operating expenses	-6.112	-4.562
Added value	115.265	77.687
Personnel costs	-46.590	-39.588
EBITDA	68.675	38.099
Amortization, depreciation and impairment	-17.229	-13.124
Provisions	-4.745	-136
EBIT	46.701	24.839
Financial income and charges	15.117	11.893
Profit or loss before taxes	61.818	36.732
Income taxes	-9.586	-6.799
Profit or loss before interests of shareholding third parties	52.232	29.933
Profit or loss due to shareholding third parties	12.037	5.684
Group's share of net profit	40.195	24.249

7.6

Management report

Messrs. Shareholders,

We submit herewith for your approval, the Financial Statements of your Company as at 31st December 2022. The financial year has closed with a positive outcome, before the tax allowance equal to Euro 61.817.944 and decreasing to Euro 40.195.226 after the tax allowance of the business year equal to Euro 9.586.129 and due to the profit of third parties equal to Euro 12.036.589.

THE GROUP

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

- Fratelli Cosulich S.p.A.
- Link Industries S.p.A.
- GeneSYS Informatica S.r.l.
- 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
- Express Global International Ltd
- Catalano & Cosulich Shipping Services SAM
- Catalano & Cosulich Shipping Services France Sarl
- Coscat SCIM SAM
- Coscat Cannes SCI Sarl
- La Route du Sud SAM
- Agence Maritime Tropezienne Sarl

- Monte-Carlo Rent@Car Sarl
- Menton Service Auto Sarl
- Monaco Yacht Partner Sarl
- Monaco Engineers Sarl
- Fratelli Cosulich Tasimacilik Hizmetleri Ltd
- Fratelli Cosulich Comeércio & Serviços 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.
- Morgan 4Ship 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
- Gente di Mare S.r.l.
- MESCO International Forwarding Inc.

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, Calle de Mar S.r.l., Fratelli Cosulich France Sas are not included in the consolidation area as they have been liquidated or are in the of liquidation, inactive or not yet considered relevant for the corporate purpose and/or non-material balance sheet values, compared to the consolidated data.

Gente di Mare S.r.l., MESCO International Forwarding Inc., Monaco Yacht Partner Sarl e Monaco Engineers Sarl ,all entered the scope of full consolidation during the year just ended.

As you know, the main activity of the Group, in terms of turnover, appears to be linked to the trading of bunkers, but in the last two years, evaluating the effect on Ebitda, freight forwarding logistics and shipowning activities are also very significant.

During 2023 the weight of the industrial activity, linked to the investment in the Trasteel Group, increases due to the acquisition of the majority of the control package of Profilmec Group, an historic Italian leader in the production and commercialization of tubes and profiles in high-frequency electro-welded steel.

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, Fratelli Cosulich S.p.A., Fratelli Cosulich Bunkers (S) Pte Ltd, Fratelli Cosulich Monaco SAM; Fratelli Cosulich Middle East DMCC, Fratelli Cosulich USA LLC;
- shipowning activity, carried out by Fratelli Cosulich Bunkers (S) Pte Ltd through the management of owned vessels time-chartered in the port of Singapore to the main oil majors, by Pimlico Shipping Ltd and by Vulcania S.r.l. through time charter and bare boat contracts of seven bulk carriers acquired between September 2015 and December 2022;
- activities related to maritime services, from tramp shipping agency, to the liner shipping agency of services provided by represented shipping companies, to national and international shipments, to the management of container trucking services, to the manning services and crews' management, to the bunkering brokerage service, to the catering and on-board provisioning service, to finish with the activity relating to air transport, passengers and tourism, carried out by the parent company Fratelli Cosulich S.p.A. and by the subsidiaries Fratelli Cosulich Comercio e Servicos Ltda, Agenzia Marittima Saidelli S.r.l., Express Global International Ltd, Catalano & Cosulich Shipping Services SAM, and its subsidiaries, Fratelli Cosulich Turkey Ltd, Arco Denizcilik Servis AŞ, MESCO International Forwarding Inc., La Route du Sud SAM, Express S.r.l., 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 1st January – 31st December)

DESCRIPTION	2022	2021	CHANGE %
A. REVENUES	2.206.881.361	1.523.161.893	45%
Other revenues	7.304.954	9.117.305	-20%
B. VALUE OF PRODUCTION	2.214.186.315	1.532.279.198	45%
Costs for services and purchase of raw materials	-1.852.326.482	-1.262.969.165	47%
Costs for services and performance of services by third parties	-243.150.754	-187.330.354	30%
C. VALUE ADDED	118.709.079	81.979.679	45%
Labor Cost	-46.590.106	-39.588.127	18%
Costs for leased assets	-3.367.281	-2.886.534	17%
Other operating expenses	-76.835	-1.405.783	-95%
D. GROSS OPERATING MARGIN (M.O.L.)	68.674.857	38.099.235	80%
Depreciation and amortization	-21.973.763	-13.222.886	66%
E. OPERATING RESULT (M.O.)	46.701.094	24.876.349	88%
Financial income and expenses	1.265.198	5.457.445	-77%
Value adjustments of financial assets	13.851.652	6.435.242	115%
F. RESULT BEFORE TAXES	61.817.944	36.769.036	68%
Income tax for the year	-9.586.129	-6.798.664	41%
G. NET RESULT OF THE FINANCIAL YEAR	52.231.815	29.970.372	74%

GENERAL TREND

The year's trend just ended recorded a 45% increase in the value of production, which went from Euro 1.532.279.198 to Euro 2.214.186.315. This increase in turnover is due to various factors attributable to the maintenance of significant volumes in all the Group's business areas, to the increase in the price of the bunker recorded since April 2022 and, for approximately 10%, following the change in the average exchange euro-dollar, which directly affects revenues in Group currency.

