ANNUAL REPORT 2023

WE ARE A MULTI-REGIONAL INTERNATIONAL GROUP, FOCUSED ON CEMENT AND READY-MIX CONCRETE.

WE OPERATE WITH INTEGRITY, CONSISTENCY, A LONG-TERM VISION, STABLE OWNERSHIP AND DEDICATED MANAGEMENT. ATTENTION TO COLLEAGUES, WORK SAFETY AND RELATIONSHIPS WITH LOCAL COMMUNITIES IS FUNDAMENTAL TO OUR DAILY ACTIONS.

WE CREATE VALUE THROUGH DEEP KNOW-HOW, PROCESS INNOVATION, EFFICIENT AND ENVIRONMENTALLY FRIENDLY ASSETS, OFFERING OUR CUSTOMERS INCREASINGLY SUSTAINABLE HIGH-QUALITY PRODUCTS.

Vision

Contents

This document, issued in Italian (original version) and English (non-binding version), is in PDF format to facilitate reading and does not represent the official version in ESEF format, established by the European Commission Regulation 815/2019 to fulfil the disclosure requirements set by the Directive 2004/109/EC (so-called Transparency Directive)

Concrete Production Plant - Havlíčkův Brod, Czech Republic

Directors and statutory auditors

Boards of Directors

Veronica BUZZI[1]	Chairman
Pietro BUZZI[2]	Chief Executive Officer
Paolo BURLANDO[3]	Director
Luigi (Gigi) BUZZI	Director
Luigi BUZZI	Director
Aldo FUMAGALLI ROMARIO[3]	Director
Linda Orsola GILLI	Director
Marcella LOGLI	Director
Antonella MUSY[3]	Director
Giovanna VITELLI	Director

Statutory Auditors

Raffaella PAGANI	Chairman
Paola Lucia GIORDANO	Statutory Auditor
Giorgio ZOPPI	Statutory Auditor
Roberto D'AMICO	Alternative Auditor
Giulia DE MARTINO	Alternative Auditor
Maurizio DI MARCOTULLIO	Alternative Auditor

Geneale Manager

Dirk BEESE[4]	General Manager

[1] appointed Chairman by the Board of Directors on 12 May 2023;
[2] appointed Managing Directors by the Board of Directors on 12 May 2023, with powers of ordinary and extraordinary administration;
[3] members of the Control and Risk Committee.
[4] appointed General Director by the BoD of 12 May 2023, effective 1 July 2023, with powers of ordinary and extraordinary administration

Geseke Plant - Germany

Review of operations

INTRODUCTION

Buzzi SpA, as a company listed on a regulated market, is obliged to prepare both consolidated and statutory financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union.

In this annual financial report, for a better understanding of the economic, equity and financial performance compared to what is provided by the IFRS principles, some alternative performance measures are presented and analyzed. Although widely used, these measures are not defined or specified by accounting principles. Their meaning and content are illustrated in the section on Alternative Performance Measures.

Independent audit
The financial statements as of 31 December 2023 have been subjected to independent audit, as provided for by current regulations. The Shareholders' Meeting on 12 May 2022 appointed PricewaterhouseCoopers SpA as independent auditor for the financial years from 2023 to 2031.

Approval of the financial statements by the Shareholders' Meeting
It should be noted that, considering the provisions of the company's bylaws and the fact that the company prepares the consolidated financial statements, the Shareholders' Meeting is convened within 180 days from the end of the financial year.

Report on corporate governance and ownership structure
The annual report on corporate governance and ownership structure, as well as on compliance with the Corporate Governance Code promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, is published simultaneously with the business review in a separate document, which is available for consultation on the company's website www.buzzi.com under the Investors/Corporate Governance section.

Branch offices
The company does not have any operational branch offices.

Information pursuant to Consob Markets (No. 20249/2017) and Issuers’ (No. 11971/1999) Regulations
Buzzi SpA is not subject to the management and coordination activity of any company or entity, as management decisions and general and operational strategic directions of the company are defined by the latter in full autonomy without directives or orders being imparted by the parent company.

In relation to the provisions of Articles 15 and 18 of the Markets Regulation (Conditions for the listing of shares of parent controlling companies incorporated and regulated by the law of non-European Union countries), Buzzi currently complies with the conditions set out in Article 15, paragraph 1, letters a), b), and c) of the aforementioned Consob Regulation.

In the cases provided for by Articles 70 and 71 of the Issuers’ Regulation, the company avails itself of the option to derogate from the obligation to publish Information Documents regarding significant transactions such as mergers, demergers, capital increases through contribution of assets in kind, acquisitions and disposals.

Revision of the corporate structure

On 1 January 2023, the contribution in kind of the business relating to the cement operations in Italy in favor of the company Buzzi Unicem Srl became effective, as part of the corporate revision project initiated in 2022. The contribution was made in continuity of values, so that the net equity of Buzzi SpA as of 1 January 2023 remained the same as it was on 31 December 2022.

The business transferred includes:

- operational and non-operational facilities in Italy, along with related quarries and land, owned real estate properties excluding some minor assets;
- employees involved in the Italian cement business, excluding corporate functions at the central level and those with group functions;
- all assets and liabilities, except for trade receivables and payables, related to the Italian cement operating activities;
- some minor shareholdings in companies operating in the cement sector;
- typical management activities supporting the transferred business.

As a result of the above-mentioned corporate transaction, starting from 2023, Buzzi SpA qualifies as a " holding company" focused on the industrial sector of cement, ready-mix concrete and related activities.

SHARES, SHAREHOLDERS AND PERFORMANCE INDICATORS

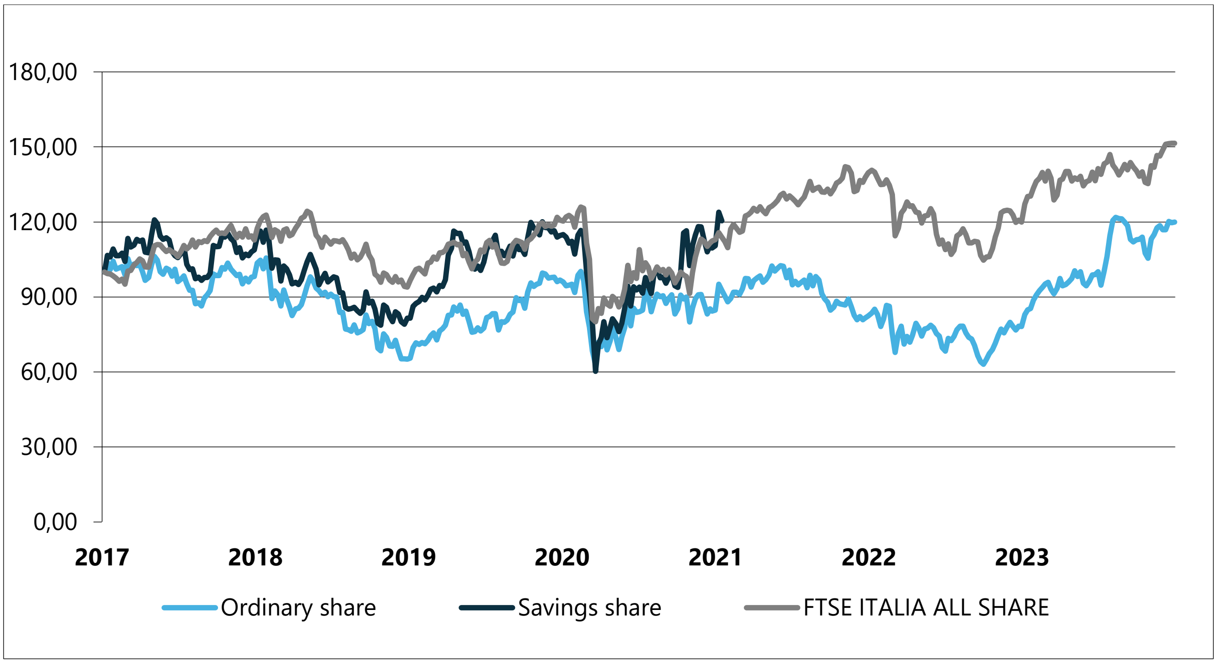
The ordinary shares of Buzzi have been listed on the Milan Stock Exchange since September 1999. Market capitalization as at 31 December 2023 was €5,319 million. Each ordinary share is entitled to one vote.

TRADING IN BUZZI UNICEM SHARES

	Ordinary shares	Savings shares	Ordinary shares	Savings shares
Reference period	**number**	**number**	**€m**	**€m**
Year 2017	184,745,315	22,056,405	4,207.8	284.3
Year 2018	195,237,204	20,433,371	3,818.7	221.6
Year 2019	173,589,804	20,591,261	3,313.2	256.9
Year 2020	179,692,420	35,465,394	3,434.5	425.5
Year 2021	160,292,352	1,933,395	3,402.8	27.5
Year 2022	136,519,656	-	2,367.0	-
Year 2023	**76,741,470**	**-**	**1,801.0**	**-**

PRICE TREND OF BUZZI SHARES

(base January 2017= 100)



DISTRIBUTION OF SHAREHOLDINGS*

(ordinary shares)

	No. Shareholders	in %	No. Shares	in %
1 - 1.000	13,187	85.91	3,022,746	1.57
1.001 - 10.000	1,625	10.59	4,653,472	2.42
10.001 - 100.000	398	2.59	13,665,409	7.09
100.001 -	140	0.91	171,284,527	88.92

* Referred to the ex-dividend date (20 May 2024)

A total of 65,089,025 ordinary shares - corresponding to approximately 33.8% of the capital - are held by foreign investors.

MARKET CAPITALIZATION

As at 31 December 2023 (milions of euro)

2017	4,258
2018	2,872
2019	4,265
2020	3,755
2021	3,652
2022	3,470
2023	**5,319**

CAPITAL STRUCTURE

As at 31 December 2023 (in %)

Presa SpA (Buzzi Family)	82,747,000	42.96
Fimedi SpA (Buzzi Family)	19,252,563	9.99
Silchester International Investors LLP	9,700,641	5.04
Treasury shares	7,494,316	3.89
Free Float	73,431,634	38.12
Totale shares	**192,626,154**	**100.00**

[1]Below 5% since 21/02/2024

As of 31 December 2022, the company held no. 7,494,316 ordinary treasury shares, equal to 3.89% of the share capital.

During 2023 and in the first months of 2024, the company did not carry out any transactions on treasury shares. Therefore, as of the date of this report, the number of shares held in the portfolio and the ownership percentage remain unchanged.

KEY PER-SHARE DATA

Key per-share data (euro)	2017	2018	2019	2020	2021	2022	2023
Basic eps (ordinary)	1.90	1.86	1.88	2.72	2.82	2.46	**5.04**
Shareholders' equity per share	13.81	15.77	17.90	17.49	22.71	25.50	**29.24**
Price/earnings ratio	11,9x	8,1x	12,0x	7,2x	6,7x	7,6x	**5,5x**
Price at year-end							
ordinary shares	22.59	15.00	22.42	19.50	18.96	18.01	**27.61**
savings shares	12.84	9.62	13.72	13.04	-	-	**-**
Dividend per share[1]							
ordinary shares	0.12	0.13	0.15	0.25	0.40	0.45	**0.60**
savings shares	0.20	0.15	0.17	-	-	-	**-**
Yield							
ordinary shares	0.50%	0.83%	0.67%	1.28%	2.11%	2.50%	**2.17%**
savings shares	1.60%	1.55%	1.27%	-	-	-	**-**

[1] 2023: proposed to shareholders at the Annual General Meeting

FINANCIAL PERFORMANCE INDICATORS

Consolidated financial statements

Performance Indicators (in %)	2023	2022	2021
EBITDA margin[1]	28.8	22.1	23.1
Return on sales (ROS)	22.8	12.4	15.8
Return on Equity (ROE)[2]	17.2	9.3	12.4
Return on Capital Employed (ROCE)[3]	14.5	7.8	8.7
Debt/Equity	35.0	52.8	58.2

[1] Ratio between EBITDA and Sales, it expresses the result of a company's typical business operations;
[2] Ratio between Net Profit and Shareholders' equity, which expresses the profitability of the latter;
[3] Ratio between EBIT and the difference between Total Assets and Current Liabilities. It indicates the efficiency and profitability of a company's capital investments.

Statutory financial statements

Performance Indicators (in %)	2023	2022	2021
Return on Equity (ROE)[1]	10.0	22.0	11.5
Debt/Equity	0.2	0.3	0.5

[1] Ratio between Net Profit and Shareholders' equity, which expresses the profitability of the latter

ALTERNATIVE PERFORMANCE MEASURES

Buzzi uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards that are applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):
  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expenses (greater than €3 million), or rather attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring for the two comparative periods is as follows:

Consolidated financial statements

(millions of euro)	2023	2022
EBITDA recurring	**1,243.2**	**883.7**
Restructuring costs	0.5	-
Gains on disposal of fixed assets	(9.3)	-
Other expenses	2.9	8.7
EBITDA recurring	**1,237.3**	**892.4**

Statutory financial statements

(millions of euro)	2023	2022
EBITDA recurring	**(20.3)**	**64.9**
Other expenses	2.9	8.7
EBITDA recurring	**(17.4)**	**73.6**

Operating profit (EBIT): subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

Net financial position: it is a measure of the capital structure and corresponds to the difference between financial liabilities and financial assets, both short and long term. Therefore, it includes all interest-bearing liabilities or assets and those connected to them, such as derivative financial instruments and accruals.

Net debt or Net Surplus: it is a measure of the capital structure corresponding to the difference between financial liabilities, both short and long term, and short-term financial assets. Therefore, it includes all liabilities, a part of the interest-bearing assets and related items, such as derivative financial instruments and accruals. The measure complies with the guidelines ESMA32-382-1138.

BUSINESS REVIEW

The increasingly evident effects of monetary restriction, the worsening of consumer and business confidence and the uncertainties dictated by the growing geopolitical tensions in Ukraine and the Middle East continue to weigh on the international economic framework. As a matter of fact, in the last part of the year global economic activity tended to weaken, with international trade contracting. Manufacturing production continued to stagnate, while the dynamics of services lost steam.

After a period of volatility in early October, crude oil and natural gas prices fell and remained at low levels, despite attacks on shipping traffic in the Red Sea. This evolution contributed to the progressive decline in overall global inflation, while underlying inflation, although decreasing, demonstrated greater persistence, especially in those advanced economies characterized by a solid labor market.

In this context, the most updated estimates from the International Monetary Fund point to a slowdown in global GDP growth in the two-year period 2023-2024, i.e. an annual rate of 3.1%.

In the United States, the economy demonstrated good resilience during the year, as also confirmed by the sustained increase in GDP recorded in the third quarter, driven by private consumption and public spending. However, indicators for the final months of the year suggest a slight deceleration, signaling greater financial pressure that is starting to weigh on the budgets of households and companies. Labor market conditions continue to be favorable and inflation, although easing, remains at high levels.

In the Eurozone, however, real GDP growth slowed down further in the third quarter, confirming the expected scenario of stagnation in economic activity. Private and public consumption grew moderately, while the subdued contribution of investments hides a clear contrast between the continued contraction in construction and the favorable dynamics of non-construction investments. The divergence between sectors persists, with a modest positive trend recorded only in the services sector. Furthermore, the monthly indicators highlight a subdued fourth quarter, also characterized by a slowdown in the labor market. As a matter of fact, the latest projections predict GDP growth of 0.5% on 2023, slightly improving in 2024 (0.9%).

In Italy, after the accentuated volatility of the first part of the year, in the third quarter GDP showed a moderate expansion, mainly thanks to the increase in household consumption and the partial recovery of investments in construction. However, estimates for the final months of 2023 point to stagnation. As a matter of fact, during the fourth quarter, manufacturing activity began to decline again, also due to the weak economic situation of the main trading partners, in particular Germany, while in services the signs of stabilization of added value were consolidated. On the demand side, the substantial stability of consumption could have been counteracted by a decline in investments, slowed down by the worsening of financing conditions.

As regards emerging economies, the second half of the year confirmed the expansionary dynamics of economic activity in Mexico, driven by solid domestic demand, as well as by a dynamic trend in construction and services.

In Brazil, however, after the exceptional growth in the first quarter, economic activity showed signs of weakening in the last part of the year, albeit with good consumption and a resilient labor market.

In the last quarter, the main central banks confirmed the monetary policy decisions implemented in the previous months. The Federal Reserve and the European Central Bank, in fact, kept the level of interest rates unchanged in the autumn months, therefore not promoting further monetary tightening. Among emerging markets, Mexico also made no changes to rates in the final part of the year. However, the easing of monetary policy continues in Brazil, with a reduction in benchmark rates promoted in December.

Due to the difficult macroeconomic context, construction investments, to which the evolution of the demand for cement and concrete is closely correlated, showed a weak dynamic during the year in Central Europe, Poland and the Czech Republic. In Italy and the United States, the construction sector instead recorded greater resilience, mainly thanks to the support provided by infrastructure projects and, on US soil, also to the relocalization of the industrial sector.

Consolidated net sales increased from €3,995.5 to €4,317.5 million. During 2023 no changes occurred in the scope of consolidation, while the exchange rate fluctuations, in particular the depreciation of the ruble, the dollar and the Ukrainian hryvnia, had an overall unfavorable impact of €123.5 million. Like for like net sales would have improved by 11.1% compared to 2022.
Ebitda amounted to €1,243.2 million, up 40.7% compared to €883.7 million of last year. The 2023 figure includes non-recurring income of €5.9 million (in 2022 non-recurring expenses were equal to €8.7 million).
After amortization and depreciation of €258.4 million, Ebit stood at €984.8 million, versus €494.8 million in 2022. Net financial costs decreased from €23.1 to €5.4 million: the improvement was essentially determined by the increase in interest revenues and by the variance in the net balance of non-cash items, in particular exchange gains or losses, despite the partial compensation resulting from the fair value measurement of derivative instruments. Profit before tax was €1,140.9 million compared to €589.3 million in 2022. After current and deferred income tax of €174.1 million (€130.5 million in 2022), the income statement closed with a net profit of €966.8 million (€966.5 million attributable to the owners of the company).
Net financial position at year-end 2023, including long-term assets, is positive and amounts to €798.0 million, up €509.8 million compared to the figure as at 31 December 2022. In 2023 capital expenditures of €311.1 million were carried out and dividends of €83.3 million were distributed. The debt/equity ratio was 35% (53% at year-end 2022).

Looking at the statutory results of Buzzi SpA, the net financial position at the end of the year shows a debt balance of €540.0 million compared to the debt balance of €763.3 million as of 31 December 2022. The improvement of approximately €223.3 million mainly derives from: dividends received of €261.2 million and the cash flow generated by operating activities for €25.5 million; the negative items consist of investment outflows totaling €11.6 million and dividend payments of €83.3 million.

OPERATING AND FINANCIAL PERFORMANCE

In 2023, cement sales at consolidated level came in at 26.3 million tons, down 7.0% compared to 2022. The generalized slowdown in deliveries, which has been already highlighted during the first half of the year, continued also during the following quarters, particularly in Central Europe, Poland and the Czech Republic, where the residential sector significantly weighed on demand. In Italy and the United States, on the other hand, sales volumes showed some resilience.
Ready-mix concrete sales amounted to 10.0 million cubic meters, down 12.7% versus 2022, contracting in all countries where our subsidiaries operate, except for Ukraine which, although recovering, still recorded levels which are far from the pre-war period.

Consolidated net sales increased from €3,995.5 to €4,317.5 million. During the year no changes in scope were recorded, while the exchange rate effect was unfavorable for €123.5 million. Like for like net sales would have improved by 11.1%.

In Italy, cement sales, after lightly contracting during the first nine months of the year, recovered ground, also thanks to the comparison with a weak fourth quarter of last year, closing the year moderately up. Ready-mix concrete volumes, however, slightly decreased. Prices did not undergo significant changes compared to the level reached in the first half of the year, but, due to the carry-over effect, the improvement versus the previous period was confirmed. This is the reason why, in the year as a whole, consolidated net sales in Italy stood at €818.3 million, up 12.7%.

In the United States of America, despite the recovery recorded in the fourth quarter, our cement sales closed the year slightly declining compared to 2022, also due to some logistical problems along the Mississippi River. However, ready-mix concrete volumes continued to decline in the final months of the year, also penalized by the shortage of drivers. On the contrary, sales prices achieved a solid improvement compared to the previous year. Overall net sales stood at €1,742.7 million, up 9.5% versus €1,591.8 million of 2022. The depreciation of the dollar (-2.7%) negatively impacted on the translation of the results into euro: at constant exchange rates net sales would have been up 12.4%.

As for the Central European countries, in Germany, our sales volumes of both hydraulic binders and ready-mix concrete recorded a rather negative trend, closing 2023 sharply declining. Sales prices, after the increase at the beginning of the year, maintained the levels of the first half, marking a substantial improvement compared to the previous year. In Luxembourg and the Netherlands, the weakening of domestic demand and that of neighboring countries, which was already evident starting from the first half of the year, was also confirmed in the subsequent quarters. Cement sales volumes closed the year sharply declining compared to 2022. Ready-mix concrete sales also followed a similar dynamic, but with slightly more moderate rates. Average prices preserved the decisive strengthening compared to 2022, which however failed to balance the unfavorable demand.
The turnover of Central Europe increased from €993.5 to €1,049.0 million, up 5.6%. Net sales improved both in Germany (+9.2%, from €798.8 to €872.0 million), while in Benelux they were down 5.6%, from €226.9 to €214.1 million.

Looking at the Eastern European markets, in Poland, our cement sales volumes closed the year with a double-digit percentage drop, in line with the general trend in deliveries. Ready-mix concrete sales also contracted, albeit at a more favorable pace in the second half of the year. Selling prices, however, showed a solid improvement compared to the previous year. In this context, net sales in euro amounted to €156.7 million, increasing (+10.9%) compared to 2022. The strengthening of the zloty (+3.1%) made a moderately positive contribution: at constant exchange rates, revenues would have been up 7.5%.

In the Czech Republic, cement and ready-mix concrete sales, after a first semester declining, continued to show a weak dynamic, closing the year clearly contracting, in line with the unfavorable market context. The price level consolidated significantly compared to 2022. Overall net sales, thanks also to the appreciation of the Czech koruna (+2.3%), came in at €204.8 million, up 1.8% compared to 2022. At constant exchange rates the turnover would have recorded figures in line with the previous year (-0.3%).

In Ukraine, our cement sales volumes in 2023 largely recovered ground, especially due to the comparison with the last financial year in which production had suffered long stops, with the outbreak of the conflict. Ready-mix concrete sales closed the year on the rise but far from pre-war levels. Selling prices confirmed a marked strengthening compared to 2022. Net sales came in at €85.6 million, up 43.2% compared to 2022. The depreciation of the local currency (-16.2%) penalized the translation of the results into euro: at constant exchange rates the turnover would have increased by 66.4%.
In Russia, volumes sold recorded a moderately positive trend. Also selling prices in local currency consolidated the clear improvement compared to the previous year, but the depreciation of the ruble (-25.2%) weighed on the translation of results into euro. Net revenues, as a matter of fact, amounted to €284.6 million, slightly down (-2.0%) compared to €290.4 million of the previous year. At constant exchange rates, however, revenues would have increased by 22.8%.
Overall net sales of Eastern Europe came in at €730.3 million, up 5.5% compared to €691.9 million of 2022. Like for like, they would have been up 16.7%.

Consolidated Ebitda stood at €1,243.2 million, up 40.7% compared to €883.7 million of the previous year. The foreign exchange effect was unfavorable for €39.7 million. The figure for the year under review includes non-recurring income of €5.9 million (non-recurring costs of 2022 €8.7 million in 2022). Excluding the non-recurring items, Ebitda rose from €892.4 to €1,237.3 million, with Ebitda to sales margin standing at 28.7% (22% in 2022). The strengthening of operating results was evident in all the markets where we operate, except for Russia, on which the unfavorable exchange rate effect had an influence. The most evident improvement can be traced back to the results recorded in Italy, Germany and the United States.

After amortization of €248.2 million, versus €259.3 million in 2022, and impairment of fixed assets of €10.2 million, Ebit came in at €984.8 million, versus €494.8 million in 2022. Net finance costs decreased from €23.1 to €5.4 million, improving thanks to greater interest income and the change in the net balance of non-cash items, in particular exchange gains and losses, despite the negative contribution from the fair value measurement of derivative instruments. In the year under review equity in earnings of associates increased from €117.6 to €161.2 million. As such, profit before tax amounted to €1,140.9 million, almost doubled compared to €589.3 million of the previous year. The tax burden for the financial year was €174.1 million, versus €130.5 million in 2022. The tax rate of 2023 was equal to 15% of profit before tax (22% in 2022, affected by the presence of some considerable non tax-deductible items, such as goodwill impairment). Therefore, the income statement for 2023 closed with a net profit of €966.8 million (€458.8 million in 2022). Net profit attributable to the owners of the company amounts to €966.5 million.

Consolidated net financial position at the end of 2023 remained positive, standing at €798.0 million, versus €288.2 million at 31 December 2022. In the financial year just ended, the group distributed dividends of €83.3 million and paid total capital expenditures of €311.1 million, about €47 million thereof devoted to decarbonization programs and environmental performance improvements. Projects to increase the production of cements with a lower clinker content, the greater use of alternative fuels and the in-house production of electricity belong to this category. An amount of €10.8 million was allocated to capacity expansion projects, among which the increase in grinding capacity at Festus in Missouri (€5.5 million) and the works relating to the construction of a new clinker storage in San Antonio (€2.4 million).

As at 31 December 2023, total equity, inclusive of non-controlling interests, stood at €5,632.0 million versus €4,911.5 million at 2022 year-end. Consequently, the debt/equity ratio decreased to 35% from 53% in the previous year.

Reconciliation between the separate financial statements of the parent and the consolidated financial statements

Pursuant to the CONSOB Communication dated 28 July 2006, the table below shows the reconciliation between the net result for the year and the group's net equity with the same values of the parent company Buzzi SpA.

	Equity as at		Profit for the year	
(thousands of euro)	**31.12.2023**	**31.12.2022**	**2023**	**2022**
Statutory Annual Report Buzzi SpA	**2,382,135**	**2.227.086**	**238,421**	**489.272**
Equity and Results of Consolidated entities	5,899,681	5.057.976	861,013	540.751
Elimination of consolidated investments	(3,167,807)	(3,189,872)	-	-
Consolidation adjustments	518,019	816.266	91,990	(15,915)
Dividend eliminations	-	-	(224,611)	(555,329)
Non-controlling interests	(5,673)	(5,580)	(268)	7
Consolidated Financial Statements (attributable to owners of the company)	**5,626,355**	**4.905.876**	**966,545**	**458.786**

ITALY

The Italian economy, after a third quarter of moderate growth, suffered a slowdown in the last part of the year. The most recent indicators, as a matter of fact, signal a deceleration in household spending, while the saving propensity increased, however remaining below the levels before the pandemic. Industrial production contracted in the fourth quarter, affected by weak demand, the still high level of energy costs, as well as restrictive financing conditions which continued to penalize investments in the manufacturing sector. In this context, activity in the tertiary sector showed signs of stabilization and the labor market confirmed solid dynamics. Exports of goods, after the decline in the first half of the year, began to grow again during the summer months, despite the weakness of world trade and economic activity in the Eurozone.
According to the most recent estimates, GDP stagnated in 2023 (+0.7%), while preliminary data show an average annual inflation rate of 5.9%, sharply decreasing compared to 2022, mainly thanks to the decline in the prices of energy goods.

During 2023, construction investments showed a stagnant trend, burdened by the negative dynamics of the residential market. As a matter of fact, with the conclusion of the super incentive season, investments for the extraordinary maintenance of residential assets suffered a substantial contraction, while the effects of monetary restrictions and inflationary pressures weakened the new housing sector. However, the subdued private investments were partly balanced by the increase in public spending, being the real driving force of the industry during the year. The acceleration in the implementation of the PNRR on the one hand supported the evolution of the non-residential segment, and on the other, favored the development of infrastructure projects (+15.8%). Domestic cement consumption is estimated to have declined modestly (-1.5%).

Our hydraulic binders and clinker sales, after a stagnant first half of the year and a decline recorded in the third quarter, recovered ground in the autumn months, also thanks to the comparison with a lackluster fourth quarter of 2022. Looking at the entire financial year, volumes closed the year up 2.1%, while the ready-mix concrete output slightly declined (-1.4%). The average prices of cement and concrete confirmed their improvement compared to the previous period.
Such trend in volumes and prices led to net sales of €818.3 million, up 12.7% (€726.2 million in 2022). Ebitda achieved €175.2 million, more than doubled compared to €82.0 million of last year. The figure for the year under review includes non-recurring costs of €3.4 million, thus causing the recurring Ebitda to reach €178.6 million.
It should be remembered that the figure for the year under review benefited from the tax credit effect dedicated to energy-intensive companies, for an amount of approximately €12 million, down compared to €38 million of 2022. Despite the lower benefit, the cost of electricity, however, recorded a marked decline compared to the levels of the previous year, resulting in a visible improvement in unit production costs, also influenced by the favorable dynamics of fuel costs.

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**818.3**	726.2	+12.7%
EBITDA	**175.2**	82.0	n.s.
EBITDA recurring	**178.6**	90.7	+96.9%
% of net sales	**21.8**	12.5	
Capital expenditures	**40.0**	26.5	+51.1%
Headcount at year end n.	**1,560**	1,538	1.4%

Total capital expenditures made in 2023 amounted to €40.0 million. During the period, €6.6 million were invested for the decarbonization of the production process, including, notably, projects to increase the production of cement with a lower clinker content and the greater use of alternative fuels, as well as investments for the production of energy from renewables. The expenditure for the expansion of raw materials reserves, overburden removal and improved safety of the quarry fronts amounted to €7.6 million. In the ready-mix concrete sector, on the other hand, €4.4 million were invested for the modernization of some batching plants.

UNITED STATES OF AMERICA

After the sustained growth recorded in the third quarter (+4.9%), economic activity confirmed a favorable dynamic during the final months of the year, albeit with a decelerating rate (+3.2%). The labor market remained solid, but characterized by a better balance between supply and demand, thanks, on the one hand, to the increase in participation in the workforce and, on the other, to a level of immigration that returned to pre-pandemic levels. Consumer spending did not lose its strength, while the restrictive monetary policy weighed on the dynamics of investments.
The most updated forecasts on the performance of US economy point to an annual GDP growth of 2.5% in 2023, with an annual inflation rate decreasing to 3.7%.

The construction sector showed good resilience during the year, despite the subdued residential sector, burdened by difficult access to credit and inflationary pressures. This negative dynamic, in fact, contrasted with the significant increase in industrial investments, aimed at relocalizing production on US soil, as well as infrastructure projects supported by government funds (IIJA). Domestic cement consumption is estimated to decline slightly compared to the previous year (-2.9%).
Despite the recovery recorded in the fourth quarter, our cement sales closed the year slightly down compared to 2022 (-1.8%), due to the general weakness in demand as well as to some logistical issues along the Mississippi River. Ready-mix concrete volumes, however, confirmed the unfavorable trend in the final months of the year, closing the year down 7.7%, also penalized by the shortage of drivers. On the contrary, selling prices strongly improved compared to the previous year.

Total net sales amounted to €1,742.7 million, up 9.5% compared to €1,591.8 million of 2022, while Ebitda increased from €497.5 to €639.1 million (+28.5%). The depreciation of the dollar (-2.7%) had a negative impact on the translation of the results into euro: at constant exchange rates net sales would have increased by 12.4%, while Ebitda would have improved by 31.9%. Unit production costs slightly increased due to a worsening of the fixed component.

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**1,742.7**	1,591.8	+9.5%
EBITDA	**639.1**	497.5	+28.5%
% of net sales	**36.7**	31.3	
Capital expenditures	**139.5**	123.3	+13.1%
Headcount at year end n.	**2,329**	2,274	+2.4%

Total capital expenditures realized in 2023 amounted to €139.5 million, approximately €17 million thereof regarding the improvement of environmental performance and the decarbonization of the production process. Initiatives to increase the output of cements with a lower clinker content, the greater use of alternative fuels, as well as investments in renewable energy plants fall into this category. Furthermore, during the year, the expansion and modernization of the distribution network, among which it is worth mentioning the works at the terminals of Joliet and Oglesby (Illinois), Marine (Tennessee) and New Orleans (Louisiana), amounted to approximately €22.4 million. On the other hand, as regards investments for the expansion of production capacity and raw material reserves, approximately €5.5 million were capitalized for the increase of the grinding capacity in Festus (Missouri), €2.4 million for the construction of the clinker storage at San Antonio (Texas) and €4.1 million for the overburden removal of quarry fronts. Finally, in the ready-mix concrete sector, capital expenditures concerned the expansion of some batching plants, technological optimization works and the purchase of new mixer-trucks for a total of €18.4 million.

GERMANY

In Germany, 2023 was characterized by substantial weakness in economic activity, with a fourth quarter in mild recession. Over the course of the year, private consumption suffered, in fact, from the progressive worsening in the purchasing power of families, while investments were strongly affected by the high energy and construction costs, the difficult conditions of access to credit, as well as the labor shortage. The subdued foreign demand also further contributed to the unfavorable economic development. Industrial activity contracted in the manufacturing, construction and energy intensive sectors. Despite the aid package aimed at tackling the energy crisis, public spending reduced overall, mainly due to the suspension of measures linked to the pandemic. In this context, GDP in 2023 recorded a decline of 0.3% and inflation fell to 6%, even if the underlying component continued to show growing rates compared to the previous period.

The restrictive interest rates, the dynamics of construction costs and the significant reduction in public subsidies penalized residential construction with particular reference to new buildings (-6.5%). The commercial and industrial sectors also suffered from the unfavorable economic scenario, while investments in infrastructure demonstrated a greater, albeit still weak, rebound. Our shipments of hydraulic binders and ready-mix concrete closed 2023 sharply declining, by 20.9% and 20.8% respectively. Selling prices, both for cement and concrete, confirmed the levels already achieved in the first nine months, also during the last quarter, thus marking a substantial improvement compared to the previous year.

Overall net sales thus increased from €798.8 to €872.0 million (+9.2%) and Ebitda improved from €120.5 to €189.1 million (+57.0%). Net of non-recurring income of €3.6 million, the recurring Ebitda stood at €185.5 million, up 54.0%. Unit production costs significantly increased, negatively impacted by the dynamics of costs for fuel and electricity, which more than doubled.
In 2023 the business incurred operating costs of €5.4 million for CO2 emission rights (€18.6 million in 2022).