The purchase of goods and raw materials for the year amounted to Euro 1.852.326.482 and recorded an increase of 47% compared to the values at the end of 2021 for the same reasons described for the value of production.

The costs of services for the year, amounted to Euro 243.150.754, show an increase of 30% compared to the values recorded at the end of 2021. This increase is mainly generated by the inclusion, in the consolidation area, of new subsidiaries, an increase in the cost of services related to bunker trading and logistics activities, which saw its business grow significantly in 2022, and the effect generated by the change in the average exchange rate on purchases in dollars.

The added value recorded an increase of 45% compared to the same period of 2021, which had already recorded an increase of 17% compared to 2020, therefore the organic growth trend that began with the expansionary policies planned and implemented by management in the previous three years continues.

Labour costs increased by 18% compared to the same period in 2021.

Other operating expenses, including the item relating to the change in inventories of raw materials and goods, recorded a significant decrease compared to 2021.

The gross operating margin went from Euro 38.099.235 in the previous year to Euro 68.674.857 in 2022, with an increase of 80%.

The operating margin went from a value of Euro 24.838.849 in the previous year to a positive result of Euro 46.701.094 in 2022.

Financial management is heavily impacted by the increase in the cost of money, which during the year increases financial charges up to Euro 8.597.949 against Euro 4.804.450 in 2021; the positive effects are always attributable to the dividends collected from associated companies equal to Euro 4.335.707 and to the valuation at equity of the same which generate a capital gain equal to Euro 13.851.652, against the positive effect of Euro 6.435.242 in the year previous.

Finally, given the trend of the Euro/Usd ratio, as in the previous year, a positive effect was recorded, equal to approximately Euro 3.825.236 generated by positions in foreign currencies at the end of the year.

The result of financial management, therefore, increases from a total profit of Euro 11.892.687 recorded in 2021 to a profit of Euro 15.116.850 in the year just ended.

The pre-tax result is equal to Euro 61.817.944 against Euro 29.932.872 in 2021.

The consolidated result (Group + third parties) goes from Euro 29.932.872 in 2021 to Euro 52.231.815 in 2022.

The Group result went from Euro 24.249.348 in 2021 to Euro 40.195.226 in 2022.

The Group's Net Equity went from Euro 130.870.553 in 2021 to Euro 211.530.785 this year.

Consolidated shareholders' Equity (Group + third parties) goes from Euro 154.980.834 in 2021 to Euro 246.942.039 this year.

The significant increase recorded in the Net Equity, in addition to the destination of the 2021 result not distributed, is attributable to the investments made in subsidiaries and affiliated companies, which determined a positive effect on the balance sheet assets and consequently on the Net Equity, due to the application of the integral consolidation principles and valuation at Equity of the affiliated entities.

At the end of the 2021 financial year, the Group's employees numbered 1.458.

The summary of the main values of the last two years makes it possible to compare the most significant data for

the year 2022, appropriately reclassified for management purposes.

Also, the year just ended, thanks to a significant increase in business and margins in all business units, recorded a growing Group operating result. In fact, an increase of approximately 88% was recorded in the year that has just ended, compared to the 50% increase recorded in the 2021-2020 period.

One of the most significant increases is the growth in the value of production in the agency-shipping-transport and logistics sector, with the excellent performance of all the Italian and foreign subsidiaries and associates operating in this sector.

The maintenance of high freight rates in the bulk carriers sector generated a significant increase in the result of the subsidiaries Vulcania S.r.l. and Pimlico Shipping Ltd. We note the interruption of the Time Charter contracts with Metinvest Geneva for the M/V Stellina and Metallica. The first was re-rented with a Time Charter contract for one year to a leading German charterer and the second was sold with a capital gain of approximately Euro 6.8 million. With regard to the M/V Vulcania, the Time Charter contract continues with an important Japanese charterer which, ending at the end of November 2023, will continue to guarantee a net daily rate of 22.000 USD until that date. Finally, we note the increase in the result of the subsidiary Link Trading S.p.A. which exceeds the historic result recorded in 2021.

Finally, free from 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, recorded a positive performance generating an excellent operating result.

With regard to bunker trading, which during 2021 had repositioned itself to values in line with the average of past years, during 2022 it experienced again, as happened in 2020 with the shock generated by the introduction of the VLSFO on the market, a moment unpredictable increase in margins caused by the increase in the price of crude oil under the pressure of international tensions.