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**872.0**	798.8	9.2%
EBITDA	**189.1**	120.5	57.0%
EBITDA recurring	**185.5**	120.5	54.0%
% of net sales	**21.3**	15.1	
Capital expenditures	**64.4**	59.7	8.0%
Headcount at year end n.	**1,754**	1,796	-2.3%

Total capital expenditures realized in 2023 amounted to €64.4 million, €13.6 million thereof for the improvement of environmental performance and the decarbonization of the production process, among which it is worth mentioning the projects to increase the output of cements with a lower clinker content as well as energy efficiency measures. In the ready-mix concrete sector, €3.9 million were dedicated to the modernization of the batching plants, as well as the purchase of new concrete pumps and other mobile equipment.

LUXEMBOURG AND THE NETHERLANDS

In Luxembourg, economic activity deteriorated over the year, due to weak dynamics in services, led by worsening results in the financial segment. The construction market, in particular the residential sector, contracted under the weight of high interest rates. On the contrary, public and private consumption continued to support domestic demand, thanks to lower inflationary pressure and the support measures promoted by the government. Inflation, as a matter of fact, fell to 2.9% in 2023, mainly in the wake of decreasing energy prices. In this scenario, a decline in GDP of 0.8% is estimated.

In the Netherlands too, the economy slowed down significantly in 2023. High inflation rates eroded household income, leading to a significant decline in private consumption. At the same time, the unfavorable economic performance of the main trading partners weighed on the dynamics of exports. Investments proved to be volatile, resilient in the first half of the year, but weak in the third quarter, due to the lower level of spending by companies. Inflation recorded a sharp decline during the year, from 7.2% in the first quarter to 0.4% in the fourth, closing the period with a rate of 4.1%. The most up-to-date estimates point to GDP stagnation over 2022 (+0.2%).

The weakening of demand for cement, which was already evident in the first nine months of the year, was also confirmed during the last quarter, leading our sales volumes to close the year strongly contracting compared to 2022 (-39.0%). The ready-mix concrete sector also recorded a similar dynamic, however with more moderate rates (-20.6%). Nevertheless, average selling prices showed a clear strengthening compared to the previous year, which however was unable to balance the unfavorable demand.
Net sales came in at €214.1 million, down 5.6% compared to the previous year (€226.9 million), while Ebitda stood at €28.1 million, clearly improving compared to €7.0 million in 2022. The increases in costs for fuel and electricity, together with the increase in labor costs, led to a worsening of unit production costs. No operating costs for CO2 emission rights were incurred during the year (€6.5 million in 2022). Indeed, profitability increased thanks to lower CO2 emission rights costs, savings in logistics management and a favorable change in inventory.

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**214.1**	226.9	-5.6%
EBITDA	**28.1**	7.0	n.s.
% of net sales	**13.1**	3.1	
Capital expenditures	**14.1**	12.5	+12.6%
Headcount at year end n.	**295**	294	0.3%

Total capital expenditures made in 2023 amounted to €14.1 million, of which €1.6 million were directed to the decarbonization of the production process and, in particular, to increase energy efficiency. In addition, €3.4 million were capitalized for the expansion of raw material reserves.

POLAND

In Poland, the sharp weakening of private consumption led to a halt in the growth of economic activity. Domestic demand in fact continued to be affected by the considerable geopolitical uncertainty linked to the conflict in Ukraine, worsened by inflationary pressures and monetary restrictions. On the contrary, net exports showed a positive dynamic, as did investments, supported by government programs. Inflation reached its peak at the beginning of the year and then decelerated in the second half, thanks to the rapid decline in commodity and food prices, closing the year at high levels (+10.9%). In this context, the most updated data estimate GDP stagnation over 2023 (+0.2%).

the construction market followed the general economic slowdown, although recording moderate growth over the year. The halt is mainly attributable to the negative evolution of new residential constructions (-5%), more than offset by the acceleration of investments in infrastructure, mainly linked to the energy and mining sectors. In this context, our cement sales volumes maintained the rather negative dynamics of the first semester, closing the year down 13.1%. Ready-mix concrete sales also contracted (-8.0%), albeit with a more favorable pace in the second part of the year. The improvement in the price level remained solid in 2023.

Net sales increased from €141.3 to €156.7 million (+10.9%) while Ebitda improved from €27.2 to €38.2 million (+40.4%). However, it should be remembered that the strengthening of the local currency (+3.1%) positively impacted the translation of the results into euro: at constant exchange rates net sales would have been up 7.5% and Ebitda 36.1%. The unit production costs visibly grew, mainly impacted by increases in electric power prices. During the year the business incurred operating costs of €0.8 million for CO2 emission rights (€9.6 million in 2022).

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**156.7**	141.3	+10.9%
EBITDA	**38.2**	27.2	+40.4%
% of net sales	**24.3**	19.2	
Capital expenditures	**12.4**	9.1	+36.4%
Headcount at year end n.	**345**	348	-0.9%

Total capital expenditures made in 2023 amounted to €12.4 million, of which €2.2 million referring to the improvement of environmental performance, to the decarbonization of the production process and to energy efficiency measures. In the ready-mix concrete business, €3.4 million were capitalized for the modernization of some batching plants and for the purchase of new concrete pumps and quarry mobile equipment.

CZECH REPUBLIC AND SLOVAKIA

Economic activity in the Czech Republic in 2023 was significantly affected by the reduction in private consumption, dictated by the worsening purchasing power of households and a greater propensity to save. The growth in public spending, the trend of trade and the dynamics of investments, instead, contributed positively to the economy, however only partially offsetting the macroeconomic effects that weighed on domestic demand. As a matter of fact, GDP is expected to decline slightly over 2023 (-0.4%), while inflation stood at high levels (12%), albeit decreasing compared to the highs reached at the beginning of the year.

The clearly negative development of new residential constructions (-15%) weighed heavily on the performance of the building industry, despite the good dynamics in the manufacturing and logistics sectors. However, the development of restoration and renovation projects contributed favorably, thanks to state subsidies mainly aimed at the energy transition. Our cement sales, after the decline in the first half of the year, continued to show a weak trend, closing 16.1% lower, in line with the general market trend. The price level in local currency consolidated with a clear strengthening compared to 2022. The ready-mix concrete sector, including Slovakia, recorded similar dynamics, both in terms of volumes (-19.0%) and selling prices.

Consolidated net sales amounted to €204.8 million (€201.2 million in 2022, +1.8%) and Ebitda increased from €56.8 to €72.0 million (+26.8%). The appreciation of the Czech koruna (+2.3%) had a positive impact on the translation of the results into euro: at constant exchange rates, the turnover would have recorded figures in line with the previous year (-0.3%), while Ebitda would have increased by 24.1%. The result of the year under review includes non-recurring income of €5.7 million, net of which Ebitda came in at €66.4 million, up 16.8%. Variable production costs worsened due to the increase in the energy component. No costs for CO_2 emission rights were incurred during the year (€8.5 million in 2022).

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**204.8**	201.2	+1.8%
EBITDA	**72.0**	56.8	+26.8%
EBITDA recurring	**66.4**	56.8	+16.8%
% of net sales	**32.4**	28.2	
Capital expenditures	**14.8**	11.4	+30.0%
Headcount at year end n.	**658**	700	-6.0%

Total capital expenditures realized in 2023 amounted to €14.8 million, of which €5.7 million for the decarbonization of the production process and, in particular, for higher energy efficiency. Moreover, €5.4 million were capitalized in the ready-mix concrete sector for the modernization of some batching plants and for new truck mixers and pumps.

UKRAINE

In Ukraine, military operations continue to hinder normal market conditions. Despite the increase in energy costs and wages, the measures adopted by the central bank to preserve the stability of the currency, together with tariffs on public utility services and the increase in the supply of food, allowed inflationary pressures to be eased.

In this context, our cement sales volumes in 2023 largely recovered ground (+32.7%), especially due to the comparison with the last financial year in which production had suffered long stops, with the outbreak of the conflict. Ready-mix concrete sales closed the year up (+7.1%) but far from pre-war levels. Selling prices confirmed a marked strengthening compared to 2022.

Net sales stood at €85.6 million, increasing compared to €59.8 million achieved in 2022. Ebitda came in at €5.6 million (it was negative and equal to €6.8 million in 2022). The depreciation of the local currency (-16.2%) unfavorably influenced the translation of the results into euro: at constant exchange rates the turnover would have been up 66.4% while Ebitda would have amounted to €6.5 million.

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**85.6**	59.8	+43.2%
EBITDA	**5.6**	-6.8	n.s.
% of net sales	**6.5**	-11.4	
Capital expenditures	**3.1**	1.9	+62.6%
Headcount at year end n.	**1,008**	981	2.8%

Total capital expenditures made in 2023 amounted to €3.1 million, mainly referring to works aimed at improving occupational safety and technological efficiency, as well as overburden removal of quarry fronts.
On 20 June 2023, Buzzi reached an agreement with CRH regarding the sale of its operations in Ukraine. The completion of the transaction is subject to obtaining the required regulatory approvals.

RUSSIA

After a negative first quarter, still partly impacted by the difficult comparison with the pre-sanctions period, economic activity in Russia started to grow again since the spring months. The favorable dynamic is attributable to the high levels of public spending and the positive evolution of consumption. However, excess demand continues to be out of balance with the supply capacity of goods and services, causing persistent inflation. GDP growth in 2023 is estimated at 3%.

In compliance with the sanctions adopted by the European institutions, as early as May 2022 Buzzi stopped all involvement in the operational activities of its local subsidiaries. Consequently, decisions relating to the investment can only be taken through the shareholders' meeting and are limited to those which, according to the Commercial Code of Russia, are the responsibility of this body, as well as decisions of an extraordinary nature as defined in the bylaws. The information available to us regarding the trend in demand and the construction market is therefore very limited. At the balance sheet date, the value of our net assets in Russia totaled €330.5 million.

In 2023, the volumes sold recorded a moderately positive trend (+1.7%). Selling prices in local currency also consolidated a net improvement compared to the previous year. Net sales amounted to €284.6 million, down compared to €290.4 million of the previous year (-2.0%) and Ebitda decreased from €99.6 to €96.2 million (-3.4%). The depreciation of the ruble (-25.2%) unfavorably influenced the translation of the results into euro: at constant exchange rates, net sales and Ebitda would have been up 22.8% and 21.0% respectively.

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**284.6**	290.4	-2.0%
EBITDA	**96.2**	99.6	-3.4%
% of net sales	**33.8**	34.3	
Capital expenditures	**22.8**	26.4	-13.7%
Headcount at year end n.	**1,671**	1,556	+7.4%

MEXICO

(valued by the equity method)

The Mexican economy continues its expansionary phase with a forecast of GDP growth in 2023 of +3.4%, a synthesis of resilient consumption, growing investments and a vigorous labor market which records unemployment rates at historic lows. Overall inflation continued its decline, reaching 4.66% on an annual basis in December, although inflationary pressures remain particularly high in the services sector. Foreign demand proved solid, mainly supported by the recovery in automotive exports. Industrial activity continued to have a positive trend, driven by the construction sector. In particular, investments in machinery and equipment linked to near-shoring projects favored non-residential construction, while the infrastructure sector benefited from high public spending and numerous projects in the Southern regions of the country.

The sales of our joint venture closed 2023 increasing compared to last year (+7.8%), with average prices, in local currency, markedly strengthening year on year. The ready-mix concrete sector also followed a similar dynamic, as regards both volumes (+9.6%) and prices.

Net sales, referring to 100% of the joint venture, stood at €1,025.0 million, up 33.4% on the previous Net sales, referring to 100% of the joint venture, stood at €1,025.0 million, up 33.4% on the previous year, while Ebitda came in at €465.5 million, significantly exceeding €305.8 million achieved in 2022. The Mexican peso showed an appreciation of 9.5%. At constant exchange rates net sales would have been up 20.8% and Ebitda up 37.8%. The unit production costs did not undergo significant changes, allowing a significant improvement in the Ebitda margin, which increased from 39.8% to 45.4%.
The equity earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €110.4 million (€70.4 million in 2022).

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**1,025.0**	768.5	+33.4%
EBITDA	**465.5**	305.8	+52.2%
% of net sales	**45.4**	39.8	
Capital expenditures	**56.8**	32.0	+77.5%
Headcount at year end n.	**1,303**	1,225	+6.4%

BRAZIL

(valued by the equity method)

The Brazilian economy recorded an expansionary dynamic in 2023, albeit with decelerating rates in the second part of the year. GDP growth progressively went from a rate of +3.7% recorded in the first quarter to a more moderate +2.5% in the summer months. The latest indicators show signs of a slowdown towards the end of the year as well. The agricultural sector contributed positively with record harvests, especially in the first half of the year, but the mining and utilities industries also reported expansion rates. Construction activity, however, remained sluggish, contracting in the third quarter, as did the manufacturing sector. On the demand side, the divergence persists between the decline in investments, more impacted by financial conditions and future uncertainties, and consumption which once again surprised on the upside. In this context, GDP growth in 2023 is estimated at 3.1%.

The sales of our joint venture closed 2023 slightly decreasing (-2.7%), also being affected by the negative effect of the heavy rains that fell in the South-East region during the first quarter. Prices in local currency, instead, remained essentially stable year on year.

Net sales stood at €394.0 million, equal to -1.6% compared to €400.2 million of the previous year, while Ebitda reached €88.7 million, down compared to €118.7 million of 2022. The moderate appreciation of the Brazilian real impacted on the translation of the results into euro (+0.7%): like for like, net sales and Ebitda would have been down 2.3% and 25.8% respectively. Despite substantial stability in unit production costs, the change in inventories and a slight increase in administrative and general expenses contributed negatively to operating results.
The equity earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to €25.1 million (€31.3 million in 2022).

(millions of euro)	**2023**	**2022**	**23/22**
Net sales	**394.0**	400.2	-1.6%
EBITDA	**88.7**	118.7	-25.3%
% of net sales	**22.5**	29.7	
Capital expenditures	**25.3**	17.9	+41.0%
Headcount at year end n.	**1,263**	1,236	+2.2%

ALGERIA

(valued by the equity method)

In Algeria, economic growth is estimated at 4.2% in 2023, supported by robust activity in the hydrocarbons, industry, construction and services sectors. Nevertheless, over the course of the year, the decline in international oil prices had a significant impact on hydrocarbon exports, which, in the first nine months of the year, recorded a decrease of 13.9%. The decline in exports also extended to semi-finished products and the increase in imports further weighed on the country's trade balance. Inflation remained at high levels (+9.2% in 2023), however increases in pensions and public salaries helped demand in the private sector.

Cement production capacity, after the strong increases in recent years, remained stable at around 39 million tons. Domestic cement consumption in 2023 is estimated to reach approximately 18-20 million tons, i.e. also stable compared to the previous year. Clinker exports continue at very high levels, and estimates for 2023 indicate around 10 million tons, in line with the 2022 figure. Clinker exports are mainly directed towards sub-Saharan African countries, but in this period also towards some southern European countries.

During 2023, cement sales on the domestic market of the Hadjar Soud plant increased by 13% compared to the previous year, although remaining at an absolute level (595,000 tons) which is much lower than in the past. Clinker exports are in line with the previous year (+0.6%) and remain at a very significant absolute value (401,000 tons). Unfortunately, 2023 also passed without the revamping project, aimed at increasing the efficiency and optimization of the production process, making any progress: the delay is always due to the complex bureaucratic procedure for assigning and implementing the initiative.

The Sour El Ghozlane plant, on the other hand, recorded a strong contraction in volumes due to a kiln shutdown which, for technical reasons, greatly exceeded expectations. The company had to source clinker from other cement plants in the country, thus reducing margins significantly. Cement volumes sold stood at 736,000 tons, down 11% compared to 2022. Clinker exports also stopped at 20,000 tons, down 89% compared to the previous year.

With reference to 100% of both associates and their individual financial statements, 2023 closed with net sales of €62.6 million, slightly down compared to €63.7 million in the previous year (-1.7%), despite the positive contribution relating to the appreciation of the Algerian dinar versus the euro (+1.8%). Ebitda amounted to €18.0 million, lower compared to the previous period (€23.4 million in 2022). The good profitability of the Hadjar Soud facility was unable to compensate for the fall of Sour El Ghozlane. Ebitda to sales margin, although decreasing compared to 2022, was still at interesting levels (29%).

The equity earnings referring to Algeria, included in the line item that encompasses the investments valued by the equity method, amount to €2.5 million (1.5 million in 2022).

SLOVENIA

(valued by the equity method)

In 2023, economic activity in Slovenia was negatively affected by inflationary pressures, lower competitiveness of domestic exporters, as well as the high degree of uncertainty in the national and geopolitical context. These factors mainly weighed on demand, with a deceleration in both domestic consumption and foreign trade. However, net exports continued to provide a positive contribution, thanks to an even more marked reduction in imports. On the contrary, during the year, the construction sector recorded a very favorable dynamic and the labor market remained solid. In this context, GDP growth is estimated to moderately improve in 2023 (+1.3%), with average inflation at 7.2%.

Buzzi operates through the associate Salonit Anhovo, a subsidiary of the Wietersdorfer group (Austria), which is the main cement producer in the country. The company owns a full-cycle cement plant with a production capacity of approximately 1.3 million tons/year, 3 batching plants and 3 natural aggregates quarries. With reference to 100% of the associate, the 2023 financial year closed with net sales of €151.8 million (+14.3% compared to 2022), and Ebitda of €50.9 million, also clearly up (+28.4%).
The equity earnings referring to Slovenia, included in the line item that encompasses the investments valued by the equity method, amount to €8.6 million (€6.7 million in 2022).

HUMAN RESOURCES

The different and articulated needs of the territories where Buzzi operates have always characterized the international organization of a multi-regional group. Human resources are considered as a constant factor of company growth and the valorization of human capital has always been a pillar on which the competitive development of the company is based. We interpret the different skills, also resulting from various cultures, as a drive for continuous improvement in order to motivate and maximize the commitment and loyalty within the group.

In **Italy**, last May, as part of the human capital enhancement initiative and with the aim of incorporating new young professionals and making the connection with the local community more enduring and functional, the company initiated the second edition of the two-year second level University Specialization Master in Advanced Techniques for the Management of Cement Production Plants (TAGCEM), in partnership with the Politecnico di Torino. The program is designed for young individuals holding an Engineering Master's degree in (Chemical, Civil, Energy, Mechanical, Electronic, Computer Science, etc.) or, Mathematics, Chemical Sciences, Materials Science and, Geological or Industrial Chemistry Sciences and Technologies.
The two-year Master's program involves 10 selected apprentices attending classes at the Politecnico di Torino, at the company's headquarters in Casale Monferrato (AL), with periods of training also at various plants of the group to acquire technical operational skills.
The Master's program is linked to a high-level apprenticeship and research contract and is aimed at training professionals to be inserted into "operations" across the entire industrial process chain (Production, Maintenance, Ecology, Environment, Safety, Quality, Research and Development, Projects and New Equipments, Quarries and Mines, Logistics and Procurement).
The multidisciplinary profile of the Master's program aims primarily to consolidate and enhance the educational path of the first edition, specifically designed to meet the company's needs, to be offered again to apprentices and technicians eager to develop their cultural background.
In 2023, the extraordinary redundancy fund scheme for the employees of Testi Cementi concluded, with the last reassignments to the Settimello plant and the final resolutions for the remaining suspended personnel by the end of 2023 (20 employees).
On 4 December 2023, the second level contract was signed in Rome with the national trade union organizations, valid for the cement sector. The previous structure was confirmed, with a section dedicated to the corporate (European Works Cuncils), national (Coordination of the Group's Unitary Trade Union Representatives) and plant industrial relations. Among the main novelties of the agreement, we recall greater attention and discussion on environmental and sustainability issues, digital training and gender equality, the generational relay for over 65s, coordination between safety representatives, support for voluntary activities.

In **Germany**, it was decided to offer a dual study path reflecting the company's commitment towards the individual development of its staff and the enhancement of its competitive position. The project is aimed at both current employees and external candidates. Dyckerhoff chose the State University of Baden Württemberg as its partner.
In 2023, a new company collective agreement was signed for the concrete sector. This agreement allowed to further standardize the remuneration structure of the sector, replacing various local agreements.

In **Luxembourg**, the Health and Safety as well as the Purchasing functions were expanded with new additions. Moreover, a new IT tool was introduced, improving the quality of training in health and safety.

In the **Netherlands**, many employees were requalified according to the Health, Safety, and Environment contractor checklist, which is valid for 10 years and is essential for accessing construction sites. Currently, 80% of the staff holds this qualification. The HR function is being gradually digitalized.

In the **Czech Republic** and **Slovakia**, the policy of raising awareness about health and safety continued. Several organizational changes occurred in the cement sector. Training on safety continued through meeting sessions and awareness programs. The renewed collective agreement included improvements in health prevention, with the possibility of medical check-ups.

In **Poland**, the training and awareness campaign on health and safety continued, as well as the technical training one for cement plant staff.

In the **United States of America**, the main challenge for the human resources function was the acquisition of qualified personnel for both cement plants and terminals, as well as drivers for the distribution of ready-mix concrete. The campaign to promote activities in cement plants at local high schools continued this year. Overall, Buzzi Unicem USA saw an increase in staff from 1,451 in 2022 to 1,529 units. However, the ready-mix concrete sector in Texas underwent a decrease in staff from 698 in 2022 to 671 employees. Efforts to retain staff continued, with the expansion of some benefits.
In 2023, an overall turnover of over 20% was recorded, primarily driven by resignations. Regarding training, the Skillsoft platform was further expanded with a greater focus on the workforce, particularly in maintenance services.
As far as the industrial relations are concerned, two new five-year contracts were signed with the relevant trade unions. In the past, a three-year contract had been signed for activities in the concrete sector. The negotiations had a reasonable duration, with cost control for both salaries and benefits.

Headcount by country at year end

	2023	2022
Italy	1,560	1,538
of which Buzzi SpA	*160*	-
United States of America	2,329	2,274
Germany	1,754	1,796
Luxembourg	177	181
Netherlands	118	113
Poland	345	348
Czech Republic and Slovakia	658	700
Ukraine	1,008	981
Russia	1,671	1,556
Total	**9,620**	**9,487**

The table below provides the main Human Resource management data of the group.

	2023	2022
Turnover[1]	16.6%	18.4%
of which Buzzi SpA	*10.6%*	-
Days of absence[2]	94,296	94,882
of which Buzzi SpA	*599*	-
Training days[3]	49,624	36,945
of which Buzzi SpA	408	-

[1] Ratio of outgoing employees to workforce at Dec 31, 2023;
[2] Total days of illness and accident, etc.
[3] Total days of internal and external training.

RESEARCH AND DEVELOPMENT

Buzzi devotes particular consideration to applied research and, thanks to continuous and intense experimentation conducted in its own laboratories or in collaboration with academic partners, it aims to support the evolution of construction materials. The company participates, as an industrial partner, in various national and international research projects, contributing to the development of new materials and technologies and the creation of knowledge networks with excellent facilities in the field of scientific research.
An important role in research and development activities is played by the group's laboratories, which work in close coordination and leverage possible synergies in a context of efficiency, modernity, and passion. Constant investments are made in these laboratories to maintain a high level of efficiency. Built, which was inaugurated in 2022 in Vercelli, is organized on two floors with a large room dedicated to concrete tests, a chemical-physical laboratory equipped with cutting-edge instruments for the characterization of materials, a chemical laboratory and a mortar laboratory accredited according to ISO/IEC 17025:2018. There are currently 13 employees working inside the laboratory, including chemical technicians and scientific researchers. Built, together with the Wilhelm Dyckerhoff Institut in Wiesbaden, Germany, forms the basis of research and innovation for Buzzi and complements the laboratories at the plants. Built's particular location within the campus of the Università del Piemonte Orientale has facilitated the development of numerous activities also involving students and researchers from the university and other educational institutions in the area, such as the ITS (Technical High Schools).
Buzzi is paying particular attention to research on CO_2 mineralization and technologies for reusing CO_2 in its production processes. This has been accomplished through internal research and collaborations with universities and startups. CO_2 mineralization technologies are currently being developed and can be implemented on an industrial scale when CO_2 capture becomes real in cement production plants as well.
The projects aimed at studying and developing cements containing natural (limestone and pozzolans) or artificial additions (calcined clays), with the aim of reducing the clinker content and keeping performance unchanged, are still current.
Currently, the replacement of clinker in cement mixtures is carried out through the use of blast furnace slag (from the cast iron production sector) and fly ash (from coal-fired power plants), which, especially in 2022, considering the energy crisis that led to the reopening of numerous coal-fired plants in Europe, are once again available on the market. The development and use of calcined clay cements is to be understood as a technical solution to reduce the dependence of the cement sector on other industries, in the procurement of substitute materials to the clinker. Calcined clay cements are still relatively rare on the market, but the in-depth understanding of the calcination mechanisms of such materials and hydration processes allows the company to guide future choices in specific regions or application areas.
The calcined clay cement research was carried out In parallel with the studies conducted on the optimization of natural pozzolan-based cements. Buzzi has an undisputed leadership in this sector as it has been producing pozzolanic cements in Italy and Germany for several years. In particular, the regions of Southern Italy are characterized by the presence of numerous natural pozzolan quarries of volcanic origin which are used for the production of cements where the pozzolan replaces clinker even in significant quantities (up to 45% addition). Cements containing natural pozzolans allow a significant saving of clinker, do not require any thermal activation process and are therefore advantageous compared to calcined clays, where natural pozzolans are available.
The studies conducted have highlighted the possibility of producing pozzolanic cements characterized by high mechanical performance and resistance to durability tests with a significant reduction in clinker. The studies carried out by the Wilhelm Dyckerhoff Institut in recent years on these materials, which are traditional but innovative in their applications, have led to the introduction of a white pozzolanic cement on the market (Dyckerhoff Blue Star https://www.dyckerhoff.com/blue-star), which represents a

significant evolution of this product towards high-performance, durable, and sustainable materials for a very specific sector such as that of white cement.

The year 2023 was very significant from a technical point of view for the progress of CO_2 capture projects. As a matter of fact, in 2023 the CO_2 capture tests ended with the pilot scale plant developed within the project Cleanker (www.cleanker.eu), financed by the European Commission. The Cleanker project has officially concluded, but studies continue aimed at the industrial-scale implementation of this technological solution. Numerous projects are underway in the field of CO_2 capture, both to pilot innovative technologies (such as MOF or membrane technologies) and to understand how these technologies can be scaled up and brought to an industrial level.
The industrial implementation of CO_2 capture technologies requires significant investments and close synergy between R&D, technical function, engineering and finance departments. This is all aimed at defining priorities, funding opportunities, as well as establishing crucial contacts for future CO_2 storage, in order to create strategic networks for the geographical placement of our plants.
In 2023, Memoranda of Understanding (MoUs) were signed with Energean (a Greek company operating in the CO_2 storage sector) and with the French consortium MedCO2. Both of these MoUs aim to create common working groups for the sharing of objectives and projects in the field of CO_2 capture and storage.

During 2023, work continued on the research consortium called "CI4C - Cement Innovation for Climate", which aims to analyze the practical application of CO_2 capture based on Oxyfuel technology in clinker production. In addition to Buzzi, the research consortium is made up of three more European cement producers. In Germany, the construction of an experimental plant that will operate with the aim of validating this production technology is underway.

In February 2023, the kick-off meeting of the Herccules project (https://herccules.eu) took place. This project, financed by Horizon Europe, focuses on the capture, storage, and reuse of CO_2 in the Southern Mediterranean region. The project aims to accelerate the development of CO_2 capture and storage technologies in the cement and waste-to-energy sectors, by conducting studies and implementing CO_2 capture and mineralization technologies in Buzzi's Italian plants too.

Also in 2023, the Flashphos project (https://flashphos-project.eu), funded by the European Commission, continued, with the aim of developing a thermochemical technology for the recycling of sewage sludge. The technology developed in the project will make it possible to recover and enhance the phosphorus (considered as a critical raw material) found within the purification sludge and at the same time make available a fuel and a calcium slag which can be potentially used by cement plants, contributing to the reduction of CO_2. The first experiments within this project are very positive.
Buzzi is one of the founding partners of the Innovandi research network (gccassociation.org) which is an initiative fully funded by industrial resources involving more than 40 university partners and cement production companies. Innovandi was created to stimulate and enhance a form of pre-competitive research between universities and companies operating in the construction materials sector all over the world. The consortium finances pre-competitive research projects in the field of new construction materials, cements, concretes and CO_2 capture technologies. During 2023 the projects funded by the Innovandi consortium continued, where Buzzi participates as an industrial partner in projects that target technologies for the electrification of the cement sector, the capture of CO_2, the development of new knowledge on cements with reduced clinker content and the use of demolition waste from concrete.
Buzzi is also active in research relating to concrete digitization technologies: in this field, it is worth mentioning the industrial experimentation activities carried out by the Hinfra startup, of which Buzzi is the main shareholder (www.hinfra.it). Hinfra sets the objective of developing an automated technology for the structural restoration of concrete tunnels, through a patent that utilizes the sulphoaluminate cement produced by Buzzi in Italy and the USA. Hinfra completed a significant initial work in 2023,

demonstrating the feasibility of using this technology with considerable benefits for the construction site.

During the period, as part of a strategy strongly oriented towards "Open Innovation", numerous contacts were developed with startups and specialized companies, dedicating some resources of the R&D group to this activity. The contacts made allowed first of all the creation of a corporate culture oriented towards a greater involvement of external interlocutors but also the launch of some projects, on the one hand supporting startups to industrially experiment some of the technologies they own and, on the other, allowing to better understand the potential benefits of adopting these technologies. The main areas in which such contacts were initiated are in the field of CO_2 capture and usage and of artificial intelligence.

The costs incurred by the group for research and development in 2023 amount to €31.6 million (€4.9 million in Buzzi SpA).

SAFETY AND ENVIRONMENT

The greater involvement of all the people, employed directly and indirectly, to achieve the "zero accident" goal and the commitment to reducing environmental impacts constitute two fundamental cornerstones of our business model.

Occupational health and safety
During 2023, Buzzi continued with the implementation of various activities: sharing of good practices, organizing training and dialogue sessions, fostering greater awareness and involvement of workers at all levels of the organization.
Increasing cooperation within the Buzzi organization, has brought synergies that are helping to improve group standards including behavioral safety, the application of problem-solving for the investigation of root-causes of accidents and near misses, the management of hazardous energy sources, the organization of work at height and the management of emergencies.

At Dyckerhoff, an awareness campaign was fostered on the main safety risks and the promotion of safe behavior, and the protocols regulating the handling of loads with cranes and overhead cranes were also improved. The digitalization of the risk assessment, from which the training courses on health and safety in the workplace were generated and refined, was completed. In Buzzi Unicem (Italy) the installation of additional lifelines in the cement plants made working at height increasingly safer. An increasingly structured system of departmental meetings on health and safety issues and robust reporting mechanisms ensure the involvement and knowledge sharing among employees. In the divisions operating in the United States, important investments were completed to increase the level of safety of the stairs giving access to the plants, with over 900 installations subject to revision. The implementation of new equipment, such as motorized rescue boards, and more ergonomic safety devices made working near waterways increasingly safer. The concrete divisions both in the United States and in the Dyckerhoff group and at Unical, a company operating in Italy, aimed to increase awareness of the risks arising from trips and slips, while continuing to improve the organization of workstations and personal protective equipment.

At the group level, Buzzi considers third-party certifications to be a valid instrument for reaching its targets and objectives. As proof of this, 93% of our workers is covered by health and safety management systems of which 67% complies with the ISO 45001 International Standard. One of the principles of these standards is continuous improvement, which requires a constant reassessment of risks through regular compliance controls and the resulting adoption of actions necessary to mitigate dangerous situations and to promote safe behavior.
Buzzi uses software and local databases to record and analyze accidents and injuries including those involving employees and contractors. Aside from this, these systems also collect information on the adopted corrective measures.
At the group level, data and trends are analyzed on a quarterly basis and reported from the Chief Operating Officer to the Board of Directors along with details of the more serious injuries, update concerning the main initiatives aimed to reduce the risks and increase the culture of safety.

The continuous improvement of workplaces, prevention and protection measures, and systems monitoring of health surveillance have also contributed to the closure of 2023 with no cases of occupational diseases.

During 2023, the new Health and Safety Policy was issued and disseminated, in a capillary way, and aims to ensure the involvement and inclusion of all stakeholders and safe behaviors, mindsets and standards.

In 2023 a total of 215,439 hours in training courses were provided on health and safety issues, which represent 54% of total training hours.

In the 2023, Buzzi unfortunately reported two fatal accidents involving one of our employees in the United States and a contractor in Slovakia. Compared to last year, in 2023 a decrease was recorded for the TIFR (-18%) and the LTIFR (-29%) respectively valued 9.4 and 3.5. The severity rate (SR) was also reduced at 0.21 compared to 0.38 recorded in 2022. To monitor the severity of accidents, we also record the number of injuries requiring or which were deemed to require more than six months for a complete recovery: in 2023 the figure was equal to 2 for our employees and 1 for our contractors.

Climate change

Buzzi is committed to contributing to the mitigation of climate change and improving its resilience in the areas at highest risk.
After reaching its first multi-year reduction objective (2017-2022) of CO_2 emissions, in 2022 Buzzi presented the new decarbonization plan ('Our journey to net zero'), in line with the objectives set by the European Green Deal to 2030 and 2050.
In 2023, CO_2 emissions further decreased compared to 2022 by approximately 1,300 tons.
Buzzi also resumed submitting its decarbonization performance to the Carbon Disclosure Project (CDP). CDP is a non-profit organization, which operates a world-leading environmental disclosure platform. In 2023, CDP collected data on greenhouse gas emissions and the progress achieved in reducing them from over 23,000 companies around the world. Its methodology involves assigning a score to participating companies based on the completeness of disclosure, awareness and management of climate risks and the demonstration of implementation of best practices, such as setting ambitious goals. Buzzi obtained a B score, on a scale ranging from A to F.

As regards adaptation to climate change, in line with the provisions of the EU regulation known as 'Taxonomy', the possible damage deriving from physical risks and transition risks was assessed according to two possible scenarios, the first with CO_2 emissions continuously growing throughout the 21st century (4°C scenario) and the second, instead, with decreasing CO_2 emissions, until they are eliminated by 2100 (1.5°C scenario).
Depending on the dynamics of global emissions, Buzzi will adopt the adaptation measures relating to the corresponding scenario.

Other emissions into the atmosphere

The cement production process involves the emission of dust and air pollutants.
Buzzi adopts continuous monitoring systems (CEMS) to measure dust, nitrogen oxides (NOx), sulfur dioxide (SO_2) and mercury (Hg) whose data is, in many cases, directly sent to control bodies.
Regarding nitrogen oxides (NOx), in 2023 the Buzzi average value decreased and was equal to 1,211g/t clinker (1,238g/t clinker in 2022). Emission factors in Italy, Germany, Luxembourg, Poland and the Czech Republic are confirmed below 1,000g/t of clinker.
Sulfur dioxide (SO_2) emissions are directly related to the sulfur content in raw materials and fuels. The average emission factor was 188g/t clinker (165g/t clinker in 2022). This increase was caused by greater use of fuels with a higher sulfur content.
Finally, in 2023 the average value of mercury (Hg) emissions was equal to 19mg/t clinker.

Water consumption
Buzzi monitors its consumption and adopts rainwater and/or washing water collection, treatment and recirculation systems in all its industrial plants, with the aim of reducing net withdrawal from aquifers and/or natural aquifer basins.
The specific consumption of water in 2023 was in line with the value recorded in previous years, as was the recovery of rainwater which, compared to the total water used, was confirmed at around 11%.

Biodiversity
The production of cement and concrete uses significant quantities of natural raw materials and, therefore, particular attention must be paid to safeguarding biodiversity with carefully designed cultivation and restoration plans. Regardless of regulatory obligations, our commitment is to protect and preserve the ecosystems present within the sites where we operate and in adjacent areas.
In the quarries active for the production of cement, Buzzi adopts mitigation and/or compensation actions based on an environmental impact assessment in more than 70% of the sites (2011/92/EU, 2009/147/EC - Birds Directive -, 92/43/EEC - Habitats Directive) or equivalent regulations in the case of non-EU countries.
In 2023 we began a collaboration with the Università del Piemonte Orientale (UPO) through the co-financing of a PhD scholarship, with the aim of studying the current state of biodiversity in cement quarries and developing a protocol for monitoring and managing the animal species living in those areas.

All these aspects are thoroughly discussed in our Sustainability Report.

NON-FINANCIAL STATEMENTS

The company publishes its Consolidated Non-financial Statements (DNF) and the Business Review in separate documents. The Consolidated Non-financial statements are prepared pursuant to Legislative Decree no. 254/2016, are included in the 2023 Sustainability Report and are available on the company website (buzzi.com) wirhin the "Sustainability" section. Therefore, the company is exempted from drafting and publishing separate Non-financial Statements.

The structure of the Sustainability Report, including the Consolidated Non-financial Statements, is prepared following the new version of the Global Reporting Initiative (GRI) standards, according to the option 'with reference to'.

The materiality of the topics was reviewed considering the impacts of the company, from the point of view of external stakeholders, on the economy, the environment and the people.

Also in 2023, Buzzi participated in the GNR (Getting the Numbers Right) data collection, managed by the Global Concrete and Cement Association (GCCA), providing details of CO_2 emissions from all its plants and data relating to work accidents.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system of Buzzi is the set of rules, procedures and organizational structures designed to ensure sound and appropriate business conduct through a proper process of identification, measurement, management and monitoring of the main risks in a manner that is consistent with our objectives, so as to ensure the safeguarding of assets, the efficiency and effectiveness of business operations, reliability of financial reporting and compliance with laws and regulations.

The board of directors has ultimate responsibility for the system of internal control and risk management and performs the duties provided by the Corporate Governance Code, with the support of its internal bodies, such as the Control, Risk and Sustainability Committee, the director responsible for the internal control and risk management system and the Internal Audit department.

Buzzi is an international group operating in Italy and various foreign countries through subsidiaries and associates. Given the complexity of the group, the Internal Audit Department has been adapted to local requirements. It is organic and balanced, is not subject to restrictions and is entitled to unlimited access to information. The audit methods and techniques being used are aligned with international standards.

To reduce the risk of a breach of regulations, laws or contractual agreements, Buzzi and its subsidiaries apply compliance tools, including the Code of Conduct, the antitrust code, training courses, controls on procedures and, within certain jurisdictions, the use of databases to record any contracts with competitors. These tools are used in the various local businesses based upon the assessment of the specific risks.

As part of the internal control system, our corporate risk management involves a semi-annual procedure of risk inventory-taking, control and reporting, based on a strategy for overall, known and acceptable risk. The approach to risk in Buzzi does not aim to eliminate all potential risks, and instead takes into account corporate objectives and seeks to provide a systematic methodology that enables an informed evaluation of risks on the basis of available information on these risks and related issues. The same risks can then be avoided, reduced, transferred as part of the overall management process of risk control.

The operational responsibility for risk limitation is attributed to the heads of central departments and group divisions that are identified as important for risk management. The respective executives are responsible for all material risks that are foreseeable in their departments, regardless of whether they have been identified in the risk management system.
Risks are evaluated in consideration of the probability of their occurrence and the impact on the company assets and, in accordance with standard criteria, taking into account their respective importance and significance. Risk assessments valuations carried out by the group’s departments and divisions are recorded in a central database. Analyses are conducted on the categories relating to the risks underlying all the operations of our companies in terms of production, financial, labor, legal and tax matters.

For the sake of completeness, it should be noted that the risks highlighted by the Enterprise Risk Management system (ERM) and the financial statement provisions are not necessarily mutually consistent, because of the differing purposes of these two instruments (the former concerns prevention and management, while the second relates to correct accounting practice). Indeed, the ERM necessarily takes into account risks that are not included in the financial statement as well as risks the estimation of which (in terms of their probability of occurrence and impact) is not sufficient to report them in the financial statement. In any case, despite being a management tool that is available to senior decisionmakers for the evaluation and control of risks, the ERM also has an important role in the recognition of accounting provisions, by providing a more direct and complete knowledge of business events and more accurate valuations when determining an additional contingent liability.

In 2023 a significant increase of residual risks was observed compared to December 2022, meaning risks after containment measures and net of any accounting provisions. In general, risks reflect the instability of the current political, economic, and financial landscape.
In compliance with the sanctions adopted by the European institutions against Russia, as early as May 2022 Buzzi ceased all involvement in the operational activities of the subsidiaries therein. In this context, the group, and in particular its subsidiary Dyckerhoff, monitor the evolution, in order to act promptly to mitigate the risks of sanctioning procedures and possible direct and indirect impacts. The probability of occurrence of this event is currently considered low. Russia country risk, however, increased due to the further deterioration of the geopolitical situation, along with the risk relating to our holdings operating directly in that territory.

The tisks are assessed with reference to a short and medium to long term time horizon. The main short-term risk categories to which the group is exposed include those related to investments, currency, procurement, sales and insurance.

Investment risks: following the conflict between Russia and Ukraine the risk of expropriation or damage to the plants increased, mainly for an estimate of higher probability of occurrence.

Currency risks: in terms of currency, the risk of losses due to exchange rate fluctuations on the EBITDA of the United States, net of other variances, with a forecasted weakening of the dollar against the euro by 10%, assessed with a medium probability, is estimated to increase. The calculation basis changed due to improved forecasts on EBITDA in the United States for the next two years and lower debt in dollars. Currency risks are further illustrated in note 3 to the consolidated and statutory financial statements.

Procurement risks: they raised, following the reduction of subsidies on electricity tariffs by the German Central Government, for which cost increases are expected.

Sales risks: they decreased, due to the cancellation of risks stemming from unfavorable economic trends in Italy and the United States, as they are better allocated in medium to long-term assessments.

Insurance risks: risks for possible uninsured natural catastrophes decreased in the United States.

Following containment measures that have already been implemented or envisaged by the group's management and the divisions through insurance policies and accounting provisions, the residual risk represents a limited fraction of equity.

As for medium-long term risks, these are linked with the general conditions of politics, economy and the evolution of the markets in which the group operates. Geographical diversification allows to reduce the risk of the economic situation referring to the individual market.

It is worth highlighting the risks relating to the occupied territories in Ukraine and to the sanctions against Russia. These factors will continue to generate political instability and economic weakness, with negative repercussions not only in countries at war but also in all European economies. Moreover, there are risks associated with climate change, which result from the targets of the energy policy in the EU. In particular, the so-called EU Emission Trading System (EU ETS) as well as the laws and regulations intended to fight global warming could lead to competitive advantages in favor of producers in countries outside the ETS, such as Turkey, Egypt, the Middle East and China. In the United States, in the next 2-3 years the entry into force of legislation aimed at limiting greenhouse gas emissions, that could have a significant impact on the cement industry, can be assumed. Finally, within a few years, we may find ourselves in a situation of coal and petcoke shortage, due to international commitments aimed at phasing out the use of fossil fuels.

RELATED-PARTY TRANSACTIONS

Transactions carried out with related parties, including intercompany transactions, are not considered either atypical or unusual. These transactions take place in accordance with market conditions, considering the characteristics of the goods and services being supplied.

The "Procedure for related-party transactions", last updated in May 2021 also to comply with the regulatory changes issued by Consob, effective from 1 July 2021 and aimed at ensuring transparency and substantial and procedural correctness in transactions with related parties, can be accessed on the company website www.buzzi.com in the Investors/Corporate Governance section, to which reference is made.

Disclosure on transactions with related parties is provided in note 50 of the consolidated financial statements, as well as in note 47 of the statutory financial statements respectively.

OUTLOOK

The latest forecasts have revised growth estimates for global economic activity slightly upwards in 2024, thanks to the greater resilience demonstrated in several markets, including the United States. However, growth rates remain below the historical pre-pandemic average, reflecting the continuation of a challenging context, characterized by the restrictive monetary policy, the withdrawal of fiscal support and high levels of debt.
The pressure from central banks, some slowdown in the labor market and the evolution of energy prices are estimated to accelerate the deflationary dynamic, especially in advanced economies. The risks related to renewed geopolitical tensions in Ukraine and the Middle East persist.

In the construction sector, a weak development of the residential segment is still expected in 2024, especially in EU countries, while infrastructure investments will remain the main driver of the market, with more evident effects in the United States and Italy. Energy prices should continue to ease, although remaining far from pre-crisis levels. In this context, we believe that the commitment of our commercial force can translate into a general consolidation of the level of prices achieved, with further possibilities for an increase.

In the United States, we expect demand to be able to further benefit from the contribution of the infrastructure sector, supported by the increased inflow of funds at both the federal and state levels. Investments linked to industrial relocation activity should also support the market, while residential construction will continue to be affected by the macroeconomic situation. In this context, we believe that our sales volumes can consolidate the levels recorded in 2023, in line with the general trend of the industry. Regarding prices, we are likely to see a general decrease in momentum and downward pressure from customers, especially where imported cement manages to be competitive.

In Italy, we expect the residential sector to weaken further under the effect of the difficult conditions of access to credit and the reduced propensity to renew in the absence of incentives. The resources deriving from the PNRR, however, should continue to support the growth of infrastructure investments. In this scenario, we believe that our sales can confirm the levels achieved in 2023. Ebit, under the same conditions, will be penalized by the lack of benefit from the tax credit intended for energy-intensive industries (around €12 million in 2023). Domestic producers will continue to face a difficult competitive context, due to imports from countries with lower production costs and where there are no limitations on CO_2 emissions. We expect variable cost components to remain stable while fixed ones tend to increase (delayed inflationary effect on labor costs). Therefore, we aim to implement a pricing policy aimed at preserving margins.

In Central Europe and in the other Eastern European countries belonging to the EU, the persisting difficulties in residential construction will continue to slow down the sector, in the absence of a real push in infrastructure projects. In this context, we expect a weak dynamic also for our sales volumes, mainly in countries such as Germany and the Czech Republic, albeit with less pronounced decline compared to the trend highlighted in 2023. The expected evolution of production costs does not raise particular concerns. However, weakness in volumes and utilization of production capacity below a certain threshold could generate price pressures, resulting in negative impacts on operating results.

Different story for Ukraine where, currently, the most credible hypothesis is that of no solution to the conflict in the short term. In this scenario, we expect the market to continue to recover ground, while remaining at volumes far from the pre-war period. In any case, based on the sale agreement concluded with CRH in June 2023, the activities in the country should be deconsolidated by the end of the current financial year.

In the case of Russia, due to the current governance structure, we do not have sufficient information to provide indications on the expected results for the 2024 financial year.

Regarding our joint ventures, in Mexico, industrial investments linked to plans by numerous US companies to relocate production to neighboring countries, together with the acceleration of infrastructure projects in the Southeast of the country, should continue to support the construction market. In this context, we expect that our sales can essentially confirm the levels achieved in 2023.
In Brazil, we believe that, in 2024, the stability of demand and the price dynamics can favor a recovery of our operating results.

In conclusion, we are pleased to report that this past year has been the most successful in the history of our company, with record-breaking achievements in terms of Ebitda and net profit. This outstanding performance underscores the dedication and hard work of our managers, employees and collaborators, as well as the effectiveness of our strategic initiatives. Looking ahead, to the current fiscal year, while it is reasonable to expect that our operating results will remain robust, close to 2023 levels, it is important to acknowledge the prevalence of downside risks. This is partly due to a very challenging comparison base set by the exceptional performance of the year just ended. Despite these challenges, we remain confident in our ability to address uncertainties and capitalize on opportunities, leveraging our strengths and strategic vision to drive continued success for the company.

As regards the capital expenditures plan approved for 2024, we expect it to be more sizeable than the one implemented in the previous period. The program includes various projects aimed at the continuous improvement of operational efficiency and the reduction of CO_2 emissions, in line with the decarbonization targets set out in the roadmap "Our Journey to Net Zero".

Events after 31 December 2023
Please refer to the events occurring after the balance sheet date in notes 53 to the consolidated financial statements and 50 to the statutory financial statements.

APPROPRIATION OF NET INCOME

Dear shareholders,

we propose to approve the financial statements as of 31 December 2023, which result in a net profit of	euro	**238,420,935.16**
considering that the Legal Reserve has reached the limit set forth in Article 2430 of the Italian Civil Code, we propose to allocate the net profit as follows:		
- to the Reserve pursuant to Article 2426, paragraph 1, no. 8bis) of the Italian Civil Code	euro	15,840,694.96
a net profit of	euro	**222,580,240.20**
remains, which is proposed to be allocated as follows:		
- to each of the **185,131,838 ordinary shares** (net of treasury shares currently amounting to 7,494,316) a dividend of €0,60 gross of withholding tax, for a total amount of	euro	111,079,102.80
to *Retained earnings* the remaining amount of	euro	111,501,137.40

We propose, following the contribution of the business unit relating to the Italian cement operations from Buzzi SpA to the subsidiary Buzzi Unicem Srl including inventories, to release the Reserve pursuant to article 6, paragraph 1, letter a) of Legislative Decree 38/2005, corresponding to the movement of fair value gains charged to the income statement in relation to the aforementioned inventories, allocating the amount of this reserve, equal to €16,976,604.69, to 'retained earnings'.

Furthermore, we propose to:

- authorize the legal representatives, separately, to determine the actual amount to be drawn from the net income and to be allocated to Retained Earnings, based on the number of shares actually outstanding and being entitled as of the dividend record date as well as according to any rounding adjustments made at the time of payment;
- pay the dividend as from 22 May 2024, with coupon no. 27 detachment on 20 May 2024 and record date on 21 May 2024.

Casale Monferrato, 28 March 2024

on behalf of the Board of Directors
Chairman
Veronica BUZZI

Consolidated Financial Statement

CONSOLIDATED INCOME STATEMENT

(thousands of euro)	Note	2023	2022
Net sales	7	**4,317,489**	**3,995,519**
Changes in inventories of finished goods and work in progress		50,372	64,521
Other operating income	8	57,467	54,744
Raw materials, supplies and consumables	9	(1,620,437)	(1,698,338)
Services	10	(886,919)	(886,784)
Staff costs	11	(589,300)	(559,985)
Other operating expenses	12	(85,457)	(86,001)
EBITDA		**1,243,215**	**883,676**
Depreciation and amortization	13	(248,237)	(259,252)
Impairment charges	13	(10,188)	(129,648)
Operating profit (EBIT)		**984,790**	**494,776**
Equity in earnings of associates and joint ventures	14	161,236	117,551
Gains on disposal of investments	15	241	97
Finance revenues	16	98,091	123,194
Finance costs	16	(103,489)	(146,322)
Profit before tax		**1,140,869**	**589,296**
Income tax expense	17	(174,056)	(130,517)
Profit for the year		**966,813**	**458,779**
Attributable to:			
Owners of the company		966,545	458,786
Non-controlling interests		268	(7)
(euro)			
Earnings per share	18		
basic			
ordinary		5.221	2.462

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)	2023	2022
Profit for the year	**966,813**	**458,779**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(14,801)	89,973
Fair value changes of equity investments	506	308
Income tax relating to items that will not be reclassified	4,007	(25,526)
Total items that will not be reclassified to profit or loss	**(10,288)**	**64,755**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	(172,295)	203,679
Share of currency translation differences of associates and joint ventures valued by the equity method	28,502	38,338
Total items that may be reclassified subsequently to profit or loss	**(143,793)**	**242,017**
Other comprehensive income for the year, net of tax	**(154,081)**	**306,772**
Total comprehensive income for the year	**812,732**	**765,551**
Attributable to:		
Owners of the company	812,471	765,512
Non-controlling interests	261	39

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Note	31.12.2023	31.12.2022
Assets			
Non-current assets			
Goodwill	19	508,836	509,484
Other intangible assets	19	51,890	57,503
Right-of-use assets	20	74,462	77,626
Property, plant and equipment	21	3,150,538	3,240,124
Investment property	22	17,524	17,561
Investments in associates and joint ventures	23	633,603	537,994
Equity investments at fair value	24	10,726	10,595
Deferred income tax assets	40	97,571	64,538
Defined benefit plan assets	38	3,698	4,435
Derivative financial instruments	25	-	11,031
Other non-current assets	26	265,271	262,268
		4,814,119	**4,793,159**
Current assets			
Inventories	27	754,269	721,023
Trade receivables	28	565,610	541,675
Other receivables	29	255,225	99,348
Cash and cash equivalents	30	1,120,712	1,341,488
		2,695,816	**2,703,534**
Assets held for sale	31	105,468	6,395
Total Assets		**7,615,403**	**7,503,088**

(thousands of euro)	Note	31.12.2023	31.12.2022
Equity			
Equity attributable to owners of the company			
Share capital	32	123,637	123,637
Share premium	33	458,696	458,696
Other reserves	34	50,455	183,290
Retained earnings	35	5,124,484	4,271,170
Treasury shares	32	(130,917)	(130,917)
		5,626,355	**4,905,876**
Non-controlling interests	36	5,673	5,581
Total Equity		**5,632,028**	**4,911,457**
Liabilities			
Non-current liabilities			
Long-term debt	37	338,697	608,150
Lease liabilities	20	56,577	58,132
Derivative financial instruments	25	4,787	-
Employee benefits	38	267,770	268,235
Provisions for liabilities and charges	39	83,820	78,956
Deferred income tax liabilities	40	385,165	401,478
Other non-current liabilities	41	5,009	7,693
		1,141,825	**1,422,644**
Current liabilities			
Current portion of long-term debt	37	265,226	594,028
Short-term debt	37	4,965	12,544
Current portion of lease liabilities	20	19,651	20,260
Trade payables	42	315,729	324,293
Income tax payables	43	64,056	35,038
Provisions for liabilities and charges	39	25,225	61,992
Other payables	44	136,344	120,832
		831,196	**1,168,987**
Liabilities held for sale	31	10,354	-
Total Liabilities		**1,983,375**	**2,591,631**
Total Equity and Liabilities		**7,615,403**	**7,503,088**

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of euro)	Note	2023	2022
Cash flows from operating activities			
Cash generated from operations	45	1,049,678	575,435
Interest paid		(35,668)	(26,821)
Income tax paid		(195,206)	(153,899)
Net cash generated from operating activities		**818,804**	**394,715**
Cash flows from investing activities			
Purchase of intangible assets	19	(5,692)	(1,433)
Purchase of property, plant and equipment	21	(298,012)	(265,305)
Purchase of other equity investments	23, 24	(5,815)	(4,085)
Proceeds from sale of property, plant and equipment		20,370	11,694
Proceeds from sale of equity investments		1,600	465
Changes in financial receivables		(153,595)	17,762
Dividends received from equity investments	16, 23	84,663	75,751
Interest received		52,371	23,989
Net cash generated from (used in) investing activities		**(304,110)**	**(141,162)**
Cash flows from financing activities			
Proceeds from long-term debt	37, 46	-	200,145
Repayment of long-term debt	37, 46	(595,461)	(136,792)
Net change in short-term debt	37, 46	(4)	68
Repayment of lease liabilities	20	(21,426)	(24,525)
Changes in other financial payables	46	(4,226)	5,408
Changes in ownership interests without loss of control	46	(1,586)	(3)
Purchase of treasury shares	32	-	(123,218)
Dividends paid to owners of the company	46, 47	(83,309)	(73,351)
Dividends paid to non-controlling interests	46	(1)	(136)
Net cash generated from (used in) financing activities		**(706,013)**	**(152,404)**
Increase (decrease) in cash and cash equivalents		**(191,319)**	**101,149**
Cash and cash equivalents at beginning of year		1,341,488	1,203,611
Currency translation differences		(29,526)	36,728
Change in scope of consolidation		69	-
Cash and cash equivalents at end of year	30	**1,120,712**	**1,341,488**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the company							
(thousands of euro)	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Total Equity
Balance as at 1 January 2022	**123,637**	**458,696**	**(59,094)**	**3,853,886**	**(7,699)**	**4,369,426**	**5,778**	**4,375,204**
Profit for the year	**-**	**-**	**-**	**458,786**	**-**	**458,786**	**(7)**	**458,779**
Other comprehensive income for the year, net of tax	-	-	242,255	64,471	-	**306,726**	46	**306,772**
Total comprehensive income for the year	**-**	**-**	**242,255**	**523,257**	**-**	**765,512**	**39**	**765,551**
Dividends declared	-	-	-	(74,053)	-	**(74,053)**	(243)	**(74,296)**
Withholding tax on foreign dividends	-	-	-	(28,011)	-	**(28,011)**	-	**(28,011)**
Acquisition of non-controlling interests	-	-	-	1,224	-	**1,224**	-	**1,224**
Purchase of treasury shares	-	-	-	-	(123,218)	**(123,218)**	-	**(123,218)**
Other changes	-	-	129	(5,133)	-	**(5,004)**	7	**(4,997)**
Balance as at 31 December 2022	**123,637**	**458,696**	**183,290**	**4,271,170**	**(130,917)**	**4,905,876**	**5,581**	**4,911,457**
Profit for the year	**-**	**-**	**-**	**966,545**	**-**	**966,545**	**268**	**966,813**
Other comprehensive income for the year, net of tax	-	-	(143,419)	(10,655)	-	**(154,074)**	(7)	**(154,081)**
Total comprehensive income for the year	**-**	**-**	**(143,419)**	**955,890**	**-**	**812,471**	**261**	**812,732**
Dividends declared	-	-	-	(83,309)	-	**(83,309)**	-	**(83,309)**
Acquisition of non-controlling interests	-	-	-	1,874	-	**1,874**	(162)	**1,712**
Other changes	-	-	10,584	(21,141)	-	**(10,557)**	(7)	**(10,564)**
Balance as at 31 December 2023	**123,637**	**458,696**	**50,455**	**5,124,484**	**(130,917)**	**5,626,355**	**5,673**	**5,632,028**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Buzzi SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi') manufacture, distribute and sell cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia, Mexico and Brazil.

Buzzi is a stock corporation organized under the laws of Italy. The registered and administrative office is located in Casale Monferrato (AL), Italy, Via Luigi Buzzi 6. The company is listed on Euronext Milan market managed by Borsa Italiana.

Buzzi SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52.95% of the shares with voting rights.

These consolidated financial statements were authorized for issue by the board of directors on 28 March 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Buzzi SpA have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission and with the provisions implementing article 9 of Legislative Decree no. 38/2005. The definition of IFRS also encompasses all valid International Accounting Standards (IAS) as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those formerly issued by the Standing Interpretations Committee (SIC).
The consolidated financial statements have been prepared under the historical cost convention, which has been amended, as requested, for the evaluation of financial assets/liabilities at fair value, including derivative instruments, as well as on the going concern basis.

The analysis of financial (note 3) and environmental risks (chapter "Climate Change, Energy and CO_2 Emissions" in the Sustainability Report) did not reveal any effects on the going concern.

The financial statements are presented in euro and all amounts have been rounded off to the nearest thousand euro, unless otherwise stated. The format of the financial statements selected by Buzzi is the following: for the income statement application of the nature of expense method and presentation of two separate schemes, i.e. a traditional income statement and a statement of comprehensive income; for the balance sheet implementation of the current/non-current classification, which is generally applied by industrial and commercial firms; for the statement of cash flows adoption of the indirect method. Where necessary, comparability of content entails a restatement of the prior year amounts. The items presented in these consolidated financial statements have been somewhat adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.
The company does not show in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no.

15519 of 27 July 2006). This indication would not be significant for the representation of the financial and economic position of the group; transactions with related parties are disclosed in note 50 of these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Standards, amendments and interpretations adopted in 2023
The following standards, amendments and interpretations are not relevant for the group and/or have had no impact on the consolidated financial statements presented herein:

- IFRS 17 Insurance contracts. It replaces the previous standard IFRS 4 Insurance contracts and solves the comparison issues created by the same standard, by requiring all insurance contracts to be accounted for in a consistent manner, to the benefit of both investors and insurance companies. Insurance obligations will be accounted for using current values instead of historical cost.
  -
- IAS 8 Accounting policies, changes in accounting estimates and errors (amendments): Definition of accounting estimates. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively only to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events.

- IAS 1 Presentation of financial statements and IFRS Practice statement 2 Making materiality judgments (amendments): disclosure of accounting policies. The amendments require companies to disclose information about material accounting standards rather than on significant accounting standards, by adding a guidance on how to apply the concept of materiality to the accounting policy disclosures.

- IAS 12 Income Tax (amendments): deferred taxes related to assets and liabilities arising from single transaction. It specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation.

- IFRS 17 Insurance contracts (amendment): first time adoption of IFRS 17 and IFRS 9 – comparative information. The amendment allows comparative information for certain financial assets to be presented in a manner consistent with IFRS 9 during transition.

- IAS 12 Income Taxes (amendments): International Tax Reform - Pillar II Model Rules. The amendments establish a temporary exception to the requirements regarding deferred tax assets and liabilities related to Pillar II income taxes.

The group applied the temporary exception issued by the IASB in May 2023 and consequently did not recognize deferred tax assets and liabilities related to Pillar II income taxes.
The Pillar II legislation was implemented in Italy by Legislative Decree No. 209 of 27 December 2023, which came into effect on 29 December 2023, and will be effective as of fiscal year 2024. Under this legislation, a company will be required to pay a supplementary tax on the income of its subsidiaries that

are taxed at an effective rate of less than 15 percent. Therefore, this legislation does not result in exposure to Pillar II income taxes as of the reporting date.

The group has initiated the necessary activities to estimate the possible exposure to the aforementioned taxes in subsequent fiscal years. In particular, the group has preliminarily determined the subjective scope of the Pillar II legislation.
Buzzi SpA qualifies as a "partially owned participant" and will be able to benefit from the option whereby the supplementary taxation owed by a group, in relation to a given country, is presumed to be zero if the level of effective taxation of its companies located there complies with the conditions on simplified regimes (Transitional CbCR Safe Harbour).
As a result of these assessments, taxes estimated on the basis of known or reasonably estimable information should not lead to material impacts. The estimate is based on currently available information and may be subject to change resulting from additional reasonable and demonstrable information that will only become available at a later date.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures (amendments): sale or contribution of assets between an investor and its associates or joint ventures. A full gain (or loss) is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. At the date of this report the European Union has deferred indefinitely the endorsement process required for the amendment to become effective and since which date.

- IAS 1 Presentation of financial statements (amendments): classification of liabilities as current or non-current (the effective date has been postponed to 1 January 2024) and related amendments on the deferral of effective date. The amendments clarify whether to classify payables and other liabilities with an uncertain due date as current or non-current. They are not expected to have a significant impact on the financial statements.

- IFRS 16 Leasing (amendments): liability in a sale and leaseback (effective from 1 January 2024). It clarifies the accounting of sale and subsequent lease back.

- IAS 1 Presentation of Financial Statements (amendments): Non-current Liabilities with Covenants (effective from 1 January 2024). The amendment improves the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

- IAS 7 Statement of Cash Flows and IFRS 7 Disclosures about Financial Instruments (amendments): Loan Arrangements with Suppliers (effective from 1 January 2024). The amendments aim to improve disclosures about supplier financing exposures by integrating qualitative and quantitative disclosure requirements and 'signaling' for companies' financing transactions and exposures to suppliers.

- IAS 21 The Effects of Changes in Foreign Exchange Rates (amendments): Absence of convertibility (effective from 1 January 2025). The amendments specify when a currency is exchangeable and, if not, how to determine the exchange rate.

2.2 Consolidation

Subsidiaries
These are all entities (including special purpose entities) over which the group has control, meaning is exposed to, or has rights to, variable returns from its involvement with the entity and as the ability to affect those returns through its power over the same entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Intercompany receivables and payables, costs and revenues are eliminated. Significant profits and losses resulting from transactions between consolidated companies and not yet realized with third parties are also eliminated. Dividends distributed within the group are eliminated from the consolidated income statement. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with those adopted by the group.
Subsidiaries either dormant or immaterial, both from an investment point of view and in terms of their net equity and results, are not consolidated and are valued at fair value through other comprehensive income. When no business plan is available, the valuation at book value of equity is considered to be the closest approximation of the fair value.

Changes in ownership interests in subsidiaries
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is as transactions with the owners in their capacity as owners.

The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity as long as control continues to exist.
When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the income statement.

Non-controlling interests in fully consolidated partnerships are included in Other non-current liabilities.

Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Buzzi has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses and changes in other comprehensive income. Dividends received reduce the carrying amount of the investment. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any unsecured long-term interests), the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealized gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the entire carrying amount of the investment is tested for impairment as a single asset, that is goodwill is not tested separately.

Accounting policies of the joint ventures are adjusted, where necessary, to ensure consistency with the policies adopted by the group.

Associates

Associates are entities over which the group has significant influence but not control or joint control. Generally, a holding of between 20% and 50% of the voting rights indicates significant influence. Investments in associates are usually valued by the equity method, that is the initial carrying amount of the investment is increased or decreased at each reporting date to reflect the investor's share of the associate's net profit or loss, including components of the statement of comprehensive income. Dividends received reduce the carrying amount of the investment. The investment in associates includes goodwill identified on acquisition.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the entire carrying amount of the investment is tested for impairment as a single asset, that is goodwill is not tested separately.

Accounting policies of associates are adjusted, where necessary, to ensure consistency with those adopted by the group.

Investments in other companies

Other corporations or partnerships, normally not listed companies below 20% ownership, are carried at fair value through other comprehensive income, when this can be reliably determined. When no business plan is available, the valuation at book value of equity is considered to be the closest approximation of the fair value. The profits and losses deriving from the changes in the fair value are charged directly to the other components of the statement of comprehensive income.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors. Buzzi's segments are organized based on the geographical areas of operations, featuring similar types of products and services from which revenues are earned.

2.4 Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the functional currency of the primary economic environment in which the entity operates.

Transactions in foreign currency are translated into the functional currency using the exchange rate prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement. Monetary assets, monetary liabilities, derivative contracts denominated in foreign currencies are translated at the exchange rate ruling at the end of the year. Positive and/or negative differences between the amounts translated at the year-end exchange rate and those recorded at the date of the transactions are also booked to the income statement.
The gain or loss arising on translation of non-monetary items is treated in line with the recognition of the gain or loss on the change in fair value of such items (i.e. currency translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are recognized, respectively, in other comprehensive income or profit or loss).

The translation of financial statements denominated in foreign currencies is done at the current rate method. Such method entails translating assets and liabilities at the rates of exchange ruling at the balance sheet date; income statement and cash flows figures are translated at the average exchange rates for the year. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. The difference that arises from converting the balance sheet and the income statement at different exchange rates is also booked to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

The results and financial position of all the group entities that have a functional currency different from the presentation currency have been translated using the following exchange rates:

	Year-end		Average	
(euro 1 = Currency)	**2023**	**2022**	**2023**	**2022**
US Dollar	1.1050	1.0666	1.0813	1.0530
Czech Koruna	24.7240	24.1160	24.0043	24.5659
Ukrainian Hryvnia	41.9960	39.0370	39.5400	34.0249
Russian Ruble*	99.3530	78.0346	92.4606	73.8243
Polish Zloty	4.3395	4.6808	4.5420	4.6861
Hungarian Forint	382.8000	400.8700	381.8527	391.2865
Brazilian Real	5.3618	5.6386	5.4010	5.4399
Mexican Peso	18.7231	20.8560	19.1830	21.1869
Algerian Dinar	148.2657	146.5049	146.9354	149.6452

*Source: Bloomberg

2.5 Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. When a contract includes a variable amount of consideration, the amount of consideration to which the group will be entitled, in exchange for transferring the goods to the customer, is estimated on the basis of the agreed discounts and premiums. The amount of the discounts is determined at the time of the agreement with the customer: usually a discount is offered to customers against delivery of significant quantities. Volume rebates are booked on an accrual basis and classified as a reduction of trade receivables or as other payables when they are settled in a separate transaction with the customer. Any other variable component (penalties and surcharges) is accounted for directly in the invoice upon delivery.

A trade receivable represents the group's unconditional right to an amount of consideration in exchange for goods or services transferred to the customer.

A contract liability (advances received for the sale of cement, ready-mix concrete and aggregate) is the obligation to transfer goods or services to a customer for which the group has received consideration from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the group performs under the contract, they are not shown separately in the balance sheet but are classified under other payables.

2.6 Finance revenues

Interest income is recognized on a time-proportion basis, using the effective interest method. Dividend income from equity investments that are not consolidated is recognized when the right to receive payment is established.

2.7 Finance costs

They include interest and other costs, such as amortization of premiums or discounts, amortization of ancillary costs incurred in the arrangement of borrowings, finance charges on leases. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets and, therefore, are capitalized until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.8 Intangible assets

Intangible assets, acquired externally or internally generated, are recognized only if they are identifiable, controlled by the company and able to produce future economic benefit. Intangible assets with definite useful life are booked at the purchase or production cost and amortized on a straight-line basis over their useful lives. Intangible assets with indefinite useful life are not amortized but tested for impairment at least annually and whenever there is an indication of a potential impairment loss.

Goodwill represents the excess of the consideration transferred over the group’s interest in the fair value of the net identifiable assets acquired and the fair value of the non-controlling interest in the acquiree. Goodwill is carried at cost less accumulated impairment losses. Goodwill is not amortized and its recoverable amount is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Separately acquired trademarks and licenses are capitalized on the basis of the costs incurred. Trademarks, licenses and customers lists acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are amortized using the straight-line method over their estimated useful lives.
Customer lists are amortized using the estimated client churn rate, over a period anyway not exceeding twenty years.

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of five years. Costs associated with developing or maintaining computer software are recognized as an expense as incurred.

Development costs are capitalized only if and when demonstration of their ability to generate future economic benefits has been established.

Mining rights are amortized in the ratio of quarried volumes to available mineral reserves under concession.

2.9 Leases

Lease contracts relate essentially to land, buildings, plant and machinery, vehicles and other equipment. The contract terms are usually negotiated by assets category and contain a wide range of specifications and different conditions.