The turnover of "Trading di Bunker", the Group's main activity, at the end of the year, amounted to approximately Euro 1.831 million compared to approximately 1.249 million in 2021.

The tonnes of trading processed in 2022 decreased slightly compared to those processed in the previous year, but with a high margin never recorded in previous years.

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

Throughout 2022, the exchange ratio went from a price of 1.1326 on 12/31/2021 to 1.0666 on 12/31/2022.

The average exchange rate, most relevant for assessing the economic effect, went from 1.1827 in 2021 to 1.0530 in 2022.

Analyzing the financial management result alone, despite the increase in dividends from associated companies, we note a deterioration mainly due to a significant increase in interest expense, a decrease in other financial income, which during 2021, had benefited from extraordinary results (connected with the closure of an exchange hedging transaction), and a deterioration in the financial investment funds held by the Group companies, following the economic tensions generated by the international situation and the Russian-Ukrainian conflict.

The main value adjustments to financial assets relate to the revaluation and devaluation of equity investments in associated companies, determined by their valuation at equity.

From the equity valuation of associated companies, a positive effect of Euro 13.8 million was recorded, determined by the difference between the write-down generated by the distribution of dividends and the revaluation calculated pro-rata on the profits realized in 2022. The significant increase compared to the previous year is attributable to the excellent performance of all the associates historically held by the Group, but also to the new companies acquired by the associate Trasteel which increased its industrial holdings, in the steel transformation sector, with the acquisition of the majority of the Profilmec S.p.A. Group.

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

Income taxes for the year recorded in 2022 amounted to Euro 9.586.129, a marked increase compared to the amount recorded in 2021 of Euro 6.798.664.

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 2022, and relevant comparison with year 2021:

DESCRIPTION	2022	2021	CHANGE %
VALUE of PRODUCTION	2.214.186.315	1.532.279.198	45%
Costs for purchases and personnel	-2.142.067.342	-1.489.887.646	44%
Depreciation	-12.399.440	-9.855.625	26%
Write-downs	-9.574.323	-3.367.261	184%
Other net operating costs	-3.444.116	-4.292.317	-20%
Operating Margin	46.701.094	24.876.349	88%
Financial net income (loss)	15.116.850	11.892.687	27%
Income Taxes	-9.586.129	-6.798.664	41%
NET RESULT	52.231.815	29.970.372	74%

PROFITABILITY INDEXES

DESCRIPTION	2022	2021
R.O.E. (return on equity)	20,6%	19,3%
R.O.I. (return on investment)	21,2%	16,3%
R.O.S. (return on sales)	2,4%	2,0%

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.

FINANCIAL POSITION

DESCRIPTION	2022	2021	CHANGE %
EXPENDITURES			
Non-current assets	246.513.530	183.870.236	34,07%
Non-current liabilities	82.679.132	81.959.664	-0,88%
Structure's margin	163.834.398	101.910.572	60,76%
Inventories - work in progress to order	9.784.105	6.383.336	53,28%
Trade receivables	271.627.145	245.548.593	10,62%
Trade payables	-178.392.179	-147.877.814	20,63%
Other assets (liabilities) net current	-7.455.787	-15.092.127	-50,60%
Debt (cash) financial debt	-12.455.643	-35.891.726	65,30%
Net working capital	83.107.641	53.070.262	56,60%
Total invested capital	667.076.145	539.303.508	23,69%
REVENUES			
Shareholders' equity	246.942.039	154.980.834	59,34%
Coverage	37%	29%	

The net debt load at 31 December 2022, which consistency is compared, for due info, to the corresponding data at 31 December 2021, is shown hereunder.

DESCRIPTION	2022	2021	CHANGE %
Short-term financial liabilities	133.293.968	129.731.687	2,75%
Financial debt in the medium to long term	67.368.244	71.938.414	-6,35%
Cash or equivalent	120.838.325	93.919.513	28,66%
DEBTS AGAINST BANKS AND SHAREHOLDERS	79.823.887	107.750.588	-25,92%
Loans against affiliated third parties	1.400.000	1.400.000	0,00%
Other loans	4.795.494	4.868.263	-1,49%
FINANCIAL LOANS AND SECURITIES	6.195.494	6.268.263	-1,16%
Other short-term financial liabilities	0	0	
Other financial liabilities from medium to long-term	0	0	
OTHER FINANCIAL LIABILITIES	0	0	
NET DEBT	73.628.393	101.482.325	-27,45%

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 markets.

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.

UNI EN ISO 9001:2015 QUALITY MANAGEMENT SYSTEM CERTIFICATION

With the visit of RINA carried out on 5 December 2022 at the Genoa offices and on the same date, in videoconference mode, on the activity carried out at the Trieste offices, Fratelli Cosulich S.p.A. obtained the certification to the new ISO 9001 2015 standard with the confirmation of its certificate in January 2024.