Leases are recognized in the balance sheet as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. The expenses arising from leases are split between depreciation and finance charges.

Right-of-use assets

They are accounted for at cost, which includes the following:

- initial amount of the lease liability;
- any lease payments made on or before the lease commencement date less incentives received;
- any initial cost directly attributable to the contract;
- restoration costs.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the useful life of the asset and the term of the lease. Some leases contain extension and termination options, in most cases exercisable only by the group and not by the respective lessor. If, at the end of the lease contract, ownership of the leased asset is to be transferred or if the cost of the asset subject to the right of use already includes a purchase option, depreciation is calculated on the basis of the expected useful life of the asset.
Right-of-use assets are tested for impairment (note 2.11).

Lease liabilities

Lease liabilities are measured at the present value of future lease payments, discounted at the lessee's incremental borrowing rate (IBR) as the implicit interest rate of the lease is not readily determinable. The marginal rate at the reporting date is calculated considering the terms of the lease, geography and group-specific rates. Subsequent to the date of initial recognition, the amount of lease liabilities is increased to take into account the interest accrued and reduced for the lease payments made. Moreover, the book value is remeasured if there is a change in the duration of the lease contract or in the rents.

Lease liabilities include the net present value of the following payments:

- fixed payments, less any lease incentives;
- variable payments that are based on an index or a rate, therefore determinable at the commencement date;
- amounts that the lessee expects to pay as a guarantee on the residual value of the underlying asset;
- exercise price of a purchase option, if the group is reasonably certain to exercise it;
- penalties for termination, if the lease terms reflect the group exercising that option.

Lease payments are allocated between principal and finance costs. The latter are charged to the income statement over the lease period, so as to produce a constant periodic interest rate on the remaining balance of the liability for each year.
The repayment of the financial liability is classified in the cash flow statement within cash flows generated by financing activities, while the portion of interest paid is considered within cash flows from operating activities.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Services
The group applies the exemptions that allow the exclusion of short-term leases and leases for which the underlying asset is less than €5 thousand. These costs are accounted for as services, under the caption operating leases of property and machinery.

Expenses of lease contracts linked to operating parameters (for instance: production quantities, kilometers travelled) are as well charged to the income statement in the period in which the conditions determining their existence occur.

2.10 Property, plant and equipment

They are booked at purchase or production cost, including overheads, less accumulated depreciation and any accumulated impairment losses. Production cost includes the reasonably attributable portion of the direct and indirect costs incurred to bring the asset into service. Subsequent costs are capitalized or recognized as a separate asset, as appropriate, only when future economic benefits will flow to the group. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the income statement during the period in which they are incurred; the most relevant strategic spare parts are capitalized when acquired and their depreciation starts when being brought into service.
Property, plant and equipment include raw material reserves (quarries), carried at cost in accordance with IFRS 6 Exploration for and evaluation of mineral resources. They are depleted in the ratio of the quarried material during the period to extractable minerals. Costs incurred to gain access to raw materials deposits (stripping costs) are capitalized and depreciated using the units of production method over the expected useful life of the identified component of the ore body that becomes accessible as a result of the stripping activity.

Depreciation on other property, plant and equipment is calculated under the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives, as follows:

Buildings	10 - 40 years
Plant and machinery	5 - 20 years
Transportation equipment	3 - 14 years
Furniture, fittings and others	3 - 20 years

An asset’s carrying amount is written down to its recoverable amount if the book value is greater than its estimated recoverable amount.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization, included right-of-use assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When it is not possible to determine the recoverable amount of a single item, the group tests the recoverable value of the cash-generating unit to which the asset belongs.

Where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written-down to their recoverable amount and the impairment loss is charged to income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows expected to be derived through the continued use of an asset or cash-generating unit including its eventual disposal. Cash flows are based on budgets and reasonable and documented assumptions on the future company's results and macro-economic conditions. The discount rate takes into account the specific risks of industry and countries.

If there is an indication that an impairment loss recognized in prior years on an asset other than goodwill may have decreased, the impairment write-down is reversed. After reversal, the carrying amount of the asset shall not exceed the carrying amount that would have been determined (net of depreciation and amortization), had the impairment loss not been recognized.

2.12 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.13 Financial assets

The group classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the group applies the practical expedient if the expected term is less than one year, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price.

The group's business model for managing financial assets determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. For purposes of subsequent measurement, financial assets are classified in the categories at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

The group measures financial assets at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows;
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The financial assets at amortized cost include loans to non-consolidated companies, loans to third parties or to customers and are included under other current and non-current receivables.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the group can elect to designate irrevocably its equity investments at fair value through other comprehensive income, when they are not held for trading. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in the statement of profit or loss when the right of payment has been established. The group classified in this category equity investments in non-consolidated subsidiaries.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. The group mainly classifies in this category derivative financial instruments, investment entrusted to asset management firms and trust agreements in connection with retirement obligations in the United States.

Impairment of financial assets

The group recognizes an allowance for expected credit losses (ECLs) for financial assets at amortized cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, an allowance is provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure.

For financial assets at fair value through other comprehensive income, the group applies the low credit risk simplification; at every reporting date, the group evaluates whether the financial asset is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

2.14 Derivative financial instruments

The group, if necessary, makes use of derivative contracts for hedging purposes, to reduce currency, interest rate and market price risks.

The put and call option rights on the 50% interest of the jointly controlled company Nacional Cimentos Participações SA represents a derivative financial instrument whose value is equal to the difference between the exercise price of the option and the fair value of the shares to be acquired (note 25 of consolidated financial statement and note 22 of statutory financial statement).

Derivative financial instruments are initially recognized and subsequently measured in the balance sheet at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as hedging instrument and, if so, the nature of the item being hedged.

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost includes all expenditures incurred in acquiring the inventories and bringing them to their present location and condition. In the case of finished goods and work in progress, cost comprises direct materials, direct labor, other direct costs and attributable production overhead based on normal operating capacity; it excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

As for emission rights, the accounting method followed provides not to value as assets the emission allowances granted free of charge and to recognize only the effects of transactions involving the purchase and/or sale of emission rights. Emission rights acquired against payment and not yet returned are stated at the lower of cost and net realizable value, which matches the market price at the balance sheet date.

2.16 Trade receivables and payables

Trade receivables represent the group's unconditional right to an amount of consideration in exchange for goods sold and services performed in the ordinary course of business. They are recognized at the transaction price, less provision for impairment. To assess the impairment provision, the group applies the simplified approach in calculating expected credit losses. Therefore, it uses a provision matrix that is based on the historical observed default rates, as well as on past due receivables, adjusted by specific predictors on the counterparty risk, type of product and geographical area.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized at transaction cost that, given the short-term maturity, approximates their fair value.

2.17 Cash and cash equivalents

They include cash on hand, deposits held at call with banks, money market securities and other liquid investments with original maturities of three months or less, which are readily convertible to a known amount of cash and are subject to a very low risk of change in value.

2.18 Treasury shares

When the parent or its subsidiaries purchase the company's share capital, the consideration paid is deducted from equity attributable to owners of the company until the shares are cancelled or disposed of. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Where such shares are subsequently reissued, the consideration received, net of the related income tax effects, is recognized in equity attributable to owners of the company.

2.19 Debt and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement except to the extent that it relates to items of other comprehensive income or directly in equity. In this case the related income tax effect is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group operates and generates taxable income. The tax rates applied vary according to the jurisdiction and fiscal situation of each consolidated company. Income tax payables for the period are credited to current liabilities. Significant judgment is required in determining the consolidated provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities. Some Italian companies are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA (controlling shareholder of the group) acting as the parent.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets on tax loss carryforwards and timing differences are recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred income tax assets are provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and current tax liabilities are offset only if the entity has the legal right and the intention to settle on a net basis. Deferred income tax assets and deferred income tax liabilities are offset when the entity has the legal right to settle on a net basis and when they are levied by the same taxation authority on the same taxable entity or different taxable entities that intend to realize the asset and settle the liability at the same time.

2.21 Employee benefits

Employee benefits include:

Short-term employee benefits, expected to be settled within twelve months (wages, salaries and social security contributions, allowance in lieu of holidays and sick leave, incentive plans and non-monetary benefits)

Post-employment benefits, such as pensions or lump sum payments upon retirement, as well as other post-employment benefits, such as life insurance and healthcare:

Pension plans
Within the framework of post-employment benefits, the companies of the group operate several defined benefit and/or defined contribution pension schemes.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually as a function of one or more factors such as age, years of service and compensation. The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Independent actuaries calculate the defined benefit obligation and the service cost annually, using the projected unit credit method. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates of government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. If the calculation of the balance sheet amount results in an asset, the amount recognized is limited to the present value of economic benefits available in the form of refunds or reductions in future contributions to the plan. The expense related to the discounting of pension liabilities for defined benefit plans are reported separately within finance costs. All other expenses associated with pension plans are allocated to staff costs.

A defined contribution plan is a pension plan under which a company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis, and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all accrued benefits. The contributions are recognized as employees render their services and are included in staff costs.

The Italian employee severance indemnities (TFR) was classified as a defined benefit plan for those benefits accrued up to 31 December 2006, while after that date the scheme is classified as a defined contribution plan.

Other post-employment benefits
Life insurance and health coverage plans are considered defined benefit programs. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as for defined benefit pension plans.

Other long-term benefits, typically consisting of amounts paid upon attaining a specific seniority and deferred compensation plans.

2.22 Provisions for liabilities and charges

They are liabilities of uncertain timing or amount. A provision is recognized when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Amounts provided for are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Restructuring provisions are recognized in the period in which the company formally defines the plan and creates a valid expectation in the interested parties that the restructuring will occur.

Provisions are measured on a present value basis where the effect of discounting is material. The increase in the provision due to passage of time is recognized as interest expense.

As far as emission rights are concerned, the accounting method followed is to recognize a provision only when emissions exceed the allocated allowances, and the deficit will have to be remedied by purchasing the rights on the market.

2.23 Dividend distribution

Dividend distribution is recorded as a liability in the financial statements of the period in which the dividends are approved by the company's shareholders. Disclosure of dividends proposed but not formally approved for payment is made in the notes.

3. RISK MANAGEMENT

3.1 Financial risk factors

The group’s activities are exposed to a variety of financial risks such as market risk (including currency, price and interest rate), credit risk and liquidity risk. The group uses, infrequently, derivative financial instruments to hedge certain risk exposures. The central treasury and finance department carries out risk management and identifies, evaluates and possibly hedges financial risks in close co-operation with the group’s operating units.

During the year, the further evolution of the geopolitical scenario, resulting from the continuation of the Russian-Ukrainian conflict and the increased tensions in the Middle East areas, did not determine any negative effects on the group's liquidity or significant changes in financial risk management; therefore, the related procedures were not modified and the group did not need to obtain new lines of credit, renegotiate the terms of existing financial liabilities or ask for extensions on their repayment.
The cycle of interest rate increases by the ECB and Federal Reserve, in place since 2022 and determined by continuing inflationary pressures in Europe and the United States, continued during the first part of the current year, to stabilize during the second half of the year, with obvious impacts on the capital market.

Market risk
Buzzi operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Polish zloty. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The foreign subsidiaries or joint ventures enjoy a natural hedging on market risk, since all major commercial transactions are made in their functional currency and are not suffering from the foreign exchange fluctuations. Management has introduced a policy to require the group entities to control their residual exposure to exchange rate risk, by using mainly debt instruments or cash in foreign currency, or even derivative contracts negotiated at the company level, such as, for example, currency forwards transacted according to the existing internal policies. The policy considers a hedge for the anticipated cash flows of a significant amount and that are denominated in highly volatile currencies.

The net investment in foreign operations as well as their operating and net result are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group’s foreign operations is managed partially through borrowings denominated in the relevant foreign currency. Following the outbreak of the Russia-Ukraine conflict, the company has limited the risks associated with ruble liquidity. Therefore, even at the end of the year, there are no longer any ruble assets and liabilities into the financial statements of the group's foreign companies. As of the balance sheet date, there are still outstanding loans in dollars and euros to the subsidiary in Ukraine.

The recognition of exchange rate risks concerning the financial instruments to which IFRS 7 is applicable shows the following net exposure to foreign currencies:

(thousands of euro)	**2023**	**2022**
Euro	(47,399)	(38,216)
US Dollar	(188,563)	(256,253)
Norvegian Koruna	(77)	-
Renminbi China (Yuan)	(122)	-
Polish Zloty	1,313	359
Ukrainian Hryvnia	8	9
Czech Koruna	(110)	7,995

Hereinafter are the results of the sensitivity analysis that was conducted considering a revaluation/devaluation of the euro versus the currencies to which the group has a significant exposure, with a direct 10% effect on the net exposure in euros reported in the table above. The potential impact on profit before tax is therefore considered, keeping unchanged all other financial statement items that are not affected by the assumed variance.

At 31 December 2023, with reference to the net exposure in euro reported above, if the euro had strengthened/weakened by 10%, against the major foreign currencies to which Buzzi is exposed, profit before tax for the year would have been €18,763 thousand higher/lower (2022: €24,781 thousand higher/lower). Profit for the year is especially sensitive to the euro/dollar and euro/polish zloty exchange rates.

Net debt exposure to the dollar remains high as there are active intercompany loans from US subsidiaries to the parent company.

Buzzi has a very limited exposure to the price risks of equity securities because the investments in non-consolidated companies at fair value represent less than 0.1% of total assets. The group is exposed to commodity price risk, in particular to the trend of oil, cost of fuels, electricity, logistics services and CO_2 emission rights. To cope with this risk the group diversifies its sources of procurement by fixing, if possible and economically reasonable, the supply conditions over a sufficiently long-time frame, sometimes greater than one year, at a level deemed appropriate by the management. In consideration of the high price volatility of raw materials, since the second half of 2021, the strategy of commodity purchases has been maintained also by entering into hedging contracts.

Changes in market interest rates can affect the cost of the various forms of financing or the return on investments in monetary instruments, causing an impact at the level of net finance costs incurred. The interest rate risk arises mainly from long-term debt. Borrowings issued at variable rates expose the group to cash flow interest rate risk, which is partially offset by cash invested at variable rates. Buzzi's policy is to maintain about 70% of its long-term borrowings in fixed rate instruments. At the balance sheet date, the share of indebtedness at fixed rate is slightly lower at 67%, due to the changes in payables during the year. Borrowings at variable rate at the end of 2023 were denominated in euros and in US dollars. Management implements the best strategy about interest rates according to market conditions and, sometimes, the group may enter into derivative financial instruments to hedge the fair value interest rate risk.

Below are the results of the sensitivity analysis on the exposure to interest rates that was conducted considering, as in the previous years, a 1% rate increase and a 1% decrease on the financial assets and liabilities of the various group entities, net of intercompany positions. We consider the potential impact on profit before tax, keeping unchanged all other financial statement items that are not affected by the assumed variance.

The group analyses its interest rate exposure on a dynamic basis, taking into consideration refinancing, renewal of existing positions, alternative financing and possible hedging. Based on the simulations performed, the impact on profit before tax of a 1% interest rate rise or fall would be an increase or a decrease of €11,332 thousand (2022: increase/decrease of €8,163 thousand). For each simulation, the same interest rate change is used for all currencies. The sensitivity scenarios are run only for assets and liabilities that represent the major interest-bearing positions and for the fair value of interest rate derivatives (if actually outstanding at the balance sheet date). At 31 December 2023, if interest rates on euro-denominated financial assets and financial liabilities had been 1% higher/lower with all other variables held constant, profit before tax for the year would have been €5,976 thousand higher/lower (2022: €4,148 thousand higher/lower). These fluctuations are mainly a result of financial debt that is denominated in euros at the parent company level, partly offset by cash and equivalents euro denominated across the group.

At 31 December 2023, if interest rates on cash and equivalents denominated in US dollars at that date had been 1% higher/lower with all other variables held constant, profit before tax for the year would have been €4,017 thousand higher/lower (2022: €3,135 thousand higher/lower), mainly reflecting a higher cash and cash equivalents balance in US dollar compared to the previous year.

Credit risk
Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only primary national and international entities with high credit quality are accepted as counterparts. There are specific policies that limit the amount of credit exposure to any financial institution.

The credit management functions assess the quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored.

Due to its widespread customer base, typical of the industry, and to active credit management, Buzzi has no significant concentration of credit risk in trade receivables. There are no customers generating revenues equal or greater than 10% of consolidated net sales.

An assessment of the possible losses is carried out at each closing date using a provision matrix (note 2.16). The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables presented in note 28. In some countries there are insurance policies or equivalent instruments to cover that risk.

Set out below is the information about the credit risk exposure arising from trade receivables:

	2023			2022		
(thousands of euro)	Trade receivables (gross)	Loss allowance	% loss coverage	Trade receivables (gross)	Loss allowance	% loss coverage
Not overdue	426,468	(1,701)	0.4%	422,933	(1,187)	0.3%
Days past overdue						
30 or less	110,034	(741)	0.7%	88,284	(848)	1.0%
Between 30 and 60	12,515	(242)	1.9%	15,899	(135)	0.8%
Between 61 and 90	3,494	(58)	1.7%	4,781	(135)	2.8%
Between 91 and 180	6,466	(1,351)	20.9%	7,257	(1,494)	20.6%
Over 180	19,683	(8,957)	45.5%	17,147	(10,827)	63.1%
	578,660	**(13,050)**		**556,301**	**(14,626)**	

The group limits its exposure to credit risk on trade receivables by establishing maximum payment terms in the various countries.
During 2023, the group confirmed its policy to limit exposure to the most risky customers, maintaining a specific use of credit insurance coverage.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed and uncommitted credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the central treasury department aims to maintain flexibility in funding by keeping availability under committed credit lines.

Cash flow forecasting is performed in the operating subsidiaries and aggregated by the central treasury department. Group finance monitors rolling forecasts to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the undrawn committed borrowing facilities.

Estimates and projections, considering the changes that may occur in the profitability trend, show that the group is in a position to operate at the present level of financing. Buzzi prepares the refinancing of borrowings in due time before the upcoming maturities. The company uses different debt instruments and maintains a regular relationship with the usual and prospective financing institutions about the future needs, from which it appears that renewal may take place under acceptable terms. The analysis of maturity dates for the main financial liabilities is included within note 37.

3.2 Capital management
Buzzi's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, make purchases of treasury shares or sell assets to improve the net financial position.

The capital expenditure program for the group is aligned with the long-term objectives and the operating necessities of different geographical units. The executive directors and key managers prioritize

the expenditure requirements that are determined by the divisions. Measures aimed at improving efficiency, capacity expansion or new market entries are subject to in-depth profitability analysis to derive their future contribution to operating income.
Consistent with other players in the industry, which is highly capital intensive, the group monitors capital on the basis of the Gearing ratio and the Leverage ratio. The first indicator is calculated as total liabilities divided by equity. The second ratio uses the net financial position as numerator and the EBITDA figure as shown in the income statement as the divisor.

During 2023 the group's long-term strategy to maintain a Gearing ratio around 35% and a Leverage ratio that, calculated across an adequate period of time (3-5 years), is no higher than approximately 2 times, was achieved and exceeded.

The ratios as at 31 December 2023 and 2022 were as follow:

(thousands of euro)	**2023**	**2022**
Debt [A]	1,983,375	2,591,631
Equity [B]	5,632,028	4,911,457
Gearing [A/B]	**35%**	**53%**
Net financial position [C]	(797,963)	(288,199)
EBITDA [D]	1,243,215	883,676
Leverage [C/D]	**(0.64)**	**(0.33)**

3.3 Fair value estimation

Hereunder an analysis of financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the assets and liabilities that are measured at fair value at 31 December 2023:

(thousands of euro)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Other non-current assets	11,166	1,072	-	**12,238**
Equity investments at fair value	-	-	10,726	**10,726**
Total Assets	**11,166**	**1,072**	**10,726**	**22,964**
Liabilities				
Derivative financial instruments (non-current)	-	-	(4,787)	**(4,787)**
Total Liabilities	**-**	**-**	**(4,787)**	**(4,787)**

The following table presents the assets and liabilities that are measured at fair value at 31 December 2022:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	10,907	1,041	-	**11,948**
Derivative financial instruments (current)	-	-	11,031	**11,031**
Equity investments at fair value	-	-	10,595	**10,595**
Total Assets	**10,907**	**1,041**	**21,626**	**33,574**

During the year there were no transfers between the different levels of fair value measurement. No changes occurred either in the valuation techniques adopted across the two periods.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments, when they exist, are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

The investments included in the line item Equity investments at fair value are all booked at fair value through other comprehensive income (OCI) and included in level 3. When a multi-year plan is not available, the valuation at book value of equity is considered as the best approximation of the fair value (note 24).

Level 3 derivatives include the put and call option on the remaining 50% share of Nacional Cimentos Participações SA. The value of the derivative financial instrument is based on the calculation method of the exercise price of the option and at the date of this report it is in line with its fair value. The change in the fair value of the derivative has been recognized through the income statement, in accordance with IFRS 9 (note 25).

The group holds several financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered to approximate their fair value. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

3.4 Other risks

Regarding other risks, please refer to the specific chapter in the management report.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By definition the actual results seldom equal the estimated results.

During the year, in Italy and in the foreign countries in which the group operates, the macroeconomic situation and geopolitical tensions that began in 2022 with the Russia-Ukraine conflict and escalated in 2023 with the conflict that arose in the Middle East continued to be a major source of concern for global economic growth. In the last quarter, the European Central Bank and the Federal Reserve did not raise interest rates as was the case during 2022 and for the first three quarters of 2023. Although inflation has stabilized in recent months, it remains high and is one of the main risks to the world economy growth. The effects of monetary restriction policies have resulted in worsening consumer and business confidence and weakening international trade and manufacturing output. Developments in the economic and geopolitical environment have therefore been taken into account in evaluations and for the purposes of estimates of items included in this financial statements. Management has also taken into account issues related to energy transition and climate change, particularly the transition to a low-carbon economy, the effects of which, where present, are reported in the specific financial statement notes concerned.

Further disclosures about Buzzi exposure to risks and uncertainties are provided in the following notes:

- Capital management (note 3.2, consolidated and statutory)
- Financial risk factors (note 3.1, consolidated and statutory)
- Sensitivity analysis (notes 19, 23 and 38, consolidated and note 20, statutory)
- Legal claims and contingencies (note 49)
- Climate change, energy and CO_2 emissions (Sustainability Report)

Impact of climate change

The assessment of risks related to climate change depends heavily on the actions that will, or will not, be taken in the coming decades by the world's governments and the availability of technologies that can support them.

According to the IPCC climate report, the possible scenarios are synthetically represented by the expected value of the planet's average temperature at the end of the century with, at the two extremes, the 1.5°C scenario (maximum commitment to decarbonisation) and the 4.0°C scenario (business as usual).

These possible scenarios outline in one case prevailing transition risks while in the other physical risks. For both, Buzzi carried out the risk assessment based on the TCFD (Task Force on Climate-Related Financial Disclosures) report. More details can be found in the NFD included in the Sustainability Report.

The cement industry, through its global association (GCCA), is strongly committed to the decarbonisation policies decided at local level in line with the 1.5°C scenario.

Europe, with the approval of the 'Fit for 55' legislative package, has set itself the goal of achieving climate neutrality by 2050 and cutting, within 2030, the greenhouse gas emissions by at least 55% compared to 1990 values.

The Emission Trading System (ETS), one of the pillars of the 'Fit for 55' package, which limits the amount of CO_2 that various companies, including cement companies, can emit, will have stricter requirements on free emission rights allowances, which are set to decrease to zero after 2030. Already today, the free allowances allocated to Buzzi production units in EU countries are not sufficient to cover all emissions and therefore the missing rights must be purchased on the market.

The so-called 'carbon leakage', i.e. the situation whereby, following the introduction of environmental policies that increase costs, the production of goods moves to other countries, directly affects the 'hard-to-abate' industries, including cement.
To contain this risk, the European Council and Parliament reached an agreement on the proposal for a Carbon Border Adjustment Mechanism (CBAM) in 2022. This system introduces a carbon tax on the imports of certain goods, including cement.
The new regulation has been applied starting on 1 October 2023, with a transition period until 31 December 2025, in which the obligations of European importers will be limited to reporting.

One year after the publication of the Group Roadmap to Decarbonization, an initial assessment of alignment with actual data is presented in the Sustainability Report 2023; the 2030 and 2050 targets are confirmed.

In light of the above, the scenarios envisaged by management, particularly those related to the recoverability of the value of non-current assets, reflect the estimated investments to ensure compliance with regulations and the achievement of the aforementioned targets. Given the many factors of uncertainty, it is only possible to partially determine which the actual and tangible risks will be in the long term.

Estimates and assumptions
Estimates are continually revised according to management's best knowledge of the business and other factors reasonably assumed under the circumstances. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates can have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

- **Impairment of non-financial assets**

The information related to the evaluation of non-financial assets is disclosed in note 2.11. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are explained in detail in note 19, consolidated and in note 20, statutory.

- **Current and deferred income tax**

Significant management judgment is required to determine the amount of income taxes, also based upon the likely timing and the level of future taxable profits, together with tax planning strategies. Tax losses of the group to be carried forward are relevant; they relate to the company and some of its subsidiaries. Annually, each entity with tax loss carryforwards makes an assessment of their future utilization verifying their offset against taxable income expected in the foreseeable future. Further details on taxes are disclosed in notes 17 and 40, consolidated and in notes 15 and 37, statutory.

- **Defined benefit plans (pension plans)**

The cost of the defined benefit pension plan and post-employment medical benefits as well as the present value of the defined benefit pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, salary growth rate, mortality rates and pension growth rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details, including a sensitivity analysis, are provided in note 38, consolidated and in note 35, statutory.

- **Provisions for liabilities and charges**

The provisions result from an estimation process embracing both the use of resources required to settle the obligation and its maturity. The litigations and claims to which the group is exposed are assessed by management with assistance of the internal expertise and with the support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also derive from discretionary judgment (note 39, consolidated and note 36, statutory).

- **Fair value measurement of financial instruments**

When the fair value of a financial asset or liability recorded in the balance sheet cannot be measured based on quoted prices in active markets, then it is determined by using various valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets, when possible, but when it is not then a certain degree of judgment is required in assessing the fair value. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions relating to these variables could affect the reported fair value of the financial instrument (note 3.3, consolidated and statutory).

- **Business combinations**

Accounting for business combinations means to measure the identifiable assets acquired and the liabilities assumed by the acquirer, as described in note 2.2. Fair value measurement includes a complex estimation process based on historical experience, assumptions based on available information and the facts and circumstances existing at the measurement date, also thanks to the support of external experts.

- **Lease term and marginal financing rate**

Leases may include extension and termination options. In assessing whether or not it is reasonably certain that the option to extend or terminate the lease will be exercised, all relevant factors that create an economic incentive to exercise the option to extend or terminate are considered. After the commencement date, the lease term is reviewed if a significant event or change that affects the ability to exercise or not the option to renew or terminate the lease occurs. The implicit interest rate of a lease is not easily determinable, so the incremental borrowing rate (IBR) is used to ascertain the present value of the rental cost. The latter corresponds to the interest rate that would be paid to borrow, for a similar period of time and with a similar guarantee, the amount required to obtain an asset corresponding to the value of the right of use. The group estimates the IBR using observable inputs such as market interest rates.

5. SCOPE OF CONSOLIDATION

The consolidated financial statements for the year ended at 31 December 2023 include the company and 66 subsidiaries. The total number of consolidated subsidiaries decreased by 4 compared with that at the end of the previous year. Excluded from consolidation are 13 subsidiaries that are either dormant or immaterial.

On 1 January 2023 the contribution of the cement business unit Italy to Buzzi Unicem Srl (formerly Serenergy Srl) became effective, in continuity of values and without any effect on the group's consolidated financial statements.

On 12 May 2023 the extraordinary shareholders' meeting resolved to change the name of the parent company from Buzzi Unicem SpA to Buzzi SpA.

- On 20 June 2023, Buzzi, through its subsidiary Dyckerhoff GmbH, reached an agreement to sell the following holdings to CRH:TOB Dyckerhoff Ukraina
- PRAT Dyckerhoff Cement Ukraine
- TOB Dyckerhoff Transport Ukraina

The agreement is subject to the granting of the required regulatory approvals and is expected to be executed in 2024 (note 31).
During 2023, the sale of 40% of Premix SpA, an associate previously consolidated by the equity method, and the closure of the subsidiary Arquata Cementi Srl occurred.
At the end of 2023, the company Fanna Cementi Srl was established, a fully owned subsidiary of Buzzi Unicem Srl, which in 2024 will receive the contribution of the homonymous plant as part of the agreement for the sale to Alpacem Cementi Italia SpA (note 31).

During the year, some other mergers took place within the group, in particular in Germany, to continue streamlining and simplifying the organizational structure, without any material effect on the consolidated financial statements.

As a result of the Russia-Ukraine conflict, which led to the imposition of sanctions on Russia by European institutions, we ceased all operational involvement in the business carried out by the subsidiary SLK Cement, although continuing to maintain control from an accounting standards perspective, in accordance with IFRS 10 - Consolidated Financial Statements.

6. SEGMENT INFORMATION

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on those reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results. The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result of each operating segment reviewed by the executive directors.

The measurement of economic performance and of capital expenditures by segment is consistent with the one of the financial statements.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands; Eastern Europe covers Poland, the Czech Republic, Slovakia, Ukraine and Russia.

2023

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico 100%	Brazil 100%
Segment revenue	818,257	1,049,000	731,646	1,742,689	(24,103)	**4,317,489**	1,024,983	393,976
Intersegment revenue	(22,756)	-	(1,347)	-	24,103	**-**	-	-
Revenue from external customers	795,501	1,049,000	730,299	1,742,689	-	**4,317,489**	1,024,983	393,976
Ebitda	175,185	217,259	212,002	639,100	(331)	**1,243,215**	465,533	88,653
Depreciation	(36,888)	(47,657)	(33,464)	(138,089)	7,861	**(248,237)**	(33,186)	(28,454)
Impairment charges	(9,294)	(441)	(99)	(583)	-	**(10,417)**	-	-
Write-ups	-	229	-	-	-	**229**	-	-
Operating profit (EBIT)	128,672	169,390	178,439	500,428	7,861	**984,790**	432,348	60,198
Equity earnings	153,002	3,717	133	4,384	-	**161,236**	(151)	-
Purchase of intangible and tangible assets	38,171	72,922	53,157	139,454	-	**303,704**	56,823	25,298
Purchase of equity investments	1,816	5,585	-	-	-	**7,401**	-	-

2022

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico 100%	Brazil 100%
Segment revenue	726,216	993,507	691,930	1,591,803	(7,937)	**3,995,519**	768,506	400,213
Intersegment revenue	(7,895)	(42)	-	-	7,937	**-**	**-**	**-**
Revenue from external customers	718,321	993,465	691,930	1,591,803	-	**3,995,519**	768,506	400,213
Ebitda	81,964	127,471	176,788	497,453	-	**883,676**	305,776	118,686
Depreciation	(39,348)	(45,981)	(36,611)	(135,561)	(1,751)	**(259,252)**	(29,607)	(36,293)
Impairment charges	(229)	(3,987)	(123,268)	(3,097)	-	**(130,581)**	(271)	-
Write-ups	933	-	-	-	-	**933**	6,490	-
Operating profit (EBIT)	43,320	77,503	16,909	358,795	(1,751)	**494,776**	282,389	82,392
Equity earnings	116,250	1,023	278	-	-	**117,551**	(96)	-
Purchase of intangible and tangible assets	25,910	68,648	48,840	123,340	-	**266,738**	32,012	21,786
Purchase of equity investments	561	3,527	-	-	-	**4,088**	-	-

Revenues from external customers are derived from the sale of cement or concrete and aggregates and are detailed as follows:

2023

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Total	Mexico 100%	Brazil 100%
Cement	472,780	594,968	537,679	1,411,380	**3,016,807**	941,799	393,976
Concrete and aggregates	322,721	454,032	192,620	331,309	**1,300,682**	83,184	-
					4,317,489	**1,024,983**	**393,976**

2022

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Total	Mexico 100%	Brazil 100%
Cement	430,421	550,775	500,870	1,264,651	**2,746,717**	708,391	400,213
Concrete and aggregates	287,900	442,690	191,060	327,152	**1,248,802**	60,115	-
					3,995,519	**768,506**	**400,213**

The group is domiciled in Italy. Revenue from external customers realized in Italy is €736,272 thousand (2022: €667,525 thousand) and total revenue from external customers in foreign countries is € 3,581,217 thousand (2022: €3,327,994 thousand).

The total of non-current assets, other than financial instruments, deferred tax assets and defined benefit plan assets (there are no rights arising under insurance contracts), located in Italy is €1,221,835 thousand (2022: €1,163,214 thousand), while the total of such non-current assets located in foreign countries is €3,491,016 thousand (2022: €3,549,865 thousand).

As for the dependence degree from major clients, no customers exist generating revenues equal or greater than 10% of Buzzi consolidated net sales.

7. NET SALES

Revenues from contracts with customers derive from goods transferred at a specific time and services, whose breakdown by markets is illustrated below:

	2023		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	472,780	322,721	**795,501**
Germany	490,803	346,011	**836,814**
Luxembourg and the Netherlands	104,165	108,021	**212,186**
Poland	107,630	47,735	**155,365**
Czech Republic and Slovakia	63,788	140,930	**204,718**
Russia	284,644	-	**284,644**
Ukraine	81,617	3,955	**85,572**
United States of America	1,411,380	331,309	**1,742,689**
	3,016,807	**1,300,682**	**4,317,489**

	2022		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	430,421	287,900	**718,321**
Germany	429,195	339,414	**768,609**
Luxembourg and the Netherlands	121,580	103,276	**224,856**
Poland	94,987	45,666	**140,653**
Czech Republic and Slovakia	59,128	141,983	**201,111**
Russia	290,400	-	**290,400**
Ukraine	56,355	3,411	**59,766**
United States of America	1,264,651	327,152	**1,591,803**
	2,746,717	**1,248,802**	**3,995,519**

The 8,1% increase compared to 2022 is due to favorable market trends for 11,1%, and unfavorable foreign currency effects for 3,1%.

As regards the cement sector, the economic commitment towards the group arises at the time of delivery of the material and the payment is due within 20-150 days from the delivery date. The same pattern applies to the ready-mix concrete sector. However, in the cement sector, some contracts provide customers with the right to a premium, when a certain purchase volume is achieved.

8. OTHER OPERATING INCOME

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to core sales of goods and rendering of services.

(thousands of euro)	**2023**	**2022**
Recovery of expenses	7,298	8,963
Indemnity for damages	864	3,635
Revenue from leased properties	7,236	7,539
Gains on disposal of property, plant and equipment	16,013	8,384
Release of provisions	1,988	1,893
Internal work capitalized	2,693	2,266
Other	21,375	22,064
	57,467	**54,744**

In 2022, the caption indemnity for damages mainly referred to a reimbursement for damage to a barge that sank in the United States (€1,781 thousand) and for damage caused by third parties maneuvering by the Augusta (Siracusa) jetty (€656 thousand).