INVESTMENTS AND RESEARCH AND DEVELOPMENT ACTIVITIES

As per art 2.428, 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 31st December 2022 has been equal to Euro 2.214.186.315 and it is splitted as follows:

VALUE OF PRODUCTION	2022	2021	CHANGE
Revenues from touristic business	3.302.209	743.743	2.558.466
Catering and Manning revenues	21.930.354	18.761.242	3.169.112
Bunker trading revenues and bunker fees	1.831.268.232	1.249.619.818	581.648.414
Shipowning and shipping agency revenues	72.738.713	54.660.449	18.078.264
Revenues from freight forwarding and logistics activities	230.368.113	164.721.798	65.646.315
Insulated materials and iron products trading revenues	45.033.642	32.678.597	12.355.045
IT revenues	2.240.098	1.976.246	263.852
Stock changes	205.258	146.933	58.325
Other revenues	7.099.696	8.970.372	-1.870.676
Total value of production	2.214.186.315	1.532.279.198	681.907.117

The total costs recorded during the financial year 2022 have been Euro 2.167.485.221 as per below detail:

COSTS OF PRODUCTION	2022	2021	CHANGE
For the purchase of services and raw materials	1.852.326.482	1.262.969.165	589.357.317
For third parties' services	243.150.754	187.330.354	55.820.400
For leasing of assets	3.367.281	2.886.534	480.747
Wages and salaries	36.785.516	31.043.097	5.742.419
Social security contributions	7.187.287	6.196.527	990.760
Staff leaving indemnity	1.510.241	1.188.433	321.808
Pension liabilities and similar	438.875	334.058	104.817
Other personnel costs	668.187	826.012	-157.825
Amortization for intangible assets	1.842.233	2.485.346	-643.113
Amortization for tangible assets	10.557.207	7.370.279	3.186.928
Other assets' write-down	0	37.500	-37.500
Bad debts provision	4.829.341	3.230.996	1.598.345
Change of raw materials and goods stock	-2.668.073	-269.861	-2.398.212
Provisions for risks	4.744.982	136.265	4.608.717
Other provisions	0	0	0
Other management charges	2.744.908	1.675.644	1.069.264
Total costs of production	2.167.485.221	1.507.440.349	660.044.872

EMPLOYEES

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

GROUP'S EMPLOYEES	2022
Executives	29
Managerial staff	61
Staff employees	543
Crew	825
Total manpower	1.458

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 iron and steel sector carried out with the subsidiary Vulcania S.r.l., saw, following the effects of the Russian-Ukrainian conflict, the payment of penalties to Metinvest Geneva for the interruption of the Time Charter contracts of the M/V Stellina and M/ V Metallica. Of these two ships, the first one was re-chartered with an excellent daily rate, while the second was sold with a capital gain of around Euro 6.8 million.

In Singapore, the policy of renewing the fleet continues, which currently has six barges, to guarantee ships technically suitable for the oil majors' charter requests.

In January 2022, an agreement was reached for the sale of the M/V Patrizia Cosulich (year of construction 2012, 7.000 dwt), replaced at the end of March 2022 with the M/V Marine Mutura (year of construction 2019, 8.000 dwt).

As far as the activities related to the iron and steel market are concerned, we underline the acquisition by the Trasteel Group, 36,95% controlled by Fratelli Cosulich S.p.A., of the majority stake in the Profilmec Group, European leader in the production of precision electro-welded steel tubes. This acquisition is part of the industrial development plan set by the Group with the acquisition of Trasteel.

Finally, the acquisition or establishment of new affiliated companies operating in the Group's strategic sectors should be underlined:

- MCon Rail d.o.o., operating in integrated logistics in the Balkan area
- Establishment of the Express Global BV forwarding company in Belgium
- Constitution of C&C Transports S.r.l., Joint Venture established with Ocean S.r.l. (Cataruzza Group) dedicated to the management of barges for transporting slabs between Monfalcone and Porto Nogaro area
- Creation of the bunker broker company Fratelli Cosulich France Sas
- Acquisition of the majority stake in Gente di Mare S.r.l., a company operating in the maritime personnel training sector
- Acquisition of the majority stake in an important Turkish forwarding company with offices in Izmir and Istanbul, MESCO International Forwarding Inc.
- Finally, we point out the acquisition of Monaco Yacht Partners Sarl, an important Monegasque ship chandler, now controlled by Catalano & Cosulich SAM.

TREASURY SHARES/SHARES OF PARENT COMPANIES

No new treasury share purchase transactions were finalized in 2022. Only the transaction carried out in 2020 remains today, with the purchase of treasury shares for a total amount of Euro 6.760.000.

NOTABLE EVENTS OCCURRED AFTER FINANCIAL YEAR'S CLOSURE

As regards the 2023 financial year, given the extraordinary year that was experienced by all sectors and business areas of our Group, an operating performance is expected in line with the 2022 data in terms of volumes. Unfortunately, the margins recorded during the year are unlikely to be repeated in 2023, so we expect a rapprochement of EBITDA and the consolidated result to the levels recorded in 2021.

Finally, it should be noted that in the first months of 2023, the company made two new vessel investments by purchasing the Handymax Venture Ocean (39.000 dwt), renamed Saturnia and chartered, for two years, to a primary international operator, as well as the M/V Toto BR (9.300 dwt) bareboat chartered out to one of our consolidated partners.