The caption gains on disposal of property, plant and equipment includes €5,665 thousand related to the sale of some ready-mix concrete plants in Eastern Slovakia to Danucem (CRH Group), completed in October 2023, as well as the sale of an exhausted quarry in Budenheim (Germany) for €3,648 thousand and the sale of the former Longhorn plant in San Antonio (TX) for €2,682 thousand.

The caption other includes, among others, the contribution granted in Poland to mitigate energy costs related to the previous year (€3,621, thousands) and the proceeds from the concession of certain silos for the storage of fly ash in the United States for €1,788 thousand.

9. RAW MATERIALS, SUPPLIES AND CONSUMABLES

(thousands of euro)	**2023**	**2022**
Raw materials, supplies and consumables	836,177	872,715
Finished goods and merchandise	96,124	98,630
Electricity	340,740	332,881
Fuels	308,669	319,217
Emission rights	5,107	43,203
Other goods	33,620	31,692
	1,620,437	**1,698,338**

The caption electricity includes the reduction on the cost of power, recognized in Italy to energy-intensive companies in the amount of €12,532 thousand.

The caption emission rights includes the provisions for the shortage of CO_2 allowances, measured on an accrual basis.
The lower clinker production in the EU, due to the contraction in sales volumes, allowed the group to cover CO_2 emissions almost entirely with freely allocated allowances.

10. SERVICES

(thousands of euro)	2023	2022
Transportation	530,642	552,075
Maintenance and contractual services	177,461	166,964
Insurance	15,958	15,357
Legal and professional consultancy	17,338	16,449
Operating leases of property and machinery	13,594	14,146
Travel	6,894	5,877
Other	125,032	115,916
	886,919	**886,784**

The caption operating leases of property and machinery includes the leasing payments that fall within the exemptions envisaged by IFRS 16, i.e. short-term contracts for €2,751 thousand, low-value assets for €906 thousand and variable amounts, which cannot be determined a priori and are generally based on the quantities produced, for €119 thousand. The caption also includes leases of quarry land and rents outside the scope of the new IFRS 16 standard for €9,818 thousand.

11. STAFF COSTS

(thousands of euro)	2023	2022
Salaries and wages	442,988	417,237
Social security contributions and defined contribution plans	133,679	127,129
Employee severance indemnities and defined benefit plans	7,838	12,173
Other long-term benefits	909	(430)
Other	3,886	3,876
	589,300	**559,985**

Staff costs grew as a result of wage increases for inflation and an increase in the number of employees, partially offset by the exchange rate effect of €14,258 thousand, resulting mainly from the weakening of the dollar and the Russian ruble.

The caption other long-term benefits during the period under comparison included a gain due to the increase in the rates used to discount pension plans in Germany.

The average number of employees is the following:

(number)	2023	2022
White collar and executives	3,700	3,656
Blue collar and supervisors	5,933	5,959
	9,633	**9,615**

12. OTHER OPERATING EXPENSES

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	2023	2022
Write-down of receivables	1,611	1,987
Provisions for liabilities and charges	15,337	14,027
Association dues	7,006	7,339
Indirect taxes and duties	37,908	37,176
Losses on disposal of property, plant and equipment	2,104	1,278
Other	21,491	24,194
	85,457	**86,001**

The write-down of receivables is netted by releases in the specific allowance for €1,426 thousand (2022: €1,065 thousand) and it is primarily related to bad debt in Italy and Russia.

Provisions for liabilities and charges include €6,158 thousand related to quarry restoration (2022: €6,406 thousand).

The caption other includes €2,567 thousand (2022: 9,068 thousand) referring to a property tax assessment issued by the municipality of Guidonia Montecelio, near Rome (note 49).

13. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(thousands of euro)	2023	2022
Intangible assets	4,211	4,745
Right-of-use assets	22,839	25,061
Property, plant and equipment	221,187	229,446
Impairment losses of non-current assets	10,188	129,648
	258,425	**388,900**

The impairment losses include €9,584 thousand related to land, buildings and equipment of the inactive plants in Sorbolo (IT) and Greve in Chianti (IT) as well as some land in the municipality of Vernasca (IT).

In the previous year, it mainly included €122,478 thousand related to the write-down of the goodwill of the CGU Russia, due to the result of the impairment test resulting from the conflict in Ukraine.

14. EQUITY IN EARNINGS OF ASSOCIATES AND JOINT VENTURES

The line item includes the share of profit (loss) of investments accounted for under the equity method and possible write-downs, set out in detail below:

(thousands of euro)	2023	2022
Associates		
Société des Ciments de Hadjar Soud EPE SpA	1,693	(374)
Société des Ciments de Sour El Ghozlane EPE SpA	844	1,915
Laterlite SpA	9,568	4,156
Salonit Anhovo Gradbeni Materiali dd	8,598	6,749
Other associates	1,792	605
	22,495	**13,051**
Joint ventures		
Corporación Moctezuma, SAB de CV	110,378	70,412
Nacional Cimentos Participações SA	25,112	31,278
Other joint ventures	3,251	2,810
	138,741	**104,500**
	161,236	**117,551**

15. GAINS ON DISPOSAL OF INVESTMENTS

These are non-recurring revenues, mainly arising from the sale of the investment in the associate Premix SpA.

In 2022, the capital gain mainly arose from the sale of the investment in the associate Nord Est Logistica Srl.

16. FINANCE REVENUES AND FINANCE COSTS

(thousands of euro)	2023	2022
Finance revenues		
Interest income on liquid assets	49,553	20,340
Interest income on plan assets of employee benefits	11,295	8,779
Changes in the fair value of derivative instruments	-	4,084
Discount unwinding on liabilities	-	16,110
Foreign exchange gains	31,048	68,418
Dividend income	140	147
Other	6,055	5,316
	98,091	**123,194**
Finance costs		
Interest expense on bank borrowings	(23,883)	(15,081)
Interest expense on senior notes and bonds	(878)	(11,730)
Interest expense on employee benefits	(22,285)	(14,852)
Interest expense on lease liabilities	(2,602)	(2,073)
Changes in the fair value of derivative instruments	(15,818)	(677)
Discount unwinding on liabilities	(4,735)	-
Foreign exchange losses	(26,112)	(92,550)
Other	(7,176)	(9,359)
	(103,489)	**(146,322)**
Net finance costs	**(5,398)**	**(23,128)**

The decrease in net finance costs compared to the previous period was influenced by higher interest income on liquidity, as a consequence of the rise in interest rates in Europe and the United States.
However, compared to the previous year, the net balance of non-cash items worsens. In particular, it is affected by the discount unwinding on liabilities (related to the quarry restoration fund) and the fair value assessment of the put/call option on the remaining 50% interest in Nacional Cimentos Participações SA (note 25).

17. INCOME TAX EXPENSE

(thousands of euro)	2023	2022
Current tax	206,881	131,446
Deferred tax	(30,842)	557
Tax relating to prior years	(1,983)	(1,486)
	174,056	**130,517**

The increase in current tax is mainly due to the significant improvement in profit before tax, resulting from both operational management and other positive income components. In 2023, the company directly charged to the income statement the withholding tax on dividends received from subsidiaries. In the previous year, such withholding, amounting to €28,011 thousand, were accounted for as a direct decrease in equity. The effects generated by the different accounting treatment are not considered material. Therefore, the comparative data were not restated.

Deferred tax includes deferred tax assets amounting to €34,193 thousand, recorded in Italy, reflecting an update of the assessments concerning the future recoverability of prior losses.

Tax relating to prior years includes income or charges resulting from the settlement, or probable settlement, with tax authorities of the claims that arose during tax audits and from the review or supplement of income tax returns referring to prior periods.

The reconciliation of income tax computed at the theoretical tax rate applicable in Italy to income tax expense recorded in the consolidated income statement, is the following:

(thousands of euro)	2023	2022
Profit before tax	1,140,869	589,296
Italian income tax rate (IRES)	24.00%	24.00%
Theoretical income tax expense	**273,809**	**141,431**
Effect of permanent differences	(23,772)	(4,355)
Tax relating to prior years	(1,983)	(1,486)
Difference in foreign tax rate	(15,212)	4,914
Effect of rate changes on deferred income tax	1,978	(5,553)
Adjustments to deferred income tax	(37,128)	33
Withholding tax on foreign dividends and interests	8,813	-
Italian regional income tax on production activities (IRAP)	9,250	744
Other differences	(41,699)	(5,211)
Income tax expense	**174,056**	**130,517**

The lower tax rate in 2023, equal to 15.3% of profit before tax (2022: 22.1%), is mainly influenced by the recognition of deferred tax assets as illustrated above.

The caption other changes includes an amount of €37,766 thousand for positive IRES, recognized by the Italian companies participating in the national tax consolidation and transferred to the consolidating company Fimedi SpA.

18. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing net profit attributable to owners of the company by the weighted average number of shares outstanding during the period and excluding treasury shares.

		2023	2022
Net profit attributable to owners of the company	thousands of euro	966,545	458,786
Average number of shares outstanding		185,131,838	186,377,503
Basic earnings per share	euro	5.221	2.462

Diluted

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of shares for the effects of dilutive options and other potential dilutive shares. At the balance sheet date there were no dilutive equity instruments outstanding and therefore basic and diluted earnings are the same.

19. GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets			
(thousands of euro)	Goodwill	Industrial patents, licenses and similar rights	Assets in progress and advances	Other	Total
At 1 January 2022					
Cost/deemed cost	817,960	87,023	1,868	31,984	120,875
Accumulated depreciation and write-downs	(209,171)	(54,186)	-	(7,270)	(61,456)
Net book amount	**608,789**	**32,837**	**1,868**	**24,714**	**59,419**
Year ended 31 December 2022					-
Opening net book amount	608,789	32,837	1,868	24,714	59,419
Exchange differences	23,173	1,792	(68)	-	1,724
Additions	-	695	727	-	1,422
Amortization	-	(3,109)	-	(1,636)	(4,745)
Impairment charges	(122,478)	-	-	-	-
Reclassifications	-	1,188	(1,505)	-	(317)
Closing net book amount	**509,484**	**33,403**	**1,022**	**23,078**	**57,503**
At 31 December 2022					
Cost/deemed cost	766,072	87,383	1,022	31,138	119,543
Accumulated depreciation and write-downs	(256,588)	(53,980)	-	(8,060)	(62,040)
Net book amount	**509,484**	**33,403**	**1,022**	**23,078**	**57,503**
Year ended 31 December 2023					
Opening net book amount	509,484	33,403	1,022	23,078	57,503
Exchange differences	(648)	(5,712)	(6)	(1)	(5,719)
Additions	-	5,364	215	800	6,379
Amortization	-	(2,575)	-	(1,636)	(4,211)
Reclassifications	-	(1,206)	(1,061)	205	(2,062)
Closing net book amount	**508,836**	**29,274**	**170**	**22,446**	**51,890**
At 31 December 2023					
Cost/deemed cost	760,913	68,529	170	31,978	100,677
Accumulated depreciation and write-downs	(252,077)	(39,255)	-	(9,532)	(48,787)
Net book amount	**508,836**	**29,274**	**170**	**22,446**	**51,890**

At 31 December 2023, the column industrial patents, licenses and similar rights is made up of industrial licenses (€20,306 thousand), application software for plant and office automation (€3,178 thousand), mining rights (€5,742 thousand), industrial patents (€48 thousand).

The column other essentially includes the customer list resulting from the business combination Testi Cementi Srl, Borgo Cementi Srl and Arquata Cementi Srl, which took place on 1 July 2019, for €20,798 thousand net of related deferred taxes.

The decrease in goodwill refers to translation differences on United States CGU (unfavorable impact of €1,169 thousand) and Poland (unfavorable impact of €521 thousand).

Goodwill and impairment test
Goodwill at 31 December 2023 amounts to €508,836 and is broken-down as follows:

(thousands of euro)	**2023**	**2022**
Italy	76,114	76,114
United States of America	39,670	40,839
Germany	129,995	129,995
Luxembourg	69,104	69,104
Poland	88,009	87,488
Czech Republic/Slovakia	105,944	105,944
	508,836	**509,484**

For the purpose of impairment testing, the cash generating units ("CGUs") to which goodwill has been allocated are consistent with the management strategic vision and have been identified by country of operations, considering in a combined way the performance of cement and ready-mix concrete, since the two businesses, vertically integrated, are strictly interdependent.
Beginning with these financial statements, the Cement Italy and Concrete Italy CGUs were merged into the single CGU Italy, following changes in the structure of the company and the organisation during the year. Therefore, all the CGUs identified correspond to the markets of presence, that are Italy, United States of America, Germany, Luxembourg, the Netherlands, the Czech Republic/Slovakia, Poland and Russia.

The recoverable amount of the CGUs, to which goodwill and intangible assets with indefinite useful lives have been allocated, is determined on the basis of their value in use, defined as the discounted value of the expected future cash flows at a rate that incorporates the risks associated with the particular cash-generating units as at the valuation date, based on the impairment test procedure approved independently and ahead of the approval of the financial statements.

The key assumptions used for the calculation primarily concern:

Estimation of cash flows
The cash flow estimates for each single CGU is based on 5-year plans approved by the board of directors. The management approach in determining the plans is based on sustainable and reasonable assumptions, which ensure consistency among prospective and historical flows and external information. The cash flow used is net of theoretical income tax, changes in working capital and capital expenditures.

Management's estimates were based on experience but, in line with the assumptions of the various industry members, in identifying the evolution of the current scenario they considered both the uncertainties associated with market variables and the prospects arising from the national investment policies included in the European Recovery Fund plan, as well as the efforts required to gradually achieve the goal of carbon neutrality (for more details see the section "Impact of climate change", note 4).
The consolidated assumptions for future cash flows include an estimate of the expenses to be incurred for the purchase of CO_2 emission rights, whose cost is based on the information currently available, and the efforts to mitigate or offset such costs in the short to medium term.
The long-term objectives depend, instead, on various external factors, difficult to control or foresee, which may require significant investments, whose extent, currently, cannot be estimated yet. Therefore, given the actual estimation difficulty, these investments were not included in the assumptions for the

future cash flows of the various CGUs. The whole of the assessments carried out led to the decision to use the most probable scenario, leaving the appropriate considerations on possible alternative scenarios to the specific sensitivity analyses.

Terminal value
The terminal value is calculated assuming that, at the end of the projection period, the CGU generates a constant cash flow (perpetual). The group used expected inflation as the perpetual annual growth rate (g), which is considered representative of the long-term growth expected in the countries of presence. The development of the cement and ready-mix concrete business, especially, is strictly linked to average per capita consumption, population growth and GDP of the respective country (or where the asset is used). Such parameters are reflected on the (g) factor, which has been determined for each market as follows:

(in %)	ITA	GER	NLD	CZE	POL	LUX	RUS	USA
g								
31 December 2023	**2.00%**	**1.99%**	**2.00%**	**2.00%**	**2.50%**	**1.98%**	**4.00%**	**2.13%**
31 December 2022	0.59%	1.32%	1.30%	2.59%	2.30%	2.83%	4.93%	1.48%

Discount rate
The discount rate represents the return expected by the company's lenders and shareholders to invest their capitals in the business; it is calculated as the weighted average between the equity cost and the cost of debt increased by the country-specific risk (WACC). The discount rates, after tax, applied to the main CGUs are as follows:

(in %)	ITA	GER	NLD	CZE	POL	LUX	RUS	USA
WACC								
31 December 2023	**10.21%**	**7.19%**	**7.31%**	**8.25%**	**8.61%**	**7.26%**	**23.01%**	**8.69%**
31 December 2022	9.46%	5.90%	6.03%	7.14%	7.54%	5.98%	21.57%	7.55%

Where present, the assessment has encompassed also the fair value of the owned raw material reserves, of some investment properties and of banked emission allowances.
The comparison of the recoverable amount thus obtained with the carrying amount of the various CGUs showed no indicators that goodwill may be impaired,.

The sensitivity analysis was performed on the recoverable amount of the different CGUs, in order to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically, we reasoned upon changes in the cost of money (and consequently WACC discount rate) and net operating cash flow. It can generally be stated that a 100 basis points increase in the discount rate, or a 10% decrease in cash flows, would not lead to exceeding carrying amounts of the CGUs over their recoverable amounts, which would always be significantly higher.

As a result of the agreement reached with CRH on 20 June 2023, which provides for the sale of the holdings in the Ukrainian companies, no impairment test has been prepared on the assets of Ukraine, as all figures have been reclassified to assets and liabilities held for sale at the lower of book value and fair value (note 31).

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2022					
Cost/deemed cost	39,122	19,602	67,363	17,743	143,830
Accumulated depreciation and write-downs	(13,262)	(7,218)	(34,490)	(10,233)	(65,203)
Net book amount	**25,860**	**12,384**	**32,873**	**7,510**	**78,627**
Year ended 31 December 2022					
Opening net book amount	25,860	12,384	32,873	7,510	78,627
Exchange differences	318	35	2,023	97	2,473
Additions and other	5,194	620	14,063	5,118	24,995
Extinctions	(1,540)	(1,354)	-	(121)	(3,015)
Amortization	(5,869)	(2,455)	(12,140)	(4,597)	(25,061)
Reclassifications	-	-	(393)	-	(393)
Closing net book amount	**23,963**	**9,230**	**36,426**	**8,007**	**77,626**
At 31 December 2022					
Cost/deemed cost	40,809	16,221	83,110	20,052	160,192
Accumulated depreciation and write-downs	(16,846)	(6,991)	(46,684)	(12,045)	(82,566)
Net book amount	**23,963**	**9,230**	**36,426**	**8,007**	**77,626**
Year ended 31 December 2023					
Opening net book amount	23,963	9,230	36,426	8,007	77,626
Exchange differences	(290)	(60)	(1,261)	(107)	(1,718)
Additions and other	6,115	1,683	11,492	7,632	26,922
Extinctions	(914)	(3,433)	-	(810)	(5,157)
Amortization	(5,005)	(2,177)	(10,693)	(4,964)	(22,839)
Impairment charges	-	-	(172)	-	(172)
Reclassifications	(167)	-	-	(33)	(200)
Closing net book amount	**23,702**	**5,243**	**35,792**	**9,725**	**74,462**
At 31 December 2023					
Cost/deemed cost	43,319	10,792	91,499	22,840	168,450
Accumulated depreciation and write-downs	(19,617)	(5,549)	(55,707)	(13,115)	(93,988)
Net book amount	**23,702**	**5,243**	**35,792**	**9,725**	**74,462**

Lease liabilities recorded in the balance sheet at 31 December 2023 amount to €76,228 thousand. During the period 2023, the financial effect due to modification of the terms, mainly for extension and termination options, was an increase in lease liabilities and right-of-use assets of € 4,828 thousand.

The following schedule breaks down the present value of lease obligations at the balance sheet date:

(thousands of euro)	**2023**	**2022**
Within 6 months	10,495	11,003
Between 6 and 12 months	9,156	9,257
Between 1 and 5 years	45,262	44,867
Over 5 years	11,315	13,265
	76,228	**78,392**

Set out below is a breakdown of cash outflows for leases:

(thousands of euro)	**2023**	**2022**
Short-term lease, low value and variable components	3,776	5,276
Interest amount	2,602	2,073
Principal amount	21,426	24,525
	27,804	**31,874**

21. PROPERTY, PLANT AND EQUIPMENT

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2022						
Cost/deemed cost	2,896,648	5,055,262	453,045	172,450	147,581	8,724,986
Accumulated depreciation and write-downs	(1,197,480)	(4,010,647)	(325,449)	(6,282)	(108,466)	(5,648,324)
Net book amount	**1,699,168**	**1,044,615**	**127,596**	**166,168**	**39,115**	**3,076,662**
Year ended 31 December 2022						
Opening net book amount	1,699,168	1,044,615	127,596	166,168	39,115	3,076,662
Exchange differences	80,562	32,881	5,021	6,322	1,455	126,241
Additions	28,404	90,340	31,064	122,490	3,678	275,976
Disposals and other	(1,883)	(822)	(863)	(94)	(3)	(3,665)
Depreciation	(44,082)	(147,157)	(28,292)	-	(9,915)	(229,446)
Impairment charges	(2,624)	(631)	(27)	(3,884)	(4)	(7,170)
Reclassifications	52,942	48,758	9,657	(118,087)	8,256	1,526
Closing net book amount	**1,812,487**	**1,067,984**	**144,156**	**172,915**	**42,582**	**3,240,124**
At 31 December 2022						
Cost/deemed cost	3,110,000	5,199,692	487,654	179,798	158,480	9,135,624
Accumulated depreciation and write-downs	(1,297,513)	(4,131,708)	(343,498)	(6,883)	(115,898)	(5,895,500)
Net book amount	**1,812,487**	**1,067,984**	**144,156**	**172,915**	**42,582**	**3,240,124**
Year ended 31 December 2023						
Opening net book amount	1,812,487	1,067,984	144,156	172,915	42,582	3,240,124
Exchange differences	(55,608)	(40,029)	(8,482)	(8,765)	(1,565)	(114,449)
Additions	29,096	86,747	37,570	157,503	3,713	314,629
Disposals and other	(5,647)	(33)	(505)	(69)	(34)	(6,288)
Depreciation	(44,629)	(136,822)	(29,605)	-	(10,131)	(221,187)
Impairment charges	(4,894)	(4,932)	-	(179)	(11)	(10,016)
Reclassifications	(856)	37,243	2,428	(99,384)	8,283	(52,286)
Closing net book amount	**1,729,949**	**1,010,158**	**145,570**	**222,021**	**42,840**	**3,150,538**
At 31 December 2023						
Cost/deemed cost	3,015,257	5,022,448	486,046	228,630	157,858	8,910,239
Accumulated depreciation and write-downs	(1,285,308)	(4,012,290)	(340,476)	(6,609)	(115,018)	(5,759,701)
Net book amount	**1,729,949**	**1,010,158**	**145,570**	**222,021**	**42,840**	**3,150,538**

Total additions of €314,629 thousand in 2023 are described in the business review, to which reference is made. In the cash flow statement and in the business review capital expenditures are reported according to the actual outflows (€298,012 thousand).

During the year the group capitalized borrowing costs amounting to €242 thousand on qualifying assets (2022: €333 thousand). Borrowing costs were capitalized at the rate of 3.39% (2022: 2.25%).

Negative exchange differences of €114,449 thousand reflect basically the weakening in the dollar/euro and ruble/euro exchange rate. In 2022 the trend in the exchange rate of the dollar andthe ruble had given rise to positive exchange differences of €126,241 thousand, as well.

Real guarantees on assets of consolidated companies are represented by liens on industrial and commercial equipment for the amount of €32 thousand at 31 December 2023 (2022: €39 thousand).

During 2006, Buzzi Unicem USA entered into a series of agreements with Jefferson County, Missouri, related to the Selma plant under a sale and lease-back contract. . Our subsidiary is responsible for all operation and maintenance of the leased assets and has the option to purchase the personal property at the conclusion of the lease term for $1. Should Buzzi Unicem USA not exercise the option, it shall be obliged to pay 125% of the personal property taxes that would normally apply. The plan provides for 60% abatement of personal property taxes for approximately 15 years.

During 2015, Buzzi Unicem USA entered into a series of agreements similar to the above cited ones with Bel Aire County, Kansas, regarding a new distribution terminal in the city of Wichita.

22. INVESTMENT PROPERTY

It is accounted for using the cost model and it amounts to €17,524 thousand, showing a decrease of €37 thousand versus last year.
The fair value at the balance sheet date, based on internal and external independent appraisals, amounts to €22,505 thousand (2022: €22,480 thousand) and is classifiable as level 2, because based on observable data. The measurement of the market value built on internal appraisals was conducted using comparative estimates based on recent transactions for similar property, where available, and comparing them with information coming from real estate agents operating in the same area and with other publicly available databases.

(thousands of euro)	2023	2022
At 1 January		
Cost/deemed cost	20,252	21,335
Accumulated depreciation and write-downs	(2,691)	(3,638)
Net book amount	**17,561**	**17,697**
Exchange differences	(37)	62
Additions	-	11
Disposals and other	-	(209)
At 31 December	**17,524**	**17,561**
Cost/deemed cost	20,215	20,252
Accumulated depreciation and write-downs	(2,691)	(2,691)
Net book amount	**17,524**	**17,561**

23. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	2023	2022
Associates valued by the equity method	183,080	168,805
Joint ventures valued by the equity method	450,523	369,189
	633,603	**537,994**

The net increase of €95,609 thousand was affected: upwards by the share of the investee's earnings for €161,236 thousand and by exchange differences for €28,632 thousand; downwards by dividends received for €84,663 thousand.

The book value of the more sensitive investments in associates is being tested annually. Management measured the value in use as the group's share in the present value of estimated future cash flows in the same way as described in note 19.

Terminal Value

The terminal value is calculated assuming that, at the end of the stated time horizon, the investment generates a constant (perpetual) cash flow. The group used, as the perpetual annual growth rate (g), the expected inflation rate, which is considered as representative of long-term growth:

(in %)	ITA	BRA	ALG
g			
31 December 2023	**2.00%**	**3.01%**	**5.19%**
31 December 2022	0.59%	1.94%	1.60%

Discount rate

The discount rate (WACC) represents the expected return by the company's financiers and shareholders for investing their capital in the company. It is calculated as the weighted average between the cost of risk capital and the cost of debt, taking into account the country-specific risk. The rates applied to the main equity investments, net of the tax effect, are as follows:

(in %)	ITA	BRA	ALG
WACC			
31 December 2023	**10.21%**	**12.33%**	**13.47%**
31 December 2022	9.46%	13.10%	16.87%

In certain cases, certain real estate assets were also taken into account in determining values. A comparison of the recoverable value thus obtained with the book value did not show any indications that these assets might be impaired.

Furthermore, a sensitivity analysis was performed on the recoverable amount of the investments, to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically, we reasoned upon changes in the cost of money (and consequently WACC discount rate) and net operating cash flow. In general, we can assert that only in the event of a meaningful cash flow decrease or an increase of the discount rate by some percentage points, the recoverable amount would come out lower than the carrying amount at the balance sheet date, despite the presence of some investments more sensitive to changes in the above assumptions.

23.1 Interests in associates

Set out below are the associates which, in the opinion of the directors, are material to the group at the balance sheet date. These associates have a share capital consisting solely of ordinary shares, which are held directly or indirectly by the company. The country of incorporation is also their principal place of business.

Nature of investments in associates:

Name of the entity	Nature of the relationship	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Note 1	Algeria	35.0	40,686	Equity
Société des Ciments de Sour El Ghozlane EPE SpA	Note 1	Algeria	35.0	35,470	Equity
Salonit Anhovo Gradbeni Materiali dd	Note 2	Slovenia	25.0	42,134	Equity
Laterlite SpA	Note 3	Italy	33.3	35,192	Equity

Note 1
Buzzi holds a 35% interest in Société des Ciments de Sour El Ghozlane EPE SpA and Société des Ciments de Hadjar Soud EPE SpA, two full-cycle cement plants operating in Algeria. They are strategic partnerships for the group presence in emerging markets, where the remaining majority stake is owned by the Algerian State through the industrial holding GICA.

Note 2
The group holds a 25% stake in Salonit Anhovo Gradbeni Materiali dd, a company owning a modern cement plant in Slovenia, located a few kilometers away from the Italian border. Salonit Anhovo is the main actor in the Slovenian market and it also exports regularly a meaningful portion of its production to the Italian regions across the border.

Note 3
The group holds a 33.3% ownership interest in Laterlite SpA, a company that owns several plants in Italy and is focused on the production and sale of a wide range of high-performance lightweight materials for sustainable construction, offering innovative solutions to improve energy efficiency and reduce the weight of structures (expanded clay, premixed products, prebatched materials, structural reinforcements and blocks).
The four above cited associate companies are private and there is no quoted market price available for their shares. There are no contingent liabilities relating to the group’s interest in the same associates.

Summarized financial information for associates

Set out below is the summarized financial information for the associates that are material to the group, all valued by the equity method:

	Société des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Salonit Anhovo Gradbeni Materiali dd		Laterlite SpA	
(thousands of euro)	2022	2021	2022	2021	2022	2021	2022	2021
Summarized balance sheet								
Current assets								
Cash and cash equivalents	16,114	12,591	25,730	23,465	10,960	13,247	12,893	14,605
Other current assets (excluding cash)	30,808	29,470	34,554	32,835	54,047	38,331	88,289	69,604
	46,922	**42,061**	**60,284**	**56,300**	**65,007**	**51,578**	**101,182**	**84,209**
Non-current assets	**84,756**	**87,787**	**57,841**	**49,637**	**110,627**	**111,852**	**39,502**	**44,148**
Current liabilities								
Financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	2,163	3,723	3,644	6,524
Other current liabilities (including trade and other payables and provisions)	9,898	11,849	9,055	7,158	22,674	23,268	45,251	34,228
	9,898	**11,849**	**9,055**	**7,158**	**24,837**	**26,991**	**48,894**	**40,753**
Non-current liabilities								
Financial liabilities (excluding other payables and provisions)	-	-	-	-	5,027	7,151	5,425	11,128
Other non-current liabilities (including other payables and provisions)	7,388	7,924	5,921	5,480	1,930	2,627	5,883	6,347
	7,388	**7,924**	**5,921**	**5,480**	**6,957**	**9,778**	**11,308**	**17,475**
Summarized income statement								
Net sales	29,672	33,243	34,017	28,437	132,800	97,955	169,874	124,034
Depreciation and amortization	(13,075)	(8,393)	(7,046)	(19,331)	(10,040)	(9,165)	(5,942)	(6,112)
Finance revenues	1,664	971	922	677	1,200	424	12	10
Finance costs	(16)	(52)	(2)	(9)	(479)	(352)	(625)	(414)
Income tax expense	(381)	(1,048)	(1,842)	(1,242)	(2,708)	(1,249)	(3,425)	(2,561)
Profit for the year	**(1,067)**	**2,629**	**5,472**	**1,468**	**27,193**	**12,792**	**13,352**	**8,023**
Other comprehensive income	8,166	3,204	8,166	2,569	-	-	-	-
Total comprehensive income	**7,099**	**5,833**	**13,638**	**4,037**	**27,193**	**12,792**	**13,352**	**8,023**

The above information reflects the amounts presented in the financial statements of each associate (not Buzzi's share of those amounts), adjusted for possible differences in the accounting policies between the group and the same associates.

Reconciliation of summarized financial information

Set out below is a reconciliation between the financial information (presented above) and the carrying amount of the interests in associate companies that are material to the group:

	Société des Ciments de Hadjar Soud EPE SpA		Société des Ciments de Sour El Ghozlane EPE SpA		Salonit Anhovo Gradbeni Materiali dd		Laterlite SpA	
(thousands of euro)	2023	2022	2023	2022	2023	2022	2023	2022
Opening net assets at 1 January	114,392	110,075	103,149	93,298	143,840	126,661	80,482	70,130
Profit for the year	4,838	(1,067)	2,410	5,472	34,393	27,193	28,705	13,352
Dividends declared	(1,611)	(2,782)	(3,058)	(2,888)	(10,014)	(10,014)	(3,600)	(3,000)
Exchange differences	(1,374)	8,166	(1,159)	7,267	-	-	-	-
Closing net assets	**116,245**	**114,392**	**101,342**	**103,149**	**168,219**	**143,840**	**105,587**	**80,482**
Ownership share (35%; 35%; 25%)	40,686	40,037	35,470	36,102	42,055	35,960	35,192	26,824
Goodwill	-	-	-	-	79	79		
Carrying value	**40,686**	**40,037**	**35,470**	**36,102**	**42,134**	**36,039**	**35,192**	**26,824**

23.2 Interests in joint ventures

Set out below are the two joint ventures which, in the opinion of the directors, are material to the group at 31 December 2023:

Name of the entity	Place of business/countr y of incorporation	% of ownership interest	Book value	Measurement method
Corporación Moctezuma, SAB de CV	Mexico	33.0	246,253	Equity
Nacional Cimentos Participações SA	Brazil	50.0	191,661	Equity

Corporación Moctezuma, SAB de CV has a share capital consisting solely of ordinary shares, which is held indirectly by the company. Corporación Moctezuma is the holding of a group which manufactures and sells cement, ready-mix concrete and natural aggregates. It is a strategic investment for the group, whose operations are located in Mexico.

At 31 December 2023, the fair value of our interest in Corporación Moctezuma, SAB de CV, which is listed on the Bolsa Mexicana de Valores, was €1,215,153 thousand (2022: €836,458 thousand).

Nacional Cimentos Participações SA has a share capital consisting solely of ordinary shares, which is held directly by the company. Nacional Cimentos Participações SA is the holding company of a group that manufactures and sells cement, by operating seven plants in Brazil, one in the north-eastern region of the country (state of Paraíba) and the others in the south-eastern area (states of Minas Gerais and Rio de Janeiro). In this case too, the investment is strategic for the group.

Summarized financial information for joint ventures

Set out below is the summarized financial information for the joint ventures that are material to the group, both valued by the equity method:

	Corporación Moctezuma, SAB de CV		Nacional Cimentos Participações SA	
(thousands of euro)	**2023**	**2022**	**2023**	**2022**
Summarized balance sheet				
Current assets				
Cash and cash equivalents	377,055	240,359	86,353	115,527
Other current assets (excluding cash)	132,720	97,315	113,511	122,495
	509,775	**337,674**	**199,864**	**238,022**
Non-current assets	**406,045**	**340,078**	**545,890**	**523,457**
Current liabilities				
Financial liabilities (excluding trade and other payables and provisions)	2,971	2,482	33,283	68,190
Other current liabilities (including trade and other payables and provisions)	183,290	128,660	66,511	41,214
	186,261	**131,142**	**99,794**	**109,404**
Non-current liabilities				
Financial liabilities (excluding other payables and provisions)	6,097	3,507	252,766	279,092
Other non-current liabilities (including other payables and provisions)	6,381	6,072	24,397	17,911
	12,478	**9,579**	**277,163**	**297,004**
Summarized income statement				
Net sales	1,024,983	768,506	393,976	400,213
Depreciation and amortization	(33,186)	(23,388)	(29,177)	(37,010)
Finance revenues	38,678	21,191	30,092	30,068
Finance costs	(21,465)	(15,197)	(17,485)	(23,207)
Income tax expense	(127,991)	(81,272)	(17,277)	(23,535)
Profit for the year	**321,419**	**207,015**	**50,224**	**62,557**
Other comprehensive income	61,608	49,171	14,317	24,234
Total comprehensive income	**383,027**	**256,186**	**64,541**	**86,791**

The above information reflects the amounts presented in the financial statements of each joint venture (not Buzzi's share of those amounts), adjusted for possible differences in the accounting policies between the group and the same joint ventures.