OPERATIONAL/BUSINESS/MANAGEMENT OUTLOOK

While we push you to look at the Explanatory Notes and Financial Statement 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 balance sheet for the financial year 2022, closing with a net Group's profit equal to Euro 40.195.226.

Genoa, 9th June 2023

The Chairman of the Board of Directors

Cav. Lav. Augusto Cosulich

7.7

Auditors' report



Fratelli Cosulich S.p.A.
- - -
Independent auditors' report
on the consolidated financial statements for the year
ended at December 31st, 2022

Baker Tilly Revisa S.p.A. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd, the members of which are separate and independent legal entities.



**Independent auditor's report
in accordance with article 14 of Legislative
Decree No. 39 of January 27, 2010**

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To the shareholders of Fratelli Cosulich S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Fratelli Cosulich S.p.A. Group (the Group), which comprise the balance sheet as of December 31st, 2022, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company as of December 31st, 2022, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Baker Tilly Revisa S.p.A. - Cap. Soc. Euro 1.300.757,00 i.v. - Reg. Imp. TO, Cod. Fisc. e P.I. N. 01213510017 - R.E.A. TO N. 484662
Registro dei revisori legali N. 15565, Società di Revisione già iscritta al N. 3 dell'Albo Speciale Consob
Sede legale: Via Carlo Alberto, 32 - 10123 Torino - Consociate nei principali paesi del mondo
Uffici in: Bologna - Bolzano - Firenze - Genova - Milano - Pordenone - Roma - Torino - Verona

Baker Tilly Revisa S.p.A. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd, the members of which are separate and independent legal entities.



Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by 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 31st, 2022, 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 31st, 2022 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 31st, 2022 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 12, 2023

Baker Tilly Revisa S.p.A.

 Davide Trincherio
 Partner

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

2022 PARENT COMPANY FINANCIAL STATEMENT

8.1

Balance Sheet & Income Statement

ASSETS	31/12/2022	31/12/2021	LIABILITIES	31/12/2022	31/12/2021
B. FIXED ASSETS			A. NET EQUITY		
I INTANGIBLE ASSETS			I Share capitals	2.000.000	2.000.000
4) Concessions, licences and similar	38.866	57.510	III Re-evaluation reserves	4.866.433	4.866.433
6) Assets under constructions	0	37.235	IV Legal reserve	400.000	400.000
8) Other	663.634	698.175	VII Other reserve	2.115.213	1.516.971
TOTAL INTANGIBLE ASSETS	702.500	792.920	VIII Group retained earnings carry forwards	20.530.621	18.100.874
II TANGIBLE ASSETS			IX Group Net profit of the year	6.553.039	3.027.989
1) Land and buildings	8.980.274	9.037.710	X Negative Reserve for own shares	-6.760.000	-6.760.000
2) Plant and machinery	209.368	178.771	TOTAL CONSOLIDATED NET EQUITY A.	29.705.306	23.152.267
4) Other tangible assets	645.734	452.181	B. PROVISION FOR LIABILITIES AND CHARGES		
TOTAL TANGIBLE ASSETS	9.835.376	9.668.662	1) Provision for pensions and similar obligations	55.677	47.801
III INVESTMENTS			2) Provision for deferred income taxes	81.166	136.745
1) Shares in:			3) Other provisions	6.056.926	5.250.000
a) Subsidiaries	33.605.201	32.766.201	TOTAL PROVISION FOR LIABILITIES AND CHARGE B.	6.193.769	5.434.546
b) Affiliated Companies	7.557.645	7.620.145	C. TOTAL STAFF SEVERANCE FUND	451.736	393.653
d bis) Other shares	40.327	40.327	D. ACCOUNTS PAYABLE		
2) Receivables			4) Accounts payable to banks		
a) From subsidiaries companies			<i>Receivable within next year</i>	36.473.534	30.804.260
<i>Receivable within next year</i>	23.449.068	11.843.424	<i>Not Receivable within next year</i>	20.129.065	18.747.860
b) From affiliated companies			7) Accounts payable to suppliers		
<i>Receivable within next year</i>	16.229.431	16.014.648	<i>Receivable within next year</i>	6.437.130	7.993.793
c) From parent companies			9) Accounts payable to subsidiaries companies		
<i>Not Receivable within next year</i>	1.400.000	1.400.000	<i>Receivable within next year</i>	6.591.595	3.021.178
d bis) From Others			<i>Not Receivable within next year</i>	7.977.664	7.804.331
<i>Not Receivable within next year</i>	21.558	21.558	10) Accounts payable to affiliated companies		
TOTAL INVESTMENTS	82.303.230	69.706.303	<i>Receivable within next year</i>	3.816.796	2.149.244
TOTAL FIXED ASSETS B.	92.841.106	80.167.885	12) Taxes payable		
C. CURRENT ASSETS			<i>Receivable within next year</i>	849.127	578.756
I STOCKS			13) Social security		
4) Finished goods for resale	567.682	455.561	<i>Receivable within next year</i>	333.803	349.443
TOTAL STOCK	567.682	455.561	14) Other accounts payable		
II ACCOUNTS RECEIVABLE			<i>Receivable within next year</i>	6.152.969	6.612.794
1) From debtors			TOTAL ACCOUNTS PAYABLE D.	88.761.683	78.061.659
<i>Receivable within next year</i>	11.847.595	10.473.059	E. TOTAL ACCRUALS AND DEFERRED INCOME	739.980	686.181
2) From subsidiaries companies			TOTAL LIABILITIES (A+B+C+D+E)	125.852.474	107.728.306
<i>Receivable within next year</i>	2.049.337	1.474.543			
3) From Affiliated Companies					
<i>Receivable within next year</i>	686.710	814.275			
4) From Parent Companies					
<i>Receivable within next year</i>	0	1.220			
5 bis) Taxes receivable					
<i>Receivable within next year</i>	453.003	195.577			
5 quater) From Others					
<i>Receivable within next year</i>	5.280.268	3.290.552			
TOTAL ACCOUNTS RECEIVABLE	20.316.913	16.249.226			
III OTHER CURRENT FINANCIAL ASSETS					
Own shares	1.000.000	9.702.808			
TOTAL OTHER CURRENT FINANCIAL ASSETS	1.000.000	9.702.808			
IV LIQUID ASSETS					
1) Bank and postal deposits	10.017.274	9.530.182			
3) Cash and cash equivalents	143.372	172.626			
TOTAL LIQUID ASSETS	10.160.646	9.702.808			
TOTAL CURRENT ASSETS C.	32.045.241	26.407.595			
D. TOTAL PREPAYMENTS AND ACCRUED INCOME	966.127	1.152.826			
TOTAL ASSETS (A+B+C+D)	125.852.474	107.728.306			

INCOME STATEMENT
31/12/2022 31/12/2021
A. REVENUE

1) Turnover	92.009.183	59.091.894
2) Inventory change (finished and semi-finis.prod.)	164.653	121.778
5) Other income	3.814.499	4.277.142

TOTAL REVENUE A.
95.988.335 63.490.814
B. COST OF SALE

6) Raw materials and consumables	-65.916.361	-37.220.188
7) Rendering of services	-17.700.558	-16.268.292
8) Enjoyments of third parties property	-656.564	-647.350
9) Wages		
a) Salaries and wages	-6.637.591	-6.224.317
b) Social security	-1.911.373	-1.836.003
c) Staff severance fund	-440.840	-402.638
d) Provident fund	-20.464	-23.052
e) Other costs for employees	-28.732	-72.925
10) Depreciation and amortisation		
a) Amortisation on intangible assets	-78.765	-79.613
b) Amortisation on tangible assets	-544.404	-519.808
12) Risk reserve	-806.926	-
14) Other expenses	-1.104.495	-749.168

TOTAL COST OF SALE B.
-95.847.073 -64.043.354
DIFFERENCE BETWEEN REVENUES AND EXPENSES (A-B)
141.262 -552.540
C. FINANCIAL INCOME AND COSTS

15) Income from share in:		
a) Subsidiaries companies	3.315.050	750.000
b) Affiliated companies	3.391.796	2.194.056
e) Other companies		-
16) Other financial income		
d) Other financial income	844.049	579.380
17) Interest payable and similar costs	-1.066.444	-774.539
17 Bis) Profit/Loss on exchange rate	374.067	957.728

TOTAL FINANCIAL INCOME AND COSTS C.
6.858.518 3.706.625
RESULT BEFORE TAXES (A-B+-C+-D+-E)
6.999.780 3.154.085

20) Taxes on income for the year	-446.741	-126.096
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NET PROFIT OF THE YEAR
6.553.039 3.027.989



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





ESG APPENDIX

9.1

ESG Data

2.7 - EMPLOYEES¹⁵

COUNTRY	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
BRAZIL	652	501
ITALY	423	379
SINGAPORE	142	85
TURKEY	99	30
MALTA	36	0
MONACO	27	0
CHINA	19	18
FRANCE	15	0
UK	15	9
HONG KONG	10	10
USA	9	9
PORTUGAL	6	4
GREECE	3	3
UAE	2	3

GENDER	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
Female	313	231
Male	1.145	820

COUNTRY	TYPE OF CONTRACT	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
BRAZIL	Permanent	652	501
ITALY	Permanent	398	364
SINGAPORE	Permanent	142	85
TURKEY	Permanent	98	30
MALTA	Permanent	36	0
MONACO	Permanent	27	0
CHINA	Permanent	19	18
UK	Permanent	15	9
FRANCE	Permanent	14	0
HONG KONG	Permanent	10	10
USA	Permanent	9	9
GREECE	Permanent	3	3
UAE	Permanent	2	3
PORTUGAL	Permanent	6	4
ITALY	Temporary	25	15
FRANCE	Temporary	1	0
TURKEY	Temporary	1	0

GENDER	TYPE OF CONTRACT	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
Female	Permanent	295	223
Female	Temporary	18	8
Male	Permanent	1.136	813
Male	Temporary	9	7
Total	Permanent	1.431	1.036
	Temporary	27	15