Reconciliation of summarized financial information

Set out below is a reconciliation between the financial information (presented above) and the carrying amount of the interests in joint ventures that are material to the group:

	Corporación Moctezuma, SAB de CV		Nacional Cimentos Participações SA	
(thousands of euro)	**2023**	**2022**	**2023**	**2022**
Opening net assets at 1 January	537,190	462,264	288,157	229,692
Profit for the year	321,419	207,015	50,224	62,557
Actuarial gains (losses) on post-employment benefits	86	129	-	-
Dividends declared	(177,104)	(162,490)	(30,285)	(28,325)
Exchange differences	61,522	49,042	14,317	24,234
Other	(26,032)	(18,770)	(5,154)	-
Closing net assets	**717,081**	**537,190**	**317,259**	**288,157**
% of ownership (33%; 50%)	246,253	182,715	158,630	144,079
Goodwill	-	-	33,031	31,429
Carrying value	**246,253**	**182,715**	**191,661**	**175,508**

24. EQUITY INVESTMENTS AT FAIR VALUE

The line item refers to investments in unconsolidated subsidiaries and in other companies, all of them unlisted.

(thousands of euro)	Subsidiaries	Other	Total
At 1 January 2023	908	9,687	10,595
Additions	-	1,315	1,315
Fair value changes	73	434	507
Write-downs	-	(1,011)	(1,011)
Disposals and other	(659)	(22)	(681)
At 31 December 2023	**322**	**10,404**	**10,726**

25. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2023, the value of the derivative financial instrument relating to the put and call option on the remaining 50% of the capital of Nacional Cimentos Participações SA, based on the calculation methods agreed between the parties, corresponds to a liability of €4.787 thousand. It is defined as the difference between the exercise price of the option and the fair value of the ownership interest to be acquired. The change in the fair value of the derivative was taken through the income statement (note 16)

The notional principal amount and the fair value estimation of the outstanding derivative instruments are summarized as follows:

	2023		2022	
(thousands of euro)	**Notional**	**Fair value**	**Notional**	**Fair value**
Nacional Cimentos Participações SA takeover option	320,178	(4,787)	282,722	11,031

26. OTHER NON-CURRENT ASSETS

(thousands of euro)	**2023**	**2022**
Loans to third parties and leasing	4,404	2,074
Loans to associates and joint ventures	220,005	226,890
Loans to customers	9,509	9,830
Tax receivables	703	840
Receivables from personnel	769	870
Guarantee deposits	13,315	12,959
Other	16,566	8,805
	265,271	**262,268**

Loans to third parties and leasing are mostly interest-bearing and adequately secured.

The caption loans to associates and joint ventures mainly refers to the loan of $219,005 thousand, maturing in April 2026, granted to Companhia Nacional de Cimento CNC (a wholly-owned subsidiary of the holding company Nacional Cimentos Participações SA), for the acquisition, in 2021, of CRH Group companies operating in Brazil. The decrease is due to the dollar/euro exchange rate adjustment. The fair value at 31 December 2023 amounted to €207,578 thousand and is attributable to level 2 of the relative hierarchy.

Loans to customers are granted to some major accounts in the United States; they bear interest at market rates, are adequately secured and are performing regularly.

Guarantee deposits represent assets held in trust to secure the payment of benefits under certain pension plans in the United States for €12,238 thousand, besides insurance deposits.

The receivables included in this item expiring after more than five years amount to €24,296 thousand (2022: €20,718 thousand). The maximum exposure to credit risk is the carrying value of each class of receivable mentioned above.

27. INVENTORIES

(thousands of euro)	**2023**	**2022**
Raw materials, supplies and consumables	434,391	424,476
Work in progress	128,016	110,283
Finished goods and merchandise	113,390	101,161
Advances	1,528	2,995
Emission rights	76,944	82,108
	754,269	**721,023**

Increases and decreases of the various categories depend on the trend in production and sales, on the price of the factors employed and remained in stock (mainly), as well as on changes in exchange rates used for the translation of foreign financial statements.

The amount shown is net of an allowance for obsolescence of €37,317 thousand (2022: €34,160 thousand).

Following the agreement for the sale of the asset of Ukraine, raw materials for €14,632 thousand, semi-finished products for €6,525 thousand, finished products for €3,194 thousand, and advances for €414 thousand were reclassified as assets held for sale (note 31).

In addition, in connection with the agreement for the sale of the Fanna's factory (PN, Italy), raw materials for €6,075 thousand, semi-finished products for €3,022 thousand and finished products for €924 thousand were reclassified as assets held for sale (Note 31).

28. TRADE RECEIVABLES

(thousands of euro)	2023	2022
Trade receivables	559,435	542,095
Less: Loss allowance	(13,050)	(14,626)
Trade receivables, net	**546,385**	**527,469**
Other trade receivables:		
From associates	19,177	14,158
From parent companies	48	48
	565,610	**541,675**

Trade receivables are non-interest bearing and generally have a maturity between 20 and 150 days.

The year-end balances from associates arise from normal and regular business transactions entered into with firms operating in the ready-mix concrete and cement segment.

The carrying amounts of net trade receivables are denominated in the following currencies:

(thousands of euro)	2023	2022
Euro	345,444	324,867
US Dollar	156,367	153,112
Russian Ruble	15,424	18,581
Czech Koruna	18,845	19,366
Polish Zloty	10,297	10,414
Other currencies	8	1,129
	546,385	**527,469**

Movements in the loss allowance for trade receivables during the year are as follows:

(thousands of euro)	2023	2022
At 1 January	14,626	15,479
Exchange differences	(289)	306
Increase recognized in profit or loss	2,281	2,687
Receivables written off as uncollectible	(2,221)	(2,856)
Unused amounts reversed and other	(1,347)	(990)
At 31 December	**13,050**	**14,626**

The additions to the loss allowance for trade receivables are included among other operating expenses, net of related releases (note 12). Information about the exposure to credit risk can be found in note 3.1.

29. OTHER RECEIVABLES

(thousands of euro)	2023	2022
Tax receivables	62,891	48,065
Receivables from social security institutions	586	166
Receivables from unconsolidated subsidiaries and associates	2,680	3,135
Loans to customers	-	73
Receivables from suppliers	14,619	15,276
Receivables from personnel	268	281
Current financial assets	141,201	2,442
Loans to third parties and leasing	334	394
Accrued interest income	6,214	2,150
Other accrued income and prepaid expenses	15,488	16,293
Other	10,944	11,073
	255,225	**99,348**

Tax receivables include income tax payments in advance (€42,727 thousand and the debit balance of periodic value added tax liquidation (€20,143 thousand); this caption also includes the amounts owed by the ultimate parent Fimedi SpA to the Italian companies that are member of the consolidated tax return for domestic income tax purposes.

Loans to customers represent the current portion of the interest-bearing lending granted in the United States (note 26).

Receivables from suppliers mainly include advances on the procurement of gas, electricity and other services.

The line Other current financial assets mainly refers to restricted bank deposits amounting to €139,774 thousand, with a maturity exceeding 3 months, accounted for at par value, i.e. at amortized cost. It is believed that the book value of the item approximates its fair value, attributable to level 2 of the related hierarchy.
Prepaid expenses refer to goods or services to be received in the future.

30. CASH AND CASH EQUIVALENTS

(thousands of euro)	2023	2022
Cash at banks and in hand	727,888	1,107,834
Short-term deposits	392,824	233,654
	1,120,712	**1,341,488**

Foreign operating companies hold about 60.4% of the balance of €1,120,712 thousand (35.8% in 2022). At the closing date, short-term deposits and securities earn interest at about 5.68% on average (3.05% in 2022), yield in euro is around 3.63%, in dollar 4.92% and in other currencies 12.68%. The average maturity of such deposits and securities is lower than 60 days.

The cash flows, the working capital and the available liquidity of the subsidiaries are handled locally but under a central finance function, to ensure an efficient and effective management of the resources generated and/or of the financial needs.

Cash and cash equivalents are denominated in the following currencies:

(thousands of euro)	2023	2022
Euro	310,800	608,659
US Dollar	647,840	612,666
Russian Ruble	110,582	69,838
Other currencies	51,490	50,325
	1,120,712	**1,341,488**

31. ASSETS HELD FOR SALE

They mainly refer to reclassified assets and liabilities following the agreement reached with CRH on 20 June 2023, which provides for the sale of the assets in Ukraine (note 5) , specified in detail as follows:

(thousands of euro)	**Ukraine**
Assets held for sale	
Other intangible assets	2,207
Right-of-use assets	144
Property, plant and equipment	32,544
Other non-current assets	1
Inventories	24,765
Trade receivables	510
Other receivables	2,420
Cash and cash equivalents	6,924
	69,510
Liabilities held for sale	
Lease liabilities	160
Employee benefits	1,464
Provisions for liabilities and charges	1,363
Current portion of lease liabilities	3
Trade payables	3,114
Other payables	2,597
	8,701
Net asset value	**60,809**

The item also includes the net assets of the Fanna plant (PN), reclassified following the agreement for the sale to the associate Alpacem Cementi Italia SpA, signed on 4 August 2023. As part of the transaction, Buzzi SpA will subscribe to a 25% ownership interest in the capital of the Austrian company Alpacem Zement Austria GmbH.
Below is the breakdown of the amounts involved:

(thousands of euro)	**Fanna Cementi**
Assets held for sale	
Other intangible assets	94
Right-of-use assets	56
Property, plant and equipment	21,423
Other non-current assets	50
Inventories	10,021
Other receivables	43
	31,687
Liabilities held for sale	
Lease liabilities	27
Employee benefits	459
Provisions for liabilities and charges	492
Current portion of lease liabilities	30
Other payables	645
	1,653
Net asset value	**30,034**

Finally, the balance includes other minor land, plant and buildings in Italy, Germany, the Netherlands and the Czech Republic.

32. SHARE CAPITAL

At the balance sheet date the share capital of the company is composed as follows:

(number of shares)	2023	2022
Shares issued and fully paid		
Ordinary shares	192,626,154	192,626,154
	192,626,154	**192,626,154**
Share capital (thousands of euro)	123,637	123,637

The number of shares outstanding did not change during 2023 as summarized below:

(number of shares)	2023
At 31 December 2023	
Shares issued	192,626,154
Less: Treasury shares	(7,494,316)
Outstanding at end of year	**185,131,838**

33. SHARE PREMIUM

It consists of the overall premium on shares issued over time. The line item amounts to €458,696 thousand as at 31 December 2023 and it is unchanged versus last year.

34. OTHER RESERVES

The line item encompasses several captions, which are listed and described here below:

(thousands of euro)	2023	2022
Exchange differences	(415,954)	(272,162)
Revaluation reserves	88,286	88,286
Merger surplus	249,177	249,177
Other	128,946	117,989
	50,455	**183,290**

The exchange differences reflect the exchange rate fluctuations that occurred starting from the first-time consolidation of financial statements denominated in foreign currencies. The net negative change of €143,792 thousand in the balance results from two opposing effects: increase of €21,127 thousand due to the strengthening of the Mexican peso, €8,648 thousand of the Brazilian real and €7,329 thousand of the other currencies in Eastern Europe; decrease of €99,497 thousand due to the depreciation of the US dollar, €76,354 thousand of the Russian ruble, of €4,159 thousand of the Ukrainian hryvnia and €886 thousand of the Algerian dinar.

35. RETAINED EARNINGS

The line item contains both retained earnings and profit for the financial year attributable to owners of the company. It also includes the legal reserve from the statutory financial statements of Buzzi SpA, changes in shareholders' equity of consolidated companies pertaining to the parent company that took place after the first consolidation and the revaluation reserves accrued by the Mexican companies that used inflation accounting up to the year 2001.

During the year some transactions took place with non-controlling interests after the acquisition of control, the overall effect of which led to an increase in retained earnings of €1,874 thousand.

The changes in gains and losses generated by the actuarial valuations of liabilities for employee benefits, net of related deferred tax, in 2023 brought to a decrease in retained earnings equal to €10,655 thousand.

36. NON-CONTROLLING INTERESTS

The balance mainly refers to Cimalux SA for €3,376 thousand and other minor entities for the remainder.

Summarized financial information on subsidiaries with material non-controlling interests

Set out below is the summarized financial information for Cimalux SA before intercompany eliminations. The company operates in the cement industry in Luxembourg. In the opinion of the directors, it is the only subsidiary with non-controlling interests that is material to the group.

Name of subsidiary	Place of business/country of incorporation	Non-controlling interests		Profit attributable to non-controlling interests		Equity attributable to non-controlling interests	
		2023	2022	2023	2022	2023	2022
Cimalux SA	Luxembourg	1.57%	1.57%	201	15	3,569	3,376

(thousands of euro)	**2023**	**2022**
Summarized balance sheet		
Non-current assets	93,882	88,487
Current assets	170,607	170,347
Non-current liabilities	17,334	16,098
Current liabilities	19,623	27,549
Net assets	**227,532**	**215,187**
Summarized income statement		
Net sales	106,333	123,680
Operating expenses	(84,960)	(116,700)
Depreciation and amortization	(8,125)	(7,714)
Finance revenues	4,823	3,127
Finance costs	(1,169)	(1,198)
Income tax expense	(4,082)	(180)
Profit for the year	**12,820**	**1,015**
Other comprehensive income	(658)	4,064
Total comprehensive income	**12,162**	**5,079**
Total comprehensive income attributable to non-controlling interests	**(10)**	**64**
Dividends paid to non-controlling interests	-	235
Summarized statement of cash flows		
Cash flows from operating activities		
Cash generated from operations	10,597	(7,528)
Interest paid	(16)	(10)
Income tax paid	(3,074)	(1,109)
Net cash generated from (used in) operating activities	**7,507**	**(8,647)**
Net cash generated from (used in) investing activities	**(8,797)**	**(9,080)**
Net cash generated from (used in) financing activities	**1,615**	**14,987**
Increase (decrease) in cash and cash equivalents	**325**	**(2,740)**
Cash and cash equivalents at beginning of year	**2,974**	**5,714**
Cash and cash equivalents at end of year	**3,299**	**2,974**

37. DEBT AND BORROWINGS

(thousands of euro)	2023	2022
Long-term debt		
Unsecured term loans	338,697	608,150
	338,697	**608,150**
Current portion of long-term debt		
Senior notes and bonds	-	499,907
Unsecured term loans	265,226	94,121
	265,226	**594,028**
Short-term debt		
Accrued interest expense	4,965	12,544
	4,965	**12,544**

During 2023 the average interest rate on financial indebtedness was equal to 3.29% (2022: 2.74%).

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

(thousands of euro)	2023	2022
Within 6 months	55,161	512,656
Between 6 and 12 months	215,030	93,916
Between 1 and 5 years	337,699	607,153
Over 5 years	998	997
	608,888	**1,214,722**

Senior notes and bonds

On 28 January 2023, the bond "Buzzi Unicem €500,000,000 - 2.125% Notes due 2023", issued in April 2016, for a nominal amount of €500 million, was paid back in advance of its maturity date of 28 April 2023.

Term loans and other borrowings
The change for the year is essentially stemming from a decrease of €94,322 thousand due to principal repayments.

As at 31 December 2023 the group has undrawn committed facilities for €159,760 thousand (2022: €194,302 thousand), thereof €152,750 thousand available to the company, at floating rate with maturity in 2028, and the remaining €7,010 thousand to Dyckerhoff GmbH and its subsidiaries, always at floating rate, with maturity in 2024.

In respect to interest rate and currency, the gross indebtedness at 31 December 2023 can be shortly split as follows: 33% floating and 67% fix; 20% dollar-denominated and 80% euro-denominated.

The following table summarizes the carrying amount of the borrowings compared with their fair value:

	2023		2022	
(thousands of euro)	Carrying amount	Fair value	Carrying amount	Fair value
Floating rate borrowings				
Unsecured term loans	199,527	204,860	293,099	294,926
Fix rate borrowings				
Senior notes and bonds	-	-	499,907	490,855
Unsecured term loans	404,396	405,481	409,172	402,579
	603,923	**610,341**	**1,202,178**	**1,188,360**

The fair values are based on the cash flows discounted at current borrowing rates for the group and are within level 2 of the specific hierarchy.

38. EMPLOYEE BENEFITS

The line item includes post-employment benefits and other long-term benefits.

Post-employment benefits

They consist of pension plans, life insurance and healthcare plans, employee severance indemnities and other. Group companies provide post-employment benefits for their employees either directly or indirectly, by paying contributions to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which Buzzi operates. The obligations relate both to active employees and to retirees. Liabilities for contributions accrued but not yet paid are included within other payables.

Defined contribution plans

They primarily relate to public plans and/or supplemental private plans in Germany, the Netherlands, Luxembourg, Poland, the Czech Republic and the United States of America. Defined contribution plans for post-employment benefits exist also in Italy (employee severance indemnities or TFR for companies with at least 50 employees, after 31 December 2006). Expenses associated with defined contribution plans are charged to the income statement together with social security contributions under staff costs. No further commitments on the part of the employer exist over and above the payment of contributions to public plans or private insurance policies.

Defined benefit plans

Defined benefit plans may be unfunded, or they may be wholly or partly funded by the contributions paid by the company and, sometimes, by its employees to an entity or fund legally separate from the employer by which the benefits are paid.

Italy

The obligation for employee severance indemnities (TFR) is considered a defined benefit plan and is unfunded. It consists of the residual obligation that was required until 31 December 2006 under Italian legislation to be paid by companies with more than 50 employees, or accrued over the employee's working life for other companies. The obligation is remeasured every year, according to national employment laws. The provision is settled upon retirement or resignation and may be partially paid in advance if certain conditions are met. The level of benefits provided depends on the date of hire, length of service and salary. The commitments that amount to €10,501 thousand (2022: €12,026 thousand), have a weighted average duration of approximately 7 years.

Germany and Luxembourg

These pension arrangements provide for retirement benefits, early-retirement benefits, widows/widowers' benefits, orphans' allowances and generally also include long-term disability benefits. The level of benefits provided depends on the date of hire, salary and length of service. The commitments have a weighted average duration of approximately 13 years.

The pension obligations in Germany totaling €210,477 thousand (2022: €199,632 thousand) are partly funded through a contractual trust agreement. The value of trust assets is €69,169 thousand (2022: €61,694 thousand) and reduces the amount to be recognized as a liability.

In Germany the defined benefit pension plans were closed as of 31 December 2017. For employees, who joined the company after 31 December 2017, a newly defined contribution plan was established. All other pension plans in Germany and Luxembourg are financed only by provisions. At the same time, starting from 1 January 2018, the possibility of deferred compensation for the benefit of individual supplemental pension was changed to defined contribution plans. Obligations for post-employment medical costs in Germany are unfunded and contain a commitment on the part of the employer to reimburse 50% of private healthcare insurance premiums to former employees and co-insured spouses and/or to widows/widowers. This healthcare plan was closed in 1993 and has a remaining weighted average duration of approximately 5 years.

Netherlands
In the Netherlands, commitments for retirement total €582 thousand (2022: €739 thousand) and relate to the so-called "excedent" pension plan. The obligations are funded by contributions to an insurance company. The value of plan assets by the insurance policy amounts to €447 thousand (2022: €564 thousand) and reduces the amount to be recognized as a liability. The commitments have a weighted average duration of approximately 18 years.
The so-called "transition" pension plan for employees not enrolled in the fund was settled by making a payment to the insurance company, resulting in the elimination of both the liability (2022: €328 thousand) and the asset of the plan (2022: €274 thousand) as of 31 December 2023.
United States of America
Pension plans are mainly funded, while healthcare obligations are unfunded in nature. Pension arrangements provide for retirement and early-retirement benefits, surviving dependents' benefits (spouse or, alternatively, children) as well as long-term disability benefits. Benefits to white collar employees or their surviving dependents are linked to salary and length of service. For blue-collar workers, or their surviving dependents, pension benefits are determined on the basis of the salary, length of service as well as a fixed, periodically re-negotiated multiple. A major part of pension obligations, meaning €242,020 thousand (2022: 240,480 thousand), is covered by an external pension fund; its fair value of €216,321 thousand (2022: €217,251 thousand) reduces the amount to be recognized as a liability. Since 2021, following the recognition of actuarial gains, the fair value of a specific fund resulted above the value of the obligation, determining a surplus recognized as an asset and as of the balance sheet date amounts to €3,698 thousand. These pension plans have been closed since 1 January 2011 and the weighted average duration is approximately 11 years. There are also unfunded obligations for a small group of individuals, whose weighted average duration is between 4 and 8 years.

Healthcare plans cover the portion of medical costs that is not covered by state plans or the costs of a private supplementary health insurance policy. The allowances paid to employees and, if relevant, their spouses depend on the length of service and do not include surviving dependents' benefits. These commitments have a weighted average duration of approximately 9 years.

Russia
The outstanding pension plans guarantee retirement services and benefits to former employees such as health care and other forms of indemnities. The level of the various benefits provided depends on the salary and employment conditions at the company. The liabilities amount to €647 thousand (2022: €940 thousand) and are funded by specific accounting provisions. The pension plan was closed as of 31 December 2018.

Other long-term benefits
The group grants also other long-term benefits to its employees, which include those generally paid when the employee attains a specific seniority. In this case the valuation reflects the probability that payment is required and the length of time for which payment is likely to be made. These schemes are unfunded and the amount of the obligation is calculated on an actuarial basis, in accordance with the projected unit credit method. Actuarial gains and losses arising from this obligation are recognized in the income statement. In the United States the group sponsors a deferred compensation plan for certain employees. Amounts deferred are funded into a trust and the earnings in the trust accrued to the benefit of the participants. The asset and liability are reported at fair value (the net asset value of each investment fund).

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	**2023**	**2022**
By category		
Post-employment benefits:		
Pension plans	184,452	180,805
Healthcare plans	64,553	67,329
Employee severance indemnities	10,501	12,026
Other long-term benefits	8,264	8,075
	267,770	**268,235**
By geographical area		
Italy	11,709	13,370
Germany, Luxembourg, Netherlands	157,175	152,795
United States of America	98,239	100,047
Other countries	647	2,023
	267,770	**268,235**

Defined benefit plan assets, amounting to €3,698 thousand, shown separately under assets, relate to a specific situation in the United States, i.e. a positive difference between the fair value of plan assets and the obligation to a certain category of employees.

The amounts recognized in the balance sheet for post-employment benefits are determined as follows:

	Pension Plans		Healthcare plans		Employee severance indemnities	
(thousands of euro)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Present value of funded obligations	449,977	437,723	-	-	-	-
Fair value of plan assets	(286,468)	(279,807)	-	-	-	-
	163,509	**157,916**	**-**	**-**	**-**	**-**
Present value of unfunded obligations	17,245	18,454	64,553	67,329	10,501	12,026
Defined benefit plan assets	3,698	4,435	-	-	-	-
Liability in the balance sheet	**184,452**	**180,805**	**64,553**	**67,329**	**10,501**	**12,026**

The movement in the defined benefit obligation for post-employment benefits is illustrated below:

	Pension Plans		Healthcare plans		Employee severance indemnities	
(thousands of euro)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
At 1 January	456,177	605,354	67,329	81,249	12,026	14,877
Current service cost	4,901	8,999	1,340	2,068	102	-
Past service cost	79	89	92	-	-	-
Losses (gains) from plan changes	-	(1)	-	-	-	-
Other costs	-	28	-	-	-	-
	4,980	**9,115**	**1,432**	**2,068**	**102**	**-**
Interest expense	20,431	13,276	3,384	2,251	437	140
(Gains) losses from changes in demographic assumptions	23	(3,914)	294	48	9	-
(Gains) losses from changes in financial assumptions	22,918	(162,377)	1,372	(15,742)	198	(2,243)
Experience (gains) losses	2,763	5,337	(486)	(1,358)	(167)	1,211
	25,704	**(160,954)**	**1,180**	**(17,052)**	**40**	**(1,032)**
Employee contributions	21	17	564	612	-	-
Benefit payments	(29,873)	(31,475)	(7,069)	(6,914)	(1,653)	(1,880)
Settlements	(384)	-	-	-	-	-
Exchange differences	(8,957)	20,353	(2,267)	5,115	-	-
Other changes	(877)	491	-	-	(451)	(79)
At 31 December	**467,222**	**456,177**	**64,553**	**67,329**	**10,501**	**12,026**

The present value of the defined benefit obligations is composed of the following at the end of each reporting period:

	Pension Plans		Healthcare plans	
(thousands of euro)	**2023**	**2022**	**2023**	**2022**
Active members	154,984	151,680	12,799	12,885
Deferred members	24,248	25,873	19,444	19,001
Pensioners	287,990	278,624	32,310	35,443
At 31 December	**467,222**	**456,177**	**64,553**	**67,329**

Changes in the fair value of plan assets are as follows:

	Pension Plans	
(thousands of euro)	**2023**	**2022**
At 1 January	279,807	352,954
Interest income	13,626	9,231
Employer contributions	5,340	6,226
Employee contributions	21	17
Benefit payments	(15,844)	(17,525)
Settlements	(1,434)	(634)
Actuarial gains (losses)	12,451	(88,965)
Exchange differences	(7,680)	18,120
Other differences	181	383
At 31 December	**286,468**	**279,807**

Plan assets are comprised as follows:

	Germany		United States of America	
(thousands of euro)	2023	2022	2023	2022
Cash and cash equivalents	**2,389**	**1,566**	**10,683**	**6,560**
Equity instruments	**23,306**	**20,639**	**-**	**-**
Euro equities	13,999	15,320	-	-
Europe ex Euro equities	9,307	5,319	-	-
Debt instruments	**26,366**	**26,454**	**37,993**	**42,293**
Euro corporate investment grade	9,619	13,308	-	-
Euro corporate unrated	(149)	381	-	-
Euro non-investment grade companies	448	1,627	-	-
Euro sovereigns investment grade	11,507	6,017	-	-
Euro sovereigns non-investment grade	-	371	-	-
Dollar corporate investment grade	1,460	1,511	-	-
Dollar sovereign investment grade	1,052	152	37,993	42,293
Other corporate investment grade	2,429	1,645	-	-
Other investment grade sovereigns	-	1,442	-	-
Derivative financial instruments	**484**	**137**	**-**	**-**
Equity derivatives	93	187	-	-
Currency derivatives	39	164	-	-
Debt derivatives	352	(214)	-	-
Investment funds	**16,652**	**12,898**	**167,646**	**168,397**
Dollar corporate bonds	-	-	28,659	34,779
Dollar sovereign bonds	-	-	55,365	47,610
Euro indexed equities	9,365	7,078	-	-
Dollar indexed equities	5,034	3,497	62,599	48,015
Other indexed equities	-	-	21,088	38,102
Different euros	2,253	2,323	-	-
Dollar sundries	-	-	(65)	(109)
	69,197	**61,694**	**216,322**	**217,250**

The fair values stated above exclusively relate to quoted prices in active markets (level 1).
For the assets of the Netherlands, a breakdown is not available since these are investments made by the insurance company, that is the insurance contract underwritten in exchange for the pension benefits. In 2023, the fair value of these investments amounted to €447 thousand (2022: €564 thousand and at the balance sheet date 77% of the Dutch pension plan is funded.
Plan assets in Germany are administered by a trust fund. The investment strategy is aimed at optimizing returns limiting losses. An investment committee composed of fiduciary and company representatives supervises the administration and investment strategy of the funds that manage assets. At the balance sheet date, 33% of the pension plans is funded. Independent of its payment obligations to beneficiaries, Buzzi has the right to receive the dividends resulting from the annual results of the funds. The contribution to the trusts does not directly depend on the market values of the underlying obligations. Buzzi has the option to fund benefit obligations associated with the trusts out of the company's current cash flow. The conditions linked to these commitments are continually adapted; benefits paid to beneficiaries will therefore decline further. The assets of these funds are comprised in the table showing the fair value of plan assets.

In the United States, plan assets are administered by a trust fund. The asset allocation strategy is aimed at optimizing returns on fund assets and is subject to specific risk management policies. Three members of local management form the "benefit committee", which is responsible for investment policy, managing the plan assets and ensuring compliance of the investments with legislation. The "benefit committee" periodically meets with a consultancy firm to whom the ordinary investment responsibilities have been assigned. All pension payments to beneficiaries are made from the assets themselves. For funded pension obligations, full coverage through plan assets is expected in the long-term; for the short to medium-term, coverage must not be less than 80% in order to avoid legally prescribed benefit curtailments. At the balance sheet date, some pension plans are fully funded, while others are 81% funded. Healthcare plan benefits are exclusively funded by provisions, therefore annual payments to beneficiaries are made out of the company's operating cash flow.

Expected contributions to post-employment benefits plans (including reimbursement rights on the part of the German entity) for 2023 amount to €13,361 thousand.

The maturity analysis for the same type of benefits is as follows:

(thousands of euro)	**Pension Plans**	**Healthcare plans**	**Employee severance indemnities**
Year 2024	31,308	5,942	899
Year 2025	29,135	5,597	829
Year 2026	29,281	5,633	920
Year 2027	29,559	5,698	584
Year 2028	29,270	5,647	812
Year 2029-2033	146,634	26,821	4,865
	295,187	**55,338**	**8,909**

In addition to forecasts of mortality and employee turnover based on current statistical insight, post-employment benefits and other long-term benefits are computed according to the following main actuarial assumptions, identified on the basis of independent sources that are constant over time:

	2023						2022					
(in %)	***ITA***	***GER***	***LUX***	***NLD***	***USA***	***RUS***	***ITA***	***GER***	***LUX***	***NLD***	***USA***	***RUS***
Pension plans discount rate	3.1	3.2	3.2	3.5	5.1	11.8	3.8	3.7	3.7	4.3	5.5	9.9
Salary growth rate	2.7	2.8	2.8	2.5	4.5	6.8	3.2	2.8	2.8	2.5	4.2	6.8
Pension growth rate	-	2.3	-	-	-	4.8	-	2.3	-	-	-	4.8
Healthcare discount rate	-	-	-	-	5.0	-	-	-	-	-	5.4	-
Medical cost growth rate	-	2.3	-	-	6.3	-	-	2.3	-	-	6.5	-

The assumptions listed above reflect the current economic period, characterized by rising interest rates in the major economies in which the group operates, and/or realistic expectations in each territory. The discount rate adopted is the rate applicable at the end of the reporting period for high quality fixed-interest securities or for corporate bonds with a term corresponding to the respective obligations for employee benefits.

The sensitivity of the defined benefit obligation to changes in the main assumptions is presented here below:

(thousands of euro)		**Pension Plans**	**Healthcare plans**	**Employee severance indemnities**
Salary growth rate				
	Increase 1%	4,414	-	-
	Decrease 1%	(5,099)	-	-
Discount rate				
	Increase 1%	(49,648)	(4,881)	(886)
	Decrease 1%	60,907	5,680	518
Pension growth rate				
	Increase 1%	13,096	-	-
	Decrease 1%	(21,017)	-	-
Medical cost growth rate				
	Increase 1%	-	3,356	-
	Decrease 1%	-	(2,969)	-
Mortality				
	Increase 1%	12,208	194	-
	Decrease 1%	(12,730)	(179)	-

39. PROVISIONS FOR LIABILITIES AND CHARGES

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2023	59,688	6,710	5,734	68,816	140,948
Additional provisions	7,040	-	3,561	16,332	26,933
Discount unwinding	4,571	-	-	-	4,571
Unused amounts released	(2,667)	-	(334)	(1,795)	(4,796)
Used during the year	(2,125)	-	(1,272)	(53,694)	(57,091)
Exchange differences	(728)	527	(17)	(289)	(507)
Reclassifications	(1,855)	-	-	(856)	(2,711)
Change in scope of consolidation	-	-	1	12	13
Other changes	1,685	-	-	-	1,685
At 31 December 2023	**65,609**	**7,237**	**7,673**	**28,526**	**109,045**

Total provisions can be analyzed as follows:

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
Non-current	63,348	-	3,000	17,472	83,820
Current	2,261	7,237	4,673	11,054	25,225
	65,609	**7,237**	**7,673**	**28,526**	**109,045**

The environmental risks and quarry restoration provision includes the obligations for site reclamation, which are applicable to the locations where the extraction of raw materials takes place and for the fulfillment of requirements concerning quarries, safety, health and environment. Movements during the period include a provision of €6,158 thousand.

The provision for tax risks amounts to €6,721 thousand and reflects the probable liabilities following assessments and disputes over indirect and property taxes.

The column other risks includes the provision for CO_2 emission rights for €5,866 thousand, which encompasses the liabilities deriving from emissions greater than the free allocations, to be fulfilled by purchasing the rights on the market. Changes during the period can be summarized as follows: an allowance of €6,241 thousand corresponding to the estimated deficit for 2023 and uses of €44,236 thousand matching the emission rights consumed in 2022 and surrendered to the competent authority.

The same column other risks includes the amounts set aside by the individual consolidated entities in connection with miscellaneous contractual and commercial litigations and disputes, among which are restructuring costs for €2,864 thousand and workers compensation claims not covered by insurance for €17,476 thousand, such as indemnities paid to employees and compensation in case of accidents. The additions include €7,540 thousand for workers compensation claims not covered by insurance, against uses for the same reason of €6,436 thousand.

40. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Net deferred tax liability consists of deferred tax liabilities, net of deferred tax assets, which have been offset, where possible, by the individual consolidated companies.

The net balance may be analyzed as follows:

(thousands of euro)	2023	2022
Deferred income tax assets:		
To be recovered after more than 12 months	(190,025)	(162,731)
To be recovered within 12 months	(27,371)	(23,377)
	(217,396)	(186,108)
Deferred income tax liabilities:		
To be settled after more than 12 months	483,858	501,275
To be settled within 12 months	21,132	21,773
	504,990	523,048
Net deferred income tax liabilities	**287,594**	**336,940**

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities are analyzed as follows:

(thousands of euro)	2023	2022
Deferred income tax assets related to:		
Provisions for liabilities and charges	(13,558)	(12,947)
Trade receivables	(1,511)	(1,900)
Employee benefits	(23,678)	(22,764)
Long-term debt	(8,310)	(6,142)
Property, plant and equipment	(5,545)	(4,882)
Inventories	(10,061)	(8,430)
Tax loss carryforwards (theoretical benefit)	(123,939)	(76,265)
Other	(50,293)	(75,152)
Total deferred income tax assets	**(236,895)**	**(208,483)**
Valuation allowances	19,499	22,375
Net deferred income tax assets	**(217,396)**	**(186,108)**
Deferred income tax liabilities related to:		
Accelerated depreciation	167,393	168,982
Employee benefits	61	49
Property, plant and equipment	295,914	313,680
Inventories	5,969	7,887
Gains on disposal of fixed assets	789	1,012
Financial assets	2,636	2,611
Other	32,228	28,827
Total deferred income tax liabilities	**504,990**	**523,048**
Net deferred income tax liabilities	**287,594**	**336,940**

The deferred tax liability related to property, plant and equipment refers mainly to the positive differential that in 1999, year of the acquisition, Dyckerhoff allocated to the raw material reserves of Lone Star Industries, following the business combination with this company.