COUNTRY	FULL-TIME/PART-TIME	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
BRAZIL	Full-Time	652	501
ITALY	Full-Time	395	350
SINGAPORE	Full-Time	142	85
TURKEY	Full-Time	99	30
MALTA	Full-Time	36	0
MONACO	Full-Time	25	0
CHINA	Full-Time	19	18
FRANCE	Full-Time	15	0
UK	Full-Time	15	9
HONG KONG	Full-Time	10	10
USA	Full-Time	9	9
PORTUGAL	Full-Time	6	4
GREECE	Full-Time	3	3
UAE	Full-Time	2	3
ITALY	Part-Time	28	29
MONACO	Part-Time	2	0

GENDER	FULL-TIME/PART-TIME	EMPLOYEES NUMBER 2022 (HEADCOUNT)	EMPLOYEES NUMBER 2021 (HEADCOUNT)
Female	Full-Time	288	206
Female	Part-Time	25	25
Male	Full-Time	1.140	816
Male	Part-Time	5	4
Total	Full-Time	1.428	1.022
	Part-Time	30	29

401-1 A - NEW EMPLOYEE HIRES

COUNTRY	NEW HIRES 2022	RATE 2022	NEW HIRES 2021	RATE 2021
BRAZIL	283	43,4%	128	25,5%
ITALY	115	27,2%	93	24,5%
SINGAPORE	72	50,7%	16	18,8%
MALTA	35	97,2%	0	0,0%
TURKEY	27	27,3%	6	20,0%
UK	10	66,7%	9	100%
FRANCE	7	46,7%	0	0,0%
MONACO	5	18,5%	0	0,0%
PORTUGAL	2	33,3%	0	0,0%
CHINA	1	5,3%	0	0,0%
HONG KONG	1	10,0%	0	0,0%
UAE	1	50,0%	1	33,3%
USA	0	0,0%	0	0,0%
GREECE	0	0,0%	0	0,0%

	NEW HIRES 2022	RATE 2022	NEW HIRES 2021	RATE 2021
Total	559	38,3%	253	24,1%
Male	444	38,8%	206	25,1%
Female	115	36,7%	47	20,3%
Under 30	100	67,6%	28	25,4%
30-50	409	38,4%	189	25,4%
Over 50	50	20,5%	36	18,4%

401-1 B - EMPLOYEE TURNOVER

COUNTRY	TURNOVER 2022	RATE 2022	TURNOVER 2021	RATE 2021
BRAZIL	132	20,2%	74	14,8%
ITALY	71	16,8%	47	12,4%
SINGAPORE	14	9,9%	16	18,8%
TURKEY	6	6,1%	15	50,0%
MONACO	4	14,8%	0	0,0%
UK	4	26,7%	8	88,9%
UAE	2	100,0%	0	0,0%
FRANCE	1	6,7%	0	0,0%
HONG KONG	1	10,0%	1	10,0%
MALTA	0	0,0%	0	0,0%
CHINA	0	0,0%	0	0,0%
USA	0	0,0%	0	0,0%
PORTUGAL	0	0,0%	0	0,0%
GREECE	0	0,0%	0	0,0%

	TURNOVER 2022	RATE 2022	TURNOVER 2021	RATE 2021
Total	235	16,1%	161	15,3%
Male	165	14,4%	123	15,0%
Female	70	22,4%	38	16,5%
Under 30	71	48,0%	33	30,0%
30-50	138	12,9%	101	13,6%
Over 50	26	10,7%	27	13,8%

405-1 - DIVERSITY OF GOVERNANCE BODY

BOARD	2022	2021
Male	85,7%	85,7%
Female	14,3%	14,3%
Under 30	-	-
30-50	28,6%	28,6%
Over 50	71,4%	71,4%

302-1 – ENERGY CONSUMPTION WITHIN THE ORGANIZATION

CATEGORY	TYPE	GJ 2022	GJ 2021
Fuel consumption	Natural Gas	1.875,7	2.045,8
Fuel consumption	LNG (Liquified Natural Gas)	9.332,9	10.407,5
Fuel consumption	LPG (Liquified Petroleum Gas)	6,3	0
Fuel consumption	Diesel (for heating or productive process)	779,8	837,5
Fuel consumption	Diesel (for company's vehicles)	88.022,9	69.121,8
Fuel consumption	Gasoline (for company's vehicles)	2.276,5	1.459,9
Electricity consumption	Electricity self-produced from not renewable energy sources	962,4	895,7
Electricity consumption	Electricity purchased from national grid from not renewable energy sources	5.648,6	5.117,5
Electricity consumption	Electricity purchased from national grid from renewable energy sources (certified)	254,4	183,2
Total		109.159,5	90.068,9

305-2 – ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS¹⁷

GHG EMISSIONS	2022	2021
tCO2eq Market based	643	607
tCO2eq Location based	490	459