The company recognizes deferred tax liabilities on undistributed profits of associates.
No deferred tax liabilities have been recognized on undistributed earnings of subsidiaries and joint ventures, on which any distribution would result in the payment of related income taxes. These accumulated profits, amounting to approximately €3 billion, do not contribute to the composition of deferred tax liabilities since distribution is unlikely in the foreseeable future.

Deferred tax assets on tax loss carryforwards were maintained within the limits of an updated judgment on their future utilization in the foreseeable future. In this perspective, during the year deferred tax assets on tax loss carryforwards were recognized for an amount of €34,193 thousand relating to Italian companies, while no deferred tax assets were recognized for those previous tax loss for which, at present, their recoverability is not foreseen.

The movement in deferred tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is summarized in the following table:

(thousands of euro)	**2023**	**2022**
At 1 January	336,940	289,164
Income statement charge (credit)	(30,842)	557
Statement of comprehensive income charge (credit)	(4,007)	25,526
Exchange differences	(14,497)	21,693
At 31 December	**287,594**	**336,940**

41. OTHER NON CURRENT LIABILITIES

(number of shares)	2023	2022
Purchase of equity investments	121	2,785
Non-controlling interests in partnerships	1,618	1,660
Payables to personnel	527	317
Financial tax payables	-	95
Other	2,743	2,836
	5,009	**7,693**

In 2022, the caption purchase of equity investments mainly referred to the business combination Seibel & Söhne; in 2023, the final installment as per the agreement was paid.

Other non-current liabilities are all due within five years from the balance sheet date, except for the caption non-controlling interests in partnerships, whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

42. TRADE PAYABLES

(thousands of euro)	2023	2022
Trade payables	313,959	322,775
Other trade payables:		
To associates	1,770	1,518
	315,729	**324,293**

Trade payables are non-interest-bearing and are generally due within 90 days.

43. INCOME TAX PAYABLES

This item reflects current income tax liabilities, net of advances, withholdings and tax credits.

44. OTHER PAYABLES

(thousands of euro)	2023	2022
Advances	6,441	6,673
Purchase of equity investments	-	141
Payables to social security institutions	17,836	16,203
Payables to personnel	45,566	35,209
Payables to customers	7,206	9,920
Deferred interest income	7	20
Other accrued expenses and deferred income	10,331	9,261
Tax payables	18,992	16,926
Financial tax payables	17,065	14,452
Other	12,900	12,027
	136,344	**120,832**

Payables to customers are represented by contractual liabilities, namely short-term advances received following the sale of products and by the volume rebates settled in a separate transaction with the customer.

Deferred income relates to operating revenues pertaining to the following period.

The caption tax payables includes the credit balance of periodic value added tax for €6,263 thousand (2022: €5,494 thousand).

Financial tax payables mainly relate to the pending litigation with the municipality of Guidonia (Rome) regarding Italian property taxes (ICI and IMU) (note 49).

45. CASH GENERATED FROM OPERATIONS

(thousands of euro)	2023	2022
Profit before tax	**1,140,869**	**589,296**
Adjustments for:		
Depreciation and amortization	248,237	259,252
Impairment charges	10,188	129,648
Equity in earnings of associates and joint ventures	(161,236)	(117,551)
Gains on disposal of fixed assets	(14,150)	(7,203)
Net change in provisions and employee benefits	(55,485)	(17,328)
Net finance costs	5,398	23,128
Other non-cash movements	32	1,759
Changes in operating assets and liabilities:		
Inventories	(91,882)	(220,449)
Trade and other receivables	(20,035)	(94,423)
Trade and other payables	(12,258)	29,306
Cash generated from operations	**1,049,678**	**575,435**

46. FINANCING ACTIVITIES

The variations in the items included in the financing activities of the cash flow statement are detailed as follows:

			Cash			Non-cash			
(thousands of euro)	**Note**	**Beg balance**	**Proceeds**	**Repay-ment**	**Accruals**	**Exchange differen-ces**	**Fair value**	**Other**	**Ending balance**
Long-term debt									
Unsecured term loans	37	608,150	-	(376)	-	(4,395)	323	(265,005)	338,697
		608,150	**-**	**(376)**	**-**	**(4,395)**	**323**	**(265,005)**	**338,697**
Current portion of long-term debt									
Senior notes and bonds	37	499,907	-	(500,000)	-	-	93	-	-
Unsecured term loans	37	94,121	-	(95,085)	-	1,139	46	265,005	265,226
		594,028	**-**	**(595,085)**	**-**	**1,139**	**139**	**265,005**	**265,226**
Total from Statement of Cash Flows		**-**	**-**	**(595,461)**	**-**	**-**	**-**	**-**	**-**
Short-term debt									
Accrued interest expense	37	12,544	-	(12,544)	12,540	-	-	(7,575)	4,965
		12,544	**-**	**(12,544)**	**12,540**	**-**	**-**	**(7,575)**	**4,965**
Total from Statement of Cash Flows		**-**	**-**	**(4)**	**-**	**-**	**-**	**-**	**-**
Lease liabilities									
Lease liabilities	20	58,132	19,719	-		(3,492)	1,062	(18,844)	56,577
Current portion of lease liabilities	20	20,260	3,486	(24,585)		(451)	2,097	18,844	19,651
		78,392	**23,205**	**(24,585)**	**-**	**(3,943)**	**3,159**	**-**	**76,228**
Total from Statement of Cash Flows		**-**	**-**	**(21,426)**	**-**	**-**	**-**	**-**	**-**
Non-current financial liabilities									
Others	41	6,470	-	(34)	(4,192)	-	-	1,158	3,402
Total from Statement of Cash Flows		**-**	**-**	**(4,226)**	**-**	**-**	**-**	**-**	**-**
Changes in ownership interests without loss of control		**-**	**-**	**(1,586)**	**-**	**-**	**-**	**-**	**-**
Dividends paid to owners of the company	**47**	**-**	**-**	**(83,309)**	**-**	**-**	**-**	**-**	**-**
Dividends paid to non-controlling interests		**-**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**

47. DIVIDENDS

Dividends declared by the shareholders' meeting in 2023 and 2022 were respectively €83,309 thousand (45 eurocent per share,) and €74,053 thousand (40 eurocent per share).

As for the year ended 31 December 2023 the board of directors is proposing to the Annual General Meeting of 9 May 2024 a dividend of 60 eurocents per share. Therefore, expected dividend distribution amounts to a total of €111,079 thousand. These financial statements do not reflect such payable to the shareholders.

48. COMMITMENTS

(thousands of euro)	**2023**	**2022**
Guarantees granted	27,242	34,601
Other commitments and guarantees	113,365	74,011
	140,607	**108,612**

Guarantees granted include commitments toward banks in favor of investee companies, including an amount of €21,734 thousand for loans granted to the associate Nacional Cimentos Participações SA.

Capital expenditure contracted for at the balance sheet date to acquire property, plant and equipment amounts to €113,365 thousand (2022: €44,703 thousand). It can be basically traced back to different modernization projects in the United States (€64,683 thousand), Germany (€17,530 thousand), Italy (€15,932 thousand), Luxembourg (€2,494 thousand), Russia (€6,557 thousand), Ukraine (€574 thousand), the Czech Republic (€4,851 thousand) and Poland (€743 thousand).

The total of future minimum payments due on short-term operating lease contracts, low-value assets and other contracts outside the scope of IFRS 16 (mainly represented by leasing of quarry land and railcars) can be broken down as follows:

(thousands of euro)	**2023**	**2022**
Within 1 year	4,953	3,612
Between 1 and 5 years	9,420	8,549
Over 5 years	31,248	32,427
	45,621	**44,588**

49. LEGAL CLAIMS AND CONTINGENCIES

Buzzi is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, health, safety, product liability, taxation and competition. Consequently, there are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict in a precise way the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group's financial condition. Instead, when it is likely that an outflow of resources is required to settle obligations and the amount can be reliably estimated, the group recognizes specific provisions for this purpose.

Fiscal

In 2016 the company was subject to audit by the Revenue Service for the year 2012 and controls on subsequent years (from 2013 to 2016). The Revenue Service followed-up in December 2017, December 2018 and July 2019 by notifying assessment notices relating to the 2012, 2013, 2014, 2015 and 2016 financial years, containing remarks on the corporate income tax (IRES) and the regional tax on production activities (IRAP). The greater taxable amount contested in the notices of assessment mainly refers to the failure to charge a royalty to Buzzi's foreign subsidiaries in the USA and Germany for the use of the corporate logo. For IRES and IRAP purposes, the higher taxable amount established for the five years totals approximately €77.6 million. For IRES purposes, for all five years the declared tax loss is higher than the disputed amounts, therefore no higher IRES, interest or penalties are due. On the other hand, for IRAP purposes, the assessment entails a request, only for the years 2012, 2013 and 2014, for higher taxes and related penalties as well as interest for approximately €2.0 million. For the years 2015 and 2016 the declared negative taxable amount is higher than the disputed amounts, therefore for these financial years no higher IRAP, interests and penalties are due. The company has filed an appeal against all the assessment notices (years 2012, 2013, 2014, 2015 and 2016) and requested the initiation of the 'mutual agreement procedure' (MAP) provided for in the treaties in force with the Countries involved, considering that the defense elements are well-grounded and sound and the risk of losing is remote.
Following the conclusion of the 'mutual agreement procedure' (MAP) with the United States for all the years subject to the dispute, the Revenue Service on 26 November 2021 communicated that the competent Italian and US authorities agreed to redetermine the adjustments by the Italian tax administration to a significantly more favorable extent than the remarks made during the assessment, with a partial recognition of this adjustment by the US authority. The company decided to accept this agreement, but its execution with the United States will be carried out at the conclusion of the mutual agreement procedure still in place on the same issues with Germany. The company, therefore, set aside the higher tax deriving from the acceptance of the agreement with the United States (approximately €185 thousand) to provision for risks and charges, while maintaining the registration, made in previous years, of the receivable for the sums paid on a provisional basis pending judgment, until the final conclusion of the dispute. The company subsequently received requests for information for the 2017 and 2018 fiscal years too. For 2017, a contradictory procedure was initiated in advance.

Between 2015 and 2023 the municipality of Guidonia Montecelio (Rome) notified Buzzi some notices of assessment related to higher ICI/IMU and TASI, besides penalties and interests, regarding the years from 2008 to 2022 for a total amount of approximately €30.5 million. The municipality bases its request on the assumption that the land belonging to Buzzi which is used to quarry raw materials can be comparable, for the purpose of local property taxes, to land for development. Considering this request as incorrect and, subordinately, that the market values of the aforementioned properties used as a reference for the calculation of the tax are completely unfair, the company challenged all the tax deeds received before the competent Tax Courts of Justice. The Tax Court of First Instance of Rome and Regional Court of Second Instance of Lazio have filed several unfavorable judgments to the company, that Buzzi, considering that it has valid reasons, challenged. In this regard, the first rulings of the Court of Cassation have recently been issued, and the outcome was partially positive. The cases were referred to the

Second-Level Tax Court to determine the actual market value of all the lands, and only the penalty for failure to declare was applied, with the legal concept of cumulative penalties for continuous offenses being acknowledged. With reference to some of the years for which Buzzi was losing at the outcome of the first or the second instance judgment, the municipality ordered the provisional payment of an amount of approximately €4.9 million, which the company paid in full, as well as of an amount of approximately €3.1 million which was partly not due as a result of the judgment at second instance. In any case, Buzzi will request the reimbursement of the amounts paid on a provisional basis which, following the respective appeal proceedings, were not or will not be due. The company fully recorded the higher taxes in the balance sheet, with the related interest and penalties, for all the years in which the appeals were rejected at first instance. The company, finally, keeps in the balance sheet the amounts requested always by the Municipality of Guidonia Montecelio (Rome) with eight more executive notices of assessment for IMU (from 2017 to 2022) and TASI (from 2017 to 2019) notified in 2022 and in 2023 (for a total of approximately €9 million).

Antitrust
As regards the antitrust fine of €59.8 million imposed on 7 August 2017 on Buzzi and other cement companies for having created an alleged anti-competitive agreement, which lasted from June 2011 until January 2016, it should be pointed out that, on 21 December 2023, the European Court of Human Rights (ECHR) declared as inadmissible the appeal for the request for compensation presented by Buzzi on 22 May 2020; the Court's decision is final and cannot be subject to further appeals. In relation to the actions sanctioned by the Italian Antitrust Authority, Buzzi has received several letters requesting compensation, to which it has always replied rejecting all charges. To date, the company has also received acts of summons to compensate for damages as a result of the alleged overcharge paid following the agreement sanctioned by the Italian Antitrust Authority, for a total amount of approximately €27 million, in addition to two summons (relating to a plurality of plaintiffs) for a total of approximately €87 million, of which about €10 million directly attributable to Buzzi. On 8 March 2024, the company received another summons relating to a plurality of plaintiffs for a total amount of approximately €22 million, jointly with other cement companies. A verification of the sales directly attributable to Buzzi is currently underway. The company, as mentioned, believes that it has acted in full compliance with antitrust regulations and has therefore appealed before the court to prove its non-involvement in any violation.

Against the decision of the Antitrust Authority of Poland concluded by imposing sanctions on 6 producers, including the subsidiary Dyckerhoff Polska, for an amount of approximately €15 million, an appeal was filed before the Regional Court of Warsaw which ruled in December 2013 reducing the fine to approximately €12.3 million. Dyckerhoff Polska appealed against the recalculation of the penalty. The Court of Appeal, following a procedure of consultation with the Polish Constitutional Court, summarized the proceeding in January 2018 and in the hearing of 27 March 2018 decided to further reduce the fine to approximately €7.5 million, which have been fully paid. The company, once the motivations for the judgment had been acquired, decided to challenge the decision before the Supreme Court. On 29 July 2020, the Supreme Court cancelled the decision of the Court of Appeal and referred the case back to the same Court for a reconsideration of the sanction. As a result of this decision, the penalty paid was reimbursed to the company, but based on the motivations of the Supreme Court, it is likely that a new penalty for a similar amount will be imposed. The company has therefore recorded a provision equal to the reimbursed penalty in the financial statements. On 21 May 2021, the Court of Appeal decided to refer the proceedings to the Warsaw Regional Court for further investigation. The decision was appealed by the Polish Antitrust Authority and then deferred by decision of 15 March 2023 to the European Court of Justice for the assessment of a dispute by Cemex Poland on the composition of the Court itself.

Environmental

As regards the measures adopted for the remediation of the Augusta (Siracusa) roadstead, the land areas and the respective underneath aquifers, Buzzi in the past has been involved in a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – and the Administrative Justice Council of Sicily (CGARS) against the former Ministry for Environment, Land and Sea Protection and various public and private entities which were later closed due to lack of interest following the favorable rulings obtained. In particular, the TAR of Sicily, Catania, with judgment dated 11 September 2012, not appealed by the Ministry, acknowledged that the company was not involved at all in the pollution of the Augusta roadstead and, on the basis of this ruling, at the end of 2017 the Ministry warned the other companies operating on the Augusta roadstead, with the exception of Buzzi, to clean up the roadstead.

Furthermore the CGARS, with sentence of 15 November 2018, established the need to correctly re-determine the responsibilities of the companies operating on the Augusta roadstead, making reference to the various positions, including that of Buzzi. Also following this judgement, no further involvement of the company followed in relation to the remediation of the roadstead, with respect to which the absence of a causal link with the production cycle of the Augusta cement plant seems to be consolidated. Any potential critical issues seem therefore to be limited to Buzzi's involvement in the remediation of the land areas and the aquifer, about which the company has carried out on its own, qualifying itself as the guiltless owner of the contamination, the procedural formalities aimed at the characterization, risk analysis and remediation and/or permanent safety enhancement of land areas and the portions of the aquifer concerned. These obligations, on which the Ministry of the Environment has expressed a positive opinion, with prescriptions, also through decision-making meetings, which the company has not contested, are in progress without any new relevant critical issue emerging during the monitoring activities.

Waiting for the developments related to the above actions, in consideration of the fact that Buzzi has so far voluntarily taken care of the remediation process, and that no specific requests from the Public Administration have emerged in recent years, it has been decided to maintain a provision for risks of €1.5 million.

In the United States of America, numerous lawsuits and claims exist that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing or asbestos-containing materials sold or distributed by the company or its subsidiaries in the past and used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties' responsibilities and cost shares for these liabilities until amended or terminated in accordance with their terms. LSI and the insurance carriers are in the process of negotiating amendments to the settlement agreements. The insurance carriers continue to follow the settlement agreements and no carrier has provided notice of termination. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and timing of any losses. In addition, LSI has exhausted coverage under certain insurance policies. The company however maintains a provision for amounts not expected to be covered by insurance.

Other legal proceedings

Our Luxembourg subsidiary Cimalux SA has been sued by the the bankruptcy trustee of an investment sold in December 2008 for €0.5 million as part of the sale price paid to our subsidiary. The request, also made against the notary who had drawn up the sale contract in 2008, is based on the alleged nullity of the sale contract as it was concluded during the insolvency dispute period. The Court of First Instance rejected the request against Cimalux, but accepted the request against the notary who appealed against this decision. The bankruptcy trustee also filed an appeal. Cimalux will continue to defend itself in the proceeding and does not expect a negative impact on the financial statements.

50. RELATED PARTY TRANSACTIONS

The company assembles the professional skills, the human resources and the equipment that make it possible to provide assistance to other subsidiaries and associates.

Buzzi SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of both the sale and purchase of finished goods, semi-finished products, raw materials to entities operating in the business of cement and ready-mix concrete. Furthermore, the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties and services are rendered on a cost-plus basis. There are also some transactions of financial nature with investee and parent companies; equally, they have normal terms and interest rate conditions.

The relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with significant voting power in Fimedi SpA, consists in the rendering of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts.

The company and its Italian subsidiaries Unical SpA, Testi Cementi Srl and Buzzi Unicem Srl are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the corresponding year-end balances:

(thousands of euro)	2023	in % of reported balance	2022	in % of reported balance
Sales of goods and services:	66,861	1.5	64,310	1.6
associates and unconsolidated subsidiaries	40,971		38,231	
joint ventures	25,792		25,990	
parent companies	29		26	
other related parties	69		63	
Purchases of goods and services:	92,485	3.6	96,103	3.6
associates and unconsolidated subsidiaries	90,819		94,305	
joint ventures	1,009		1,140	
other related parties	657		658	
Finance revenues:	3,933	4.0	4,123	3.3
associates and unconsolidated subsidiaries	21		-	
joint ventures	3,912		4,123	
Trade receivables:	19,299	3.4	14,251	2.6
associates and unconsolidated subsidiaries	10,119		7,997	
joint ventures	9,060		6,162	
parent companies	35		32	
other related parties	85		60	
Loans receivable:	222,685	93.1	230,020	95.9
associates and unconsolidated subsidiaries	2,868		2,289	
joint ventures	219,817		227,731	
Other receivables:	34,213	12.2	12,387	10.2
associates and unconsolidated subsidiaries	163		1,217	
joint ventures	797		785	
parent companies	33,253		10,385	
Trade payables:	6,250	2.0	6,172	1.9
associates and unconsolidated subsidiaries	6,162		6,063	
joint ventures	88		100	
other related parties	-		9	
Loans payable:	-	-	4,999	34.2
parent companies	-		4,999	
Other payables:	23,955	16.9	-	-
associates and unconsolidated subsidiaries	1		-	
parent companies	23,954		-	
Guarantees granted:	23,035		30,611	
joint ventures	23,035		30,611	

Key management includes the directors of the company (executive or not) and the statutory auditors. As a consequence of the new operational and organizational structure of the company and the group, the Board of Directors, on 3 August 2023, identified the new key management in the Chief Executive Officer (CEO), the General Manager and the Chief Technology Officer (CTO).

The compensation paid or payable to key management for employee services, not included in the previous table, is shown below:

(thousands of euro)	2023	2022
Salaries and other short-term employee benefits	4,210	4,706
Post-employments benefits	741	939
	4,951	**5,645**

For a complete and detailed description of the consideration paid to directors, please refer to the Report on remuneration policy and compensation paid, available at the company's headquarters and website.

51. TRANSPARENCY REQUIREMENTS

The law 124/2017 art. 1, paragraphs 125-129, as modified by the law 58/2019, art. 35, introduced some new disclosure requirements regarding the transparency of public funds received not of a general nature and without consideration, remuneration or compensation nature. In particular, for companies, the legislation requires the publication in the notes to the financial statements of all the economic benefits, of an amount equal to or greater than €10,000, received from public resources.

Subsequently, the law 12/2019, art. 3 quater, paragraph 2, with the aim of simplifying the disclosure requirements foreseen for the companies benefiting from the subsidies, provided that the recording of state and de minimis aids in the National State Aid Register, referred to in article 52 of the law 234/2012, replaces the duty to indicate them in the notes to the financial statements, asking the beneficiaries to simply declare the existence of such aids in the aforementioned Register.

It should be noted that Buzzi meets the requirements of the Ministerial Decree of 21 December 2017 containing "Provisions regarding the reduction of tariffs to cover the general system charges for energy-intensive companies", as well as those provided for by the Authority Resolution 921/2017/R/eel as subsequently amended.

For the purposes of transparency and control of State aid, CSEA as providing entity will register the concessions granted in application of the Ministerial Decree into the National State Aid Register, to which reference should therefore be made for the information required by the regulation:
https://www.rna.gov.it/RegistroNazionaleTrasparenza/faces/pages/TrasparenzaAiuto.jspx.

In addition to what is indicated in the National State Aid Register, "Transparency" section, the following additional grants have been received:

Paying entity (thousands of euro)	Amount of the economic benefit granted	Description of the kind of benefit granted
Eni Fuel SpA	33	Reimbursement of excise duties on diesel for industrial use
Cuneo (IT) Customs Agency	41	Reimbursement of excise duties on diesel for industrial use
Bari-Siracusa (IT) Customs Agency	131	Reimbursement of excise duties on diesel for industrial use
INAIL Istituto Nazionale per l'Assicurazione contro gli Infortuni sul lavoro - Pubbliche amministrazioni IPA	93	INAIL - reduction of the insurance premium for prevention/training

52. OTHER INFORMATION

Material non-recurring events and transactions

As stated in the review of operations, the year ended 31 December 2023 was affected by material non-recurring events and transactions – as defined in Consob Communication no. DEM/6064293 of 28 July 2006 – with a net positive impact on EBITDA equal to €5,928 thousand.

Atypical and/or unusual transactions

Please note that Buzzi did not carry out atypical and/or unusual transactions during the year ended 31 December 2023, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Net financial position

The Group's net financial position as at 31 December 2023 is as follows:

(thousands of euro)	**2023**	**2022**
Cash and short-term financial assets:		
Cash and cash equivalents	1,120,712	1,341,488
Other current financial receivables	150,429	8,194
Short-term financial liabilities:		
Current portion of long-term debt	(265,226)	(594,028)
Current portion of lease liabilities	(19,651)	(20,260)
Short-term debt	(4,965)	(12,544)
Other current financial liabilities	(17,072)	(15,314)
Net short-term cash	**964,227**	**707,536**
Long-term financial liabilities:		
Long-term debt	(338,697)	(608,150)
Lease liabilities	(56,577)	(58,132)
Derivative financial instruments	(4,787)	-
Other non-current financial liabilities	(121)	(2,880)
Net debt	**564,045**	**38,374**
Long-term financial assets:		
Derivative financial instruments	-	11,031
Other non-current financial receivables	233,918	238,794
Net financial position	**797,963**	**288,199**

The net debt is in line with the guidelines issued by ESMA and adopted by Consob with Warning Notice No. 5/21 dated 29 April 2021.

Components of net debt

Set out below is the reconciliation of those net debt components not directly inferable from the line items in the balance sheet scheme.

(thousands of euro)	Note	2023	2022
Other current financial receivables		**150,429**	**8,194**
Receivables from unconsolidated subsidiaries and associates	29	2,680	3,135
Loans to customers	29	-	73
Loans to third parties and leasing	29	334	394
Accrued interest income	29	6,214	2,150
Current financial assets	29	141,201	2,442
Other current financial payables		**(17,072)**	**(15,314)**
Purchase of equity investments	44	-	(141)
Financial tax payables	44	(17,065)	(14,452)
Other financial payables	44	-	(701)
Deferred interest income	44	(7)	(20)
Other non-current financial receivables		**233,918**	**238,794**
Loans to third parties and leasing	26	4,404	2,074
Loans to associates and joint ventures	26	220,005	226,890
Loans to customers	26	9,509	9,830
Other non-current financial payables		**(121)**	**(2,880)**
Purchase of equity investments	41	(121)	(2,785)
Financial tax payables	41	-	(95)

54. EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the reference date of the financial statements, except for the purchase of land for €27,513 thousand in the United States, concluded in February 2024. This is an important raw material reserve, next to the current quarry of the cement plant in Cape Girardeau, MO.

As far as the trading outlook is concerned, reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 28 March 2024

On behalf of the Board of Directors

Chairman
Veronica Buzzi

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis					
Buzzi SpA	Casale Monferrato (AL)	EUR	123,636,659		
Buzzi Unicem Srl	Casale Monferrato (AL)	EUR	120,000,000	Buzzi SpA	100.00
Unical SpA	Casale Monferrato (AL)	EUR	130,235,000	Buzzi SpA	100.00
Dyckerhoff GmbH	Wiesbaden DE	EUR	105,639,816	Buzzi SpA	100.00
Alamo Cement Company	San Antonio US	USD	200,000	Buzzi SpA	100.00
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi SpA Dyckerhoff GmbH	51,50 48,50
Buzzi Unicem Algérie Sàrl i. L.	Ouled Fayet - Alger DZ	DZD	3,000,000	Buzzi SpA	70.00
Fanna Cementi Srl	Casale Monferrato (AL)	EUR	10,000	Buzzi Unicem Srl	100.00
Testi Cementi Srl	Casale Monferrato (AL)	EUR	1,000,000	Buzzi Unicem Srl	100.00
Falconeria Srl	Casale Monferrato (AL)	EUR	50,000	Buzzi Unicem Srl	100.00
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	18,000,000	Dyckerhoff GmbH	100.00
GfBB prüftechnik GmbH & Co. KG	Flörsheim DE	EUR	50,000	Dyckerhoff GmbH	100.00
Dyckerhoff Basal Nederland BV	Nieuwegein NL	EUR	18,002	Dyckerhoff GmbH	100.00
Cimalux SA	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff GmbH	98.43
Dyckerhoff Polska Sp zoo	Nowiny PL	PLN	70,000,000	Dyckerhoff GmbH	100.00
Cement Hranice as	Hranice CZ	CZK	510,219,300	Dyckerhoff GmbH	100.00
ZAPA beton as	Praha CZ	CZK	300,200,000	Dyckerhoff GmbH	100.00
OOO SLK Cement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff GmbH	100.00
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff GmbH	100.00
PRAT Dyckerhoff Cement Ukraine	Kyiv UA	UAH	7,917,372	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99,98 0,02
Dyckerhoff Gravières et Sablières Seltz SAS	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Trebur GmbH & Co. KG	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Leubingen GmbH	Erfurt DE	EUR	101,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)					
Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	Neuwied DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	70.97
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67
Dyckerhoff Basal Toeslagstoffen BV	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Nederland BV	100.00
Dyckerhoff Basal Betonmortel BV	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland BV	100.00
Béton du Ried SAS	Krautergersheim FR	EUR	500,000	Cimalux SA	100.00
ZAPA beton SK sro	Bratislava SK	EUR	11,859,396	ZAPA beton as Cement Hranice as	99,97 0,03
OOO CemTrans	Suchoi Log RU	RUB	185,000,000	OOO SLK Cement	100.00
OOO "DYLOG"	Suchoi Log RU	RUB	259,100,000	OOO SLK Cement	100.00
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00
Lone Star Industries Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Company LLC	Wilmington US	USD	n/a	RC Lonestar Inc.	100.00
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55
MegaMix Basal BV	Nieuwegein NL	EUR	27,228	Dyckerhoff Basal Betonmortel BV	100.00
Friesland Beton Heerenveen BV	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel BV	100.00
Betonmortel Centrale Groningen (B.C.G.) BV	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel BV	66.03
ZAPA beton HUNGÁRIA kft	Zsujta HU	HUF	6,000,000	ZAPA beton SK sro	100.00
Buzzi Unicem Ready Mix, LLC	Nashville US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX Transportation, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
Utah Portland Quarries Inc.	Salt Lake City US	USD	378,900	Lone Star Industries Inc.	100.00
Rosebud Real Properties Inc.	Wilmington US	USD	100	Lone Star Industries Inc.	100.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in joint ventures valued by the equity method					
Fresit BV	Amsterdam NL	EUR	6,795,000	Buzzi SpA	50.00
Presa International BV	Amsterdam NL	EUR	7,900,000	Buzzi SpA	50.00
Nacional Cimentos Participações SA	Recife BR	BRL	873,072,223	Buzzi SpA	50.00
Cementi Moccia SpA	Napoli	EUR	7,398,300	Buzzi Unicem Srl	50.00
E.L.M.A. Srl	Sinalunga (SI)	EUR	15,000	Unical SpA	50.00
Nacional Empreendimentos SA	Recife BR	BRL	33,600,055	Nacional Cimentos Participações SA	100.00
Mineração Bacupari SA	Recife BR	BRL	29,551,458	Nacional Cimentos Participações SA	100.00
Companhia Nacional de Cimento - CNC	Recife BR	BRL	649,939,076	Nacional Cimentos Participações SA	100.00
Agroindustrial Delta de Minas SA	Recife BR	BRL	14,158,557	Nacional Cimentos Participações SA	100.00
Nacional Cimentos Paraíba SA	Recife BR	BRL	265,303,765	Nacional Cimentos Participações SA	100.00
CCS Cimento de Sergipe SA	Aracaju BR	BRL	3,281,245	Nacional Cimentos Participações SA	100.00
Mineração Delta de Sergipe SA	Aracaju BR	BRL	527,939	Nacional Cimentos Participações SA	100.00
Mineração Delta do Paraná SA	Recife BR	BRL	5,464,139	Nacional Cimentos Participações SA	100.00
Agroindustrial Árvore Alta SA	Recife BR	BRL	673,000	Nacional Cimentos Participações SA	100.00
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00
ZAPA UNISTAV sro	Brno CZ	CZK	20,000,000	ZAPA beton as	50.00
EKO ZAPA beton sro	Praha CZ	CZK	1,008,000	ZAPA beton as	50.00
Corporación Moctezuma, SAB de CV	Mexico MX	MXN	171,376,652	Fresit BV Presa International BV	51,51 15,16
Cantagalo Empreendimentos SA	Recife BR	BRL	248,268	Nacional Empreendimentos SA	100.00
Delta de Arcos SA	Recife BR	BRL	466,668	Nacional Empreendimentos SA	100.00
Delta de Matozinhos SA	Recife BR	BRL	1,314,836	Nacional Empreendimentos SA	100.00
CCA Holding SA	Belo Horizonte BR	BRL	909,525,105	Companhia Nacional de Cimento - CNC	100.00
CCP Holding SA	Recife BR	BRL	288,216,389	Nacional Cimentos Paraíba SA	85.00
Delta da Paraíba SA	Recife BR	BRL	19,352,808	Nacional Cimentos Paraíba SA	85.00
Ravenswaarden BV	Zutphen NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen BV	50.00
Eljo Holding BV	Groningen NL	EUR	45,378	Dyckerhoff Basal Betonmortel BV	50.00
Megamix-Randstad BV	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel BV	50.00
Cementos Moctezuma, SA de CV	Mexico MX	MXN	2,421,712,753	Corporación Moctezuma, SAB de CV	100.00
Companhia de Cimento Campeão Alvorada – CCA	Belo Horizonte BR	BRL	868,331,350	CCA Holding SA	100.00
Companhia de Cimento da Paraíba - CCP	Recife BR	BRL	315,676,175	CCP Holding SA	100.00
Mineração Nacional SA	Recife BR	BRL	16,369,893	CCP Holding SA	100.00
Maquinaria y Canteras del Centro, SA de CV	Mexico MX	MXN	19,597,565	Cementos Moctezuma, SA de CV	51.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in associates valued by the equity method					
Hinfra Srl	Casale Monferrato (AL)	EUR	10,000	Buzzi SpA	60.00
Société des Ciments de Sour El Ghozlane EPE SpA	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi SpA	35.00
Société des Ciments de Hadjar Soud EPE SpA	Azzaba DZ	DZD	1,550,000,000	Buzzi SpA	35.00
Laterlite SpA	Solignano (PR)	EUR	22,500,000	Buzzi SpA	33.33
Salonit Anhovo Gradbeni Materiali dd	Anhovo SL	EUR	36,818,921	Buzzi SpA	25.00
Alpacem Cementi Italia SpA	San Vito al Tagliamento (PN)	EUR	2,000,000	Buzzi SpA	25.00
Calcestruzzi Faure Srl	Salbertrand (TO)	EUR	53,560	Unical SpA	24.00
Edilcave Srl	Villar Focchiardo (TO)	EUR	72,800	Unical SpA	20.00
Warsteiner Kalksteinmehl GmbH & Co. KG i. L.	Warstein DE	EUR	51,129	Dyckerhoff GmbH	50.00
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH i. L.	Warstein DE	EUR	25,600	Dyckerhoff GmbH	50.00
CI4C GmbH & Co. KG	Heidenheim an der Brenz DE	EUR	40,000	Dyckerhoff GmbH	25.00
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff GmbH	25.00
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff GmbH	24.90
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR	10,000	Dyckerhoff GmbH	24.90
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59
BLD Betonlogistik Deutschland GmbH	Rommerskirchen DE	EUR	25,200	Dyckerhoff Beton GmbH & Co. KG	50.00
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00
Transass SA	Schifflange LU	EUR	50,000	Cimalux SA	41.00
SA des Bétons Frais	Schifflange LU	EUR	2,500,000	Cimalux SA	41.00
Bétons Feidt SA	Luxembourg LU	EUR	2,500,000	Cimalux SA	30.00
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company	20.00
BLRP Betonlogistik Rheinland-Pfalz GmbH	Rommerskirchen DE	EUR	25,000	Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	50.00
BLN Beton Logistiek Nederland BV	Heteren NL	EUR	26,000	Dyckerhoff Basal Betonmortel BV	50.00
Van Zanten Holding BV	Leek NL	EUR	18,151	Dyckerhoff Basal Betonmortel BV	25.00
Louisville Cement Assets Transition Company	West Palm Beach US	USD	n/a	Lone Star Industries Inc.	25.00
Cooperatie Megamix BA	Almere NL	EUR	80,000	MegaMix Basal BV	37.50

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Other investments in subsidiaries at fair value					
GfBB prüftechnik Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff GmbH	100.00
Dyckerhoff Beton Verwaltungs GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff GmbH	100.00
Lieferbeton Odenwald Verwaltungs GmbH	Flörsheim DE	EUR	25,000	Dyckerhoff GmbH	100.00
Dyckerhoff Kieswerk Trebur Verwaltungs GmbH	Trebur-Geinsheim DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
SIBO-Gruppe Verwaltungsgesellschaft mbH	Lengerich DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	100.00
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Neuss DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Beton Rheinland-Pfalz Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	70.97
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Erfurt DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58
Compañia Cubana de Cemento Portland, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Transports Mariel, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Proyectos Industries de Jaruco, SA	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, SA	100.00

For the German partnerships in the legal form of a GmbH & Co. KG consolidated on a line-by-line basis, the exemption according to Article 264b German Commercial Code is applicable.