9.2

GRI Content Index

STATEMENT OF USE	Fratelli Cosulich S.p.A. Group has reported the information cited in this GRI content index for the period 31.12.2021-31.12.2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION-PARAGRAPH
GRI 2: General Disclosures 2021	2-1 Organizational details	7.5 - Explanatory notes
	2-2 Entities included in the organization's sustainability reporting	9.3 - Methodology and notes
	2-3 Reporting period, frequency and contact point	9.3 - Methodology and notes contact point for ESG disclosure: esg@cosulich.com
	2-7 Employees	9.1 - ESG Performance data
	2-9 Governance structure and composition	3.3 - Members of the board
	2-11 Chair of the highest governance body	3.3 - Members of the board
	2-14 Role of the highest governance body in sustainability reporting	3.1 - Our ESG journey
	2-28 Membership associations	9.3 - Methodology and notes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	9.1 - ESG Performance data
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.3 - Our Scope 1 and Scope 2 GHG emissions and mitigation initiatives
	305-2 Energy indirect (Scope 2) GHG emissions	9.1 - ESG Performance data
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	9.1 - ESG Performance data
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Nothing to report
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3 - Health&Safety
	403-9 Work-related injuries	5.3 - Health&Safety
	403-10 Work-related ill health	Nothing to report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	9.1 - ESG Performance data 5.1 - Who we are
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nothing to report
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nothing to report

9.3

Methodology and notes

METHODOLOGY

Fratelli Cosulich Group's 2022 Annual Report includes ESG disclosure for the first time, with the aim to communicate more clearly and transparently about the Group's sustainability journey.

This document has been prepared by reporting on a selection of the "GRI Sustainability Reporting Standards" (with reference option) published by the Global Reporting Initiative (GRI), as indicated in the "GRI Content Index" table in the previous page.

ESG data reporting covers the 12-month period from 1.1.2022 until 31.12.2022. To allow comparability 2021 data, where available, are also reported.

Unless otherwise specified, ESG data perimeter corresponds to those entities specified in the "scope of consolidation" section reported in the Financial Statement. Changes in the consolidation perimeter occurred between 2021 and 2022 are therefore visible there.

The following companies are not included in 2021 data collection: Fratelli Cosulich SAM Monaco, Pimlico Shipping 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, and Menton Car Service Sarl. Also Pimlico Shipping Ltd, Fratelli Cosulich Monfalcone S.r.l. (only for 2021), Fratelli Cosulich USA LLC, Archimede Gruden USA Inc, Express USA Inc, and Vulcania S.r.l. are not included in the environmental data collection due to their small and not significant impact in terms of energy consumption and emissions. Any other perimeter limitations, if present, are indicated in the text.

The use of estimations has been limited, as far as possible, to guarantee reliability of data. If present, these are duly reported in notes and based on the best available methods.

Data about Scope 2 emissions shown in the text are calculated using the market-based method (location-based data are visible in the GRI content index).

NOTES

1. See paragraph 3.4 for detailed description of Group ESG Governance (3.1 - 3.0 in text contents)
2. In this calculation those companies not present in 2021 perimeter are not considered within 2022 data. (5.1)
3. The calculation has been made through an estimation of the total number of hours worked. In particular, we multiplied the average weekly working hours by the total number of employees and working weeks. (5.3)
4. The policy validity does not correspond exactly to fiscal year 2022, due to the fact that it covers one year starting from 31/10. (5.3)
5. <https://climate.mit.edu/explainers/freight-transportation> (6.1)
6. This list of organizations in which we participate is non-exhaustive. The full list is available here: <https://www.cosulich.com/membership> (6.2)
7. Energy Consumption and Scope 1 data do not include emissions from vessels because they are all chartered out to third parties and we cannot have a direct control on several decisions that influence consumption and therefore emissions. Scope 3 is not reported in this year's version. (6.2)
8. <https://www.dnv.com/maritime/insights/topics/lng-as-marine-fuel/index.htm> (focus on)
9. <https://www.edison.it/en/small-scale-lng> (focus on)
10. <https://lngprime.com/europe/dnv-222-lng-powered-ships-ordered-in-2022/70166/> (focus on)
11. Data are not completely superimposable because 2021 and 2022 perimeters present minor differences. In particular the 2022 perimeter encompasses a larger number of companies. For details regarding Companies considered in the perimeter, see Methodology (6.3).
12. 7 vehicles have been demolished or sold during 2022. (6.3)
13. 962 out of a total 6.895 GJ. (6.3)
14. Scope 1 Greenhouse gas conversion factors source: UK Government - GHG Conversion Factors for Company Reporting (DEFRA) 22 (table GRI content index scope 1) (6.3)
15. For detailed disclosure of perimeters differences refer to Methodology. (6.3)
16. Non-guaranteed hours employees not present within the Group (9.1)
17. Scope 2 Market based conversion factors source: AIB - European Residual Mixes 2021 (Ver. 1.0, 2022-05-31) Scope 2 Location based conversion factors source: Terna Confronti internazionali 2019 (tabella GRI content index scope 1). Data about Scope 2 shown in the text are calculated using the market-based method (location based data are visible in the GRI content index). (9.1)