Information pursuant to article 149-*duodecies* of the CONSOB Regulation for listed companies

The following table, prepared in accordance with article 149-duodecies of the CONSOB Regulation no. 11971/99, reports the amount of the fees charged in 2023 for auditing and services other than auditing provided by the independent auditors and by entities that are part of its network.

(thousands of euro)	**Service provider**	**Service recipient**	**Fees charged in 2023**
Audit	PwC SpA	Parent – Buzzi SpA	121
	PwC SpA	Subsidiaries	169
	Network PwC	Subsidiaries	1,288
Attestation	PwC SpA	Parent – Buzzi SpA (1)	30
	Network PwC	Parent – Buzzi SpA (2)	24
Total			**1,632**

1) Attestation of compliance on consolidated non-financial statement
2) Agreed upon procedures on the annual financial information of the Algerian associates Société des Ciments de Sour El Ghozlane and Société des Ciments de Hadjar Soud;

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

- The undersigned Pietro Buzzi, as Chief Executive Officer, and Elisa Bressan, as Manager responsible for preparing Buzzis financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of the consolidated financial statements during the year 2023:

  - are adequate with respect to the company structure, and
  - have been effectively applied.

- The undersigned also certify that:

  a) the consolidated financial statements

  - have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated 19 July 2002;

  - correspond to the results documented in the books and the accounting records;

  - provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.

  b) the review of operations includes a reliable analysis of operating performance and results, as well as of the situation of the issuer and of the entities included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Casale Monferrato, 28 March 2024

Chief Executive Officer

Pietro Buzzi

Manager responsible
for preparing financial reports

Elisa Bressan

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N. 39 OF 27 JANUARY 2010 AND ARTICLE 10 OF REGULATION (EU) N. 537/2014

BUZZI GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Independent auditor's report

in accordance with article 14 of Legislative Decree N. 39 of 27 January 2010 and article 10 of Regulation (EU) N. 537/2014

To the Shareholders of
Buzzi SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Buzzi group (the "Buzzi Group" or the "Group"), which comprise the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/05.

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 Buzzi SpA (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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Evaluation of the goodwill recoverability *Note 2 of the consolidated financial statements "Summary of material accounting policies" paragraph 2.8 "Intangible assets", paragraph 2.11 "Impairment of non-financial assets" and note 19 of the consolidated financial statements "Goodwill and other intangible assets"* As of 31 December 2023 goodwill amounts to Euro 509 million, of which Euro 76 million refers to the cash generating unit or group of cash generating units ("Cash Generating Unit" or "CGU") named Italy, Euro 40 million to the CGU named United States of America, Euro 130 million to the CGU named Germany, Euro 69 million to the CGU named Luxembourg, Euro 88 million to the CGU named Poland and Euro 106 million to the CGU named Czech Republic/Slovakia. In accordance with the accounting standards and with the impairment procedure approved by the Board of Directors autonomously and in advance with respect to the date of approval of the financial statements (the "Procedure"), management verifies the goodwill recoverability for each identified CGU by comparing the related book value with the estimated recoverable amounts as per the international accounting standard IAS 36 (so-called *impairment test*), annually or when there are indicators that suggest a potential impairment. The recoverable amount of an asset is represented by the higher of its fair value, less costs of disposal, and its related value in use, determined by discounting the future financial flows estimated for that asset. In determining the value in use, the expected future financial flows are discounted using a discount rate that reflects the	We have obtained the valuation models and documentation used by management to identify any impairment loss in accordance with the Procedure and, also through the support of experts belonging to the PwC network, we have carried out the following main audit procedures: • understanding and evaluating of the Procedure and verification of its consistency with the international accounting standard IAS 36, as well as its compliant application; • adequacy assessment of the CGU goodwill allocation and consistency of the same with the Buzzi Group organizational structure, with internal decision-making mechanisms and with management reporting; • analysis of the results of the audits performed by the component auditors; • verification of the models mathematical accuracy; • consistency verification of the cash flows used for the purposes of the impairment test with the economic-financial projections approved by the Board of Directors on 28 March 2024; • evaluation, through discussions and in-depth analysis carried out with management, related to the reasonableness of the main assumptions

current cost of money market, in relation to the investment period and the specific risks of the asset.

Specifically, management carried out the annual impairment test as of 31 December 2023 on all the identified CGU, determining the recoverable amount according to the configuration of the value in use obtained by discounting the CGU forecast data, relating to the five-year period subsequent to the balance sheet date deriving from the 2024-2028 economic and financial projections approved by the Board of Directors on 28 March 2024, to which a terminal value has been added. The key assumptions used to determine the forecast data of the CGU are related to the estimate of turnover, EBITDA, operating cash flows, long-term growth rate and the weighted average cost of capital (discount rate), taking into account past economic-financial performances and future expectations.

Based on the impairment test carried out, for all the CGU identified the recoverable amounts were higher than the book values.

The assessment of the goodwill recoverability was considered a key audit matter of the audit due to the complex estimates underlying the impairment test, such as those relating to prospective cash flows, the variables included in the discount rates and the growth rate to be used for estimating the terminal value after the explicit forecast period.

underlying the determination of the data included in the models, with particular reference to prospective cash flows, also in consideration of historical data, growth and discounting rates used to determine value in use;
- verification of sensitivity analyses on relevant assumptions, with particular reference to future financial flows and their discount rates.

Finally, we have also verified the adequacy and completeness of the information provided in the notes to the consolidated financial statements with respect to the information and data obtained during the audit and with respect to the international accounting standards requirements, with particular reference to the description of the methods used, the main assumptions used and the sensitivity analyses performed.

Other Matters

The consolidated financial statements of the Buzzi Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 4 April 2023.

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

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated 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 Buzzi SpA 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 auditor's 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 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 consolidated 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 Group 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 obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) N. 537/2014

On 12 May 2022, the Shareholders' meeting of Buzzi SpA engaged us to perform the statutory audit of the Company's separate and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Buzzi SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) N. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2023 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree N. 58/98

The directors of Buzzi SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Buzzi Group as of 31 December 2023, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N. 58/98, with the consolidated financial statements of the Buzzi Group as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Buzzi Group as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N. 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.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree N. 254 of 30 December 2016

The directors of Buzzi SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree N. 254 of 30 December 2016. We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree N. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Turin, 15 April 2024

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Statutory financial statements

INCOME STATEMENT

(euro)	Note	2023	of which with related parties	2022	of which with related parties
Net sales	6	**8,316,112**	**8,316,112**	**532,596,300**	**121,742,838**
Changes in inventories of finished goods and work in progress		-	-	16,710,163	-
Other operating income	7	7,477,563	4,799,065	10,004,426	1,194,349
Raw materials, supplies and consumables	8	(528,690)	8,854,981	(294,619,677)	(856,035)
Services	9	(11,200,079)	166,036	(102,498,617)	(955,246)
Staff costs	10	(16,660,955)	(178,794)	(77,389,979)	(353,834)
Other operating expenses	11	(7,696,645)	(62,051)	(19,855,048)	(15,861)
EBITDA		**(20,292,694)**		**64,947,568**	
Depreciation and amortization	12	(1,535,542)	-	(31,962,009)	-
Impairment charges	12	-	-	933,028	-
Operating profit (EBIT)		**(21,828,236)**		**33,918,587**	
Gains on disposal of investments	13	441,360	-	-	-
Finance revenues	14	310,737,571	265,670,228	547,465,734	515,221,030
Finance costs	14	(89,336,675)	(29,207,847)	(74,479,637)	(11,610,955)
Profit before tax		**200,014,020**		**506,904,684**	
Income tax expense	15	38,406,915	-	(17,633,112)	-
Profit for the year		**238,420,935**		**489,271,572**	

STATEMENT OF COMPREHENSIVE INCOME

(euro)	2023	2022
Profit for the year	**238,420,935**	**489,271,572**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	(82,456)	792,336
Income tax relating to items that will not be reclassified	19,789	(217,100)
Total items that will not be reclassified to profit or loss	**(62,667)**	**575,236**
Total items that may be reclassified subsequently to profit or loss	**-**	**-**
Other comprehensive income for the year, net of tax	**(62,667)**	**575,236**
Total comprehensive income for the year	**238,358,268**	**489,846,808**

BALANCE SHEET

(euro)	Note	31.12.2023	of which with related parties	31.12.2022	of which with related parties
Assets					
Non-current assets					
Goodwill	16	-	-	40,500,000	-
Other intangible assets	16	278,490	-	2,068,959	-
Right-of-use assets	17	559,728	-	4,924,630	-
Property, plant and equipment	18	6,895,099	-	240,102,645	-
Investment property	19	2,020,046	-	8,111,611	-
Investments in associates and joint ventures	20	2,825,778,350	-	2,443,588,210	-
Investments in other companies	21	6,635	-	5,495,894	-
Deferred income tax assets	37	59,004,021	-	25,856,396	-
Derivative financial instruments	22	-	-	11,031,159	-
Other non-current assets	23	220,785,699	220,004,525	230,462,776	229,069,181
		3,115,328,068		**3,012,142,280**	
Current assets					
Inventories	24	-	-	140,574,896	-
Trade receivables	25	8,978,222	7,794,986	188,725,614	29,609,459
Other receivables	26	194,995,674	43,050,989	57,454,087	27,451,463
Cash and cash equivalents	27	414,793,990	-	851,095,484	-
		618,767,886		**1,237,850,081**	
Assets held for sale	28	911,151	-	2,228,901	-
Total Assets		**3,735,007,105**		**4,252,221,262**	

(euro)	Note	31.12.2023	of which with related parties	31.12.2022	of which with related parties
Equity					
Share capital	29	123,636,659	-	123,636,659	-
Share premium	30	458,696,023	-	458,696,023	-
Other reserves	31	432,440,078	-	421,856,896	-
Retained earnings	32	1,259,858,936	-	864,542,539	-
Profit for the year		238,420,935	-	489,271,572	-
Treasury shares		(130,917,220)	-	(130,917,220)	-
Total Equity	**33**	**2,382,135,411**		**2,227,086,469**	**-**
Liabilities					
Non-current liabilities					
Long-term debt	34	877,091,992	538,461,539	1,152,966,571	557,847,365
Lease liabilities	17	354,189	-	3,443,200	-
Derivative financial instruments	22	4,787,254	-	-	-
Employee benefits	35	1,854,787	-	10,121,890	-
Provisions for liabilities and charges	36	2,442,396	-	10,689,781	-
Deferred income tax liabilities	37	-	-	3,096,607	-
Other non-current liabilities	38	775,222	-	837,275	-
		887,305,840		**1,181,155,324**	
Current liabilities					
Current portion of long-term debt	34	252,410,248	-	599,316,120	10,699,075
Short-term debt	34	181,674,881	176,772,357	102,264,849	89,863,890
Current portion of lease liabilities	17	218,812	-	1,511,620	-
Trade payables	39	5,762,311	286,405	99,957,656	445,288
Income tax payables	40	-	-	697,034	697,034
Provisions for liabilities and charges	36	1,910,878	-	996,961	-
Other payables	41	23,588,724	-	39,235,229	90,000
		465,565,854		**843,979,469**	
Total Liabilities		**1,352,871,694**		**2,025,134,793**	
Total Equity and Liabilities		**3,735,007,105**		**4,252,221,262**	

CASH FLOWS STATEMENT

(euro)	Note	2023	2022
Cash flows from operating activities			
Cash generated from operations	42	92,233,093	(44,942,590)
Interest paid		(31,874,121)	(23,533,434)
Interest expense paid to group companies		(27,487,596)	(5,113,344)
Income tax paid		(7,379,196)	(18,156,258)
Net cash generated from (used in) operating activities		**25,492,180**	**(91,745,626)**
Cash flows from investing activities			
Purchase of intangible assets	16	(40,992)	(313,135)
Purchase of property, plant and equipment	17	(11,601,430)	(22,750,353)
Purchase of other equity investments	21	(5,000)	(560,331)
Proceeds from sale of property, plant and equipment		230,975	1,038,583
Proceeds from sale of equity investments		1,600,000	-
Changes in financial receivables	26	(139,604,929)	19,900,393
Changes in financial receivables from group companies	26	3,766,729	(1,505,396)
Dividends received from equity investments	14	261,197,881	510,022,745
Interest received		20,905,642	2,081,165
Interest income received by group companies		1,512,672	4,170,197
Net cash generated from (used in) investing activities		**137,961,548**	**512,083,868**
Cash flows from financing activities			
Proceeds from long-term debt	34	-	199,371,108
Repayment of long-term debt	34	(594,894,667)	(81,500,000)
Net change in short-term debt	34	-	(6,765,236)
Repayment of lease liabilities	17	(259,960)	(1,742,522)
Change in financial payables	34	(269,546)	-
Change in financial payables to group companies	34	79,488,217	268,662,565
Changes in ownership interests without loss of control	20	(503,021)	(5,000,000)
Purchase of treasury shares	29	-	(123,217,606)
Dividends paid to owners of the company	44	(83,309,327)	(73,351,403)
Net cash generated from (used in) financing activities		**(599,748,304)**	**176,456,906**
Effects of the contribution on liquidity		**(6,918)**	-
Increase (decrease) in cash and cash equivalents		**(436,301,494)**	**596,795,148**
Cash and cash equivalents at beginning of the year		851,095,484	254,300,336
Cash and cash equivalents at end of the year	27	**414,793,990**	**851,095,484**

CHANGES IN SHAREHOLDERS' EQUITY

(thousands of euro)	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Profit (loss) for the year	Total
Balance as at 1 January 2022	**123,637**	**458,696**	**457,764**	**678,958**	**(7,700)**	**223,189**	**1,934,544**
Profit for the year	-	-	-	-	-	489,272	489,272
Other comprehensive income for the year, net of tax	-	-	-	575	-	-	575
Total comprehensive income for the year	-	-	-	575	-	489,272	489,847
Dividends declared	-	-	-	-	-	(74,053)	(74,053)
Allocation of profit for the year	-	-	2,160	146,976	-	(149,136)	-
Purchase of treasury shares	-	-	-	-	(123,218)	-	(123,218)
Other changes	-	-	(38,067)	38,033	-	-	(34)
Balance as at 31 December 2022	**123,637**	**458,696**	**421,857**	**864,542**	**(130,918)**	**489,272**	**2,227,086**
Profit for the year	-	-	-	-	-	238,421	238,421
Other comprehensive income for the year, net of tax	-	-	-	(63)	-	-	(63)
Total comprehensive income for the year	-	-	-	(63)	-	238,421	238,358
Dividends declared	-	-	-	-	-	(83,309)	(83,309)
Allocation of profit for the year	-	-	10,584	395,379	-	(405,963)	-
Balance as at 31 December 2023	**123,637**	**458,696**	**432,441**	**1,259,858**	**(130,918)**	**238,421**	**2,382,135**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Buzzi SpA is a stock corporation organized under the laws of Italy. The registered and administrative office is located in Casale Monferrato (AL), Italy, Via Luigi Buzzi 6. The company is listed on the Euronext Milan market managed by Borsa Italiana.

On 12 May 2023 the extraordinary shareholders' meeting resolved to change the company name from Buzzi Unicem SpA to Buzzi SpA.

Buzzi S.p.A. isthe parent company that holds, directly or indirectly, through other companies, the shares in the capital in the countries in which the Buzzi group operates.

Buzzi SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52,95% of voting shares.

The Board of Directors approved the publication of these draft statutory financial statements on 28 March 2024.

Buzzi SpA, as parent company, has also prepared the consolidated financial statements of the Buzzi Group as at 31 December 2023.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these statutory financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The statutory financial statements have been prepared in accordance with International Accounting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission, and with the provisions implementing article 9 of Legislative Decree 38/2005. The definition of IFRS also encompasses all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those formerly issued by the Standing Interpretations Committee (SIC).

The statutory financial statements have been prepared under the historical cost convention, which has been amended, as requested, for the evaluation of financial assets/liabilities at fair value, including derivative instruments, as well as on the going concern basis.

The analysis of financial (note 3) and environmental risks (chapter "Climate Change, Energy and CO_2 Emissions" in the Sustainability Report) did not reveal any effects on the going concern.

The statutory financial statements are presented in euro, which is the currency of the economy in which the company operates. The income statement, the balance sheet and the cash flow statement are presented in euro, while the changes in shareholders' equity and the amounts reported in the notes to the statutory financial statements are presented in thousands of euro. The format of the financial statements selected by Buzzi SpA is the following: for the income statement application of the nature of expense method and presentation of two separate schemes, i.e. a traditional income statement and a statement of comprehensive income; for the balance sheet implementation of the current/non-current classification, which is generally applied by industrial and commercial firms; for the statement of cash flows adoption of the indirect method. Where necessary, comparability of content entails a restatement of the prior year amounts. The items presented in these consolidated financial statements have been somewhat adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the company.

The company shows in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no. 15519 of 27 July 2006). Transactions with related parties are also disclosed in note 46 of these statutory financial statements.
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the statutory financial statements, are disclosed in note 4.

Standards, amendments and interpretations
The accounting standards applied are set out in the summary of material accounting policies of the consolidated financial statements, to which reference is made (note 2), integrated by the specific standards referred to dividends, useful life of property, plant and equipment and recognition and measurement of investments in subsidiaries, associates, joint ventures and other companies.

2.2 Dividends received
Dividends received by the investees are recognised in the income statement at the time of the approval by the shareholders meeting of the companies.

2.3 Property, plant and equipment
They are booked at purchase or production cost, including overheads, less accumulated depreciation and any accumulated impairment losses. Production cost includes the reasonably attributable portion of the direct and indirect costs incurred to bring the asset into service. Subsequent costs are capitalized or recognized as a separate asset, as appropriate, only when future economic benefits will flow to the group. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the income statement during the period in which they are incurred; the most relevant strategic spare parts are capitalized when acquired and their depreciation starts when being brought into service.

Depreciation on other property, plant and equipment is calculated under the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives, as follows:

Buildings	11 – 34 years
Plant and machinery	14 – 17 years
Transportation equipment	5 – 6 years
Furniture, fittings and others	6 – 9 years

An asset's carrying amount is written down to its recoverable amount if the book value is greater than its estimated recoverable amount

2.4 Investments

Subsidiaries
These are all entities (including special purpose entities) over which the group has control, meaning is exposed to, or has rights to, variable returns from its involvement with the entity and as the ability to affect those returns through its power over the same entity.

Joint arrangements
Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Buzzi has assessed the nature of its joint arrangements and determined them to be joint ventures.

Associates
Associates are entities over which the group has significant influence but not control or joint control. Generally, a holding of between 20% and 50% of the voting rights indicates significant influence.

Investments in other companies
Other corporations or partnerships, normally not listed companies below 20% ownership, are carried at cost.

Investments in subsidiaries, associates, joint ventures and other companies are recognised at cost adjusted for impairment losses.
If there are signs of potential impairment, the intrinsic economic value is aligned by means of appropriate evaluation tests. If the reasons for the impairments made cease, the original cost is restored in the subsequent years and charged to the profit and loss account.

3. RISK MANAGEMENT

3.1 Financial risk factors

The group’s activities are exposed to a variety of financial risks such as market risk (including currency, price and interest rate), credit risk and liquidity risk. The company uses, infrequently, derivative financial instruments to hedge certain risk exposures. The central treasury and finance department carries out risk management and identifies, evaluates and possibly hedges financial risks in close co-operation with the group’s operating units.
During the year, the further evolution of the geopolitical scenario, resulting from the continuation of the Russian-Ukrainian conflict and the increased tensions in the Middle East areas, did not determine any negative effects on the company's liquidity or significant changes in financial risk management; therefore, the related procedures were not modified and the company did not need to obtain new lines of credit, renegotiate the terms of existing financial liabilities or ask for extensions on their repayment.
The cycle of interest rate increases by the ECB and the Federal Reserve, in place since 2022 and determined by continuing inflationary pressures in Europe and the United States, continued during the first part of the current year, to stabilize during the second half of the year, with obvious impacts on the capital market.

Market risk

Buzzi operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect the US dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investment in foreign operations. The foreign subsidiaries or joint ventures enjoy a natural hedging on market risk, since all major commercial transactions are made in their functional currency and are not suffering from foreign exchange fluctuations. Management has introduced a policy to require the group entities to control their residual exposure to exchange rate risk, by using mainly debt instruments or cash in foreign currency, or even derivative contracts negotiated at the company level, such as, for example, currency forwards transacted according to the existing internal policies. The policy considers a hedge for the anticipated cash flows of a significant amount and that are denominated in highly volatile currencies.

Hereinafter are the results of the sensitivity analysis that was conducted considering a revaluation/devaluation of the euro versus the currencies to which the company has a significant exposure (US dollar), with a direct 10% effect on the net exposure in euros. The potential impact on profit before tax is therefore considered, keeping unchanged all other financial statement items that are not affected by the assumed variance.

At 31 December 2023, with reference to the net exposure to the currencies converted in euro, if the euro had strengthened/weakened by 10%, with a direct effect on that exposure, against the major foreign currencies to which the company is exposed, profit before tax for the year would have been €20,039 thousand higher/lower (2022: €25,682 thousand higher/lower).
Net debt exposure to the dollar remains high as there are active intercompany loans from US subsidiaries to the parent company.

Changes in market interest rates can affect the cost of the various forms of financing or the return on investments in monetary instruments, causing an impact at the level of net finance costs incurred. The interest rate risk arises mainly from long-term debt. Borrowings issued at variable rates expose the company to cash flow interest rate risk, which is partially offset by cash invested at variable rates. Buzzi’s policy is to maintain about 70% of its long-term borrowings in fixed rate instruments. At the balance sheet date, the share of indebtedness at fixed rate is slightly lower at 67%, due to the changes in payables during the year. Borrowings at variable rate at the end of 2023 were denominated in euros and in US dollars. Management implements the best strategy about interest rates according to market conditions and, sometimes, the group may enter into derivative financial instruments to hedge the fair value interest rate risk.

Below are the results of the sensitivity analysis on the exposure to interest rates that was conducted considering, as in previous years, a 1% rate increase and a 1% decrease on the financial assets and liabilities of Buzzi Spa. We consider the potential impact on profit before tax, keeping unchanged all other financial statements items not affected by the assumed variance.

The company analyses its interest rates exposure on a dynamic basis, taking into consideration refinancing, renewal of existing positions, alternative financing and possible hedging. Based on the simulations performed, the impact on profit before tax of a 1% interest rate rise or fall would be a decrease/increase of 2,163 thousand Euros (2022: decrease/increase of 3,037 thousand). For each simulation, the same interest rate change is used for all currencies. The sensitivity scenarios are run only for assets and liabilities that represent the major interest-bearing positions and for the fair value of interest rate derivatives (if actually outstanding at the balance sheet date).

The sensitivity value for the year 2023 is slightly lower in absolute value and with the same sign than that of the previous year, as the composition of interest-bearing positions remained rather stable, with particular reference to the net difference between the company's total liquidity and debt positions compared to the previous year.

Credit risk
Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only primary national and international entities with high credit quality are accepted as counterparties. There are specific policies that limit the amount of credit exposure to any financial institution.

Following the revision of the corporate structure described in the management report, implemented through the contribution in kind of the business unit relating to the Italian cement operations in favor of Buzzi Unicem Srl, Buzzi SpA has kept the strategic guidance and coordination activities carried out for the companies in the various countries in which it operates, managing only the definition and development of guidelines and strategic coordination for all subsidiaries.
Trade receivables are therefore represented, starting from 2023, by receivables from group companies due to assistance services.
The credit management functions are therefore limited to monitoring the exposure for subjects for which the risk factors are minimal. The concentration of credit risk is therefore not significant for Buzzi SpA and there are no customers generating revenues equal to or greater than 10% of net sales.
An assessment of possible losses is carried out at each closing date. The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables presented in note 24.

Set out below is the information about the credit risk exposure:

	2023			2022		
(thousands of euro)	Trade receivables (gross)	Loss allowance	% loss coverage	Trade receivables (gross)	Loss allowance	% loss coverage
Not overdue	7,818	-	-	170,208	-	-
Days past overdue						
30 or less	452	-	-	15,086	-	-
Between 30 and 60	6	-	-	1,629	-	-
Between 61 and 90	1	-	-	141	-	-
Between 91 and 180	18	-	-	940	-	-
Over 180	1,224	(541)	44.20	1,355	(633)	46.72
	9,519	**(541)**	**5.68**	**189,359**	**(633)**	**0.33**

The company limits its exposure to credit risk on trade receivables by establishing maximum payment terms.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed and uncommitted credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the central treasury service aims to maintain flexibility in funding by keeping the availability under committed credit lines.

Cash flow forecasting is performed in the operating subsidiaries and aggregated by the central treasury department. Group finance monitors rolling forecasts to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the undrawn committed borrowing facilities.

Estimates and projections, considering the changes that may occur in the profitability trend, show that the company is in a position to operate at the present level of financing. The company prepares the refinancing of borrowings in due times before the upcoming maturities. The company uses different debt instruments and maintains a regular relationship with the usual and prospective financial institutions about the future needs, from which it appears that renewal may take under acceptable terms. The analysis of the maturity dates for the main financial liabilities is included in note 33.

3.2 Capital management

Buzzi's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or modify the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, make purchase of treasury shares or sell assets to improve the net financial position.

3.3 Determination of fair value

Hereunder an analysis of the financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

- inputs other than the quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the data asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the liabilities that are measured at fair value at 31 December:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative financial instruments (non-current)	-	-	(4,787)	(4,787)
Total Liabilities	**-**	**-**	**(4,787)**	**(4,787)**

The following table presents the assets that are measured at fair value at 31 December:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments (non-current)	-	-	11,031	11,031
Total Assets	**-**	**-**	**11,031**	**11,031**

During 2023 there were no transfers between the different levels of fair value measurement. No changes occurred either in the valuation techniques adopted across the two periods.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments, when they exist, are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Level 3 derivatives include the put and call option on the remaining 50% share of Nacional Cimentos Participações SA. The value of the derivative financial instrument is based on the calculation method of the exercise price of the option and at the date of this report it is in line with its fair value. The change in the fair value of the derivative has been recognized through the income statement, in accordance with IFRS 9 (note 20).

The company holds several financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered to approximate their fair value. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

3.4 Other risks
With regard to other risks, please refer to the specific chapter of the management report.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The estimates and assumptions used in the statutory financial statements are illustrated in note 4 of the consolidated financial statements, integrated for the part related to investments in controlled companies, associates and jointly controlled entities with what reported in note 20.

5. COMPARABILITY OF FINANCIAL STATEMENTS FOLLOWING CONTRIBUTION TO BUZZI UNICEM SRL

As reported in the business review, on 1 January 2023, the contribution in kind of the Italian cement business to Buzzi Unicem Srl was performed. The value of the contribution, confirmed by a sworn appraisal filed with the notarial deed, amounted to €389,125,462, to which an adjustment of €14,126,569 was added. Therefore, to make the comparison between the two financial years more consistent, the table of the balance sheet effects of the contribution has been included.

Due to the operation, in the notes to the income statement no significant comparison with the previous year is possible, as starting from this financial year, Buzzi SpA only reports sales from management assistance services provided to group companies, along with the related structural costs, dividends from participations, and items originating from financial management.
In the notes related to the balance sheet, instead, to allow for a better identification of variations attributable to current operational management, the re-exposed balances for 2022, taking into account the contribution, have been included.

(in euro)	Buzzi SpA 31.12.2022	Transferred assets and liabilities 1.1.2023	Buzzi SpA 1.1.2023	Buzzi SpA 31.12.2023
Assets				
Non-current assets				
Goodwill	40,500,000	40,500,000	-	-
Other intangible assets	2,068,959	1,649,790	419,169	278,490
Right-of-use assets	4,924,630	4,552,056	372,574	559,728
Property, plant and equipment	240,102,645	232,904,676	7,197,969	6,895,099
Investment property	8,111,611	6,091,565	2,020,046	2,020,046
Investments in associates and joint ventures	2,443,588,210	6,276,268	2,437,311,942	2,825,778,350
Investments in other companies	5,495,894	5,489,439	6,455	6,635
Participation in the transferee	-	-	389,125,462	-
Deferred income tax assets	25,856,396	(6,265,590)	32,121,986	59,004,021
Derivative financial instruments	11,031,159	-	11,031,159	-
Other non-current assets	230,462,776	443,595	230,019,181	220,785,699
	3,012,142,280	**291,641,799**	**3,109,625,943**	**3,115,328,068**
Current assets				
Inventories	140,574,896	140,574,896	-	-
Trade receivables	188,725,614	-	188,725,614	8,978,222
Other receivables	57,454,087	3,516,443	53,937,644	194,995,674
Cash and cash equivalents	851,095,484	6,918	851,088,566	414,793,990
	1,237,850,081	**144,098,257**	**1,093,751,824**	**618,767,886**
Assets held for sale	2,228,901	817	2,228,084	911,151
Total Assets	**4,252,221,262**	**435,740,873**	**4,205,605,851**	**3,735,007,105**
Adjustment on contribution	**-**	**-**	**14,126,569**	-
Total assets and adjustment on contribution	**4,252,221,262**	**435,740,873**	**4,219,732,420**	**3,735,007,105**

(in euro)	Buzzi SpA 31.12.2022	Transferred assets and liabilities 1.1.2023	Buzzi SpA 1.1.2023	Buzzi SpA 31.12.2023
Equity				
Share capital	123,636,659	-	123,636,659	123,636,659
Share premium	458,696,023	-	458,696,023	458,696,023
Other reserves	421,856,896	-	421,856,896	432,440,078
Retained earnings	864,542,539	-	864,542,539	1,259,858,936
Profit (loss) for the year	489,271,572	-	489,271,572	238,420,935
Treasury shares	(130,917,220)	-	(130,917,220)	(130,917,220)
Total Equity	**2,227,086,469**	**-**	**2,227,086,469**	**2,382,135,411**
Liabilities				
Non-current liabilities				
Long-term debt	1,152,966,571	-	1,152,966,571	877,091,992
Lease liabilities	3,443,200	3,267,952	175,248	354,189
Derivative financial instruments	-	-	-	4,787,254
Employee benefits	10,121,890	7,965,074	2,156,816	1,854,787
Provisions for liabilities and charges	10,689,781	8,067,989	2,621,792	2,442,396
Deferred income tax liabilities	3,096,607	3,096,607	-	-
Other non-current liabilities	837,275	55,600	781,675	775,222
	1,181,155,324	**22,453,222**	**1,158,702,102**	**887,305,840**
Current liabilities				
Current portion of long-term debt	599,316,120	-	599,316,120	252,410,248
Short-term debt	102,264,849	-	102,264,849	181,674,881
Current portion of lease liabilities	1,511,620	1,305,863	205,757	218,812
Trade payables	99,957,656	-	99,957,656	5,762,311
Income tax payables	697,034	-	697,034	-
Provisions for liabilities and charges	996,961	143,100	853,861	1,910,878
Other payables	39,235,229	8,586,657	30,648,572	23,588,724
	843,979,469	**10,035,620**	**833,943,849**	**465,565,854**
Net assets of the transferred business	**-**	**389,125,462**	**-**	**-**
Total Shareholders' Equity, Liabilities and Net Assets of the Transferred Businesses	**4,252,221,262**	**421,614,304**	**4,219,732,420**	**3,735,007,105**
Adjustment on contribution	**-**	**14,126,569**	**-**	**-**
Total Shareholders' Equity, Liabilities and Net Assets of the Transferred Businesses	**4,252,221,262**	**435,740,873**	**4,219,732,420**	**3,735,007,105**

6. NET SALES

Revenues from contracts with customers derive from services.

(thousands of euro)	2023	of which related	2022	of which related
Supplies of goods	-	-	494,871	119,086
Revenue from services and expense recovery	8,316	8,316	37,725	2,656
	8,316	**8,316**	**532,596**	**121,742**

Revenues derive from services mainly provided to group companies for administrative, financial, IT, legal, and tax assistance.

7. OTHER OPERATING INCOME

Other operating income includes proceeds arising from both the ordinary and the non-recurring course of business, not attributable to the core sale of goods and rendering of services. They are split as follows:

(thousands of euro)	2023	of which related	2022	of which related
Recovery of expenses	4,428	4,228	1,265	943
Income former business years and miscellaneous income	1,951	64	1,682	134
Revenue from leased properties	56	1	353	115
Gains on disposal of property, plant and equipment	16	13	942	-
Internal work capitalized	-	-	204	-
Other	1,027	493	5,558	2
	7,478	**4,799**	**10,004**	**1,194**

The caption recovery of expenses mainly refers to the recharging of IT expenses for hardware and software to group companies.

8. RAW MATERIALS, SUPPLIES AND CONSUMABLES

(thousands of euro)	2023	of which related	2022	of which related
Raw materials, work in progress and finished goods	-	(8,860)	74,025	490
Supplies and consumables	58	5	24,583	186
Electricity	-	-	102,686	-
Fuels	-	-	88,116	-
Other goods	471	-	5,210	180
	529	**(8,855)**	**294,620**	**856**

Following the contribution of the Italian cement business to Buzzi Unicem Srl, the transfers of quarry concessions were carried out during 2023. During the period in which the concessions were still held by the company, the costs incurred by Buzzi SpA for the activity performed were then fully charged to Buzzi Unicem Srl for an amount of €8,860 thousand.

9. SERVICES

The caption is detailed as follows:

(thousands of euro)	2023	of which related	2022	of which related
Transportation	16	(343)	54,729	-
Maintenance and contractual services	1,309	-	27,508	160
Insurance	298	-	1,292	-
Legal and professional consultancy	3,680	704	5,588	779
Operating leases of property and machinery	1,315	-	1,099	-
Travel	457	-	1,233	-
Commissions payable	-	-	478	-
Other	4,125	(527)	10,572	16
	11,200	**(166)**	**102,499**	**955**

As regards the line items transportation and other, due to the contribution, in the initial months of the year the costs were incurred by Buzzi SpA and subsequently recharged to Buzzi Unicem Srl as within its competence. The caption operating leases of property and machinery includes lease payments that fall within the exemptions envisaged by IFRS 16, i.e. short-term contracts for €12 thousand and low-value assets for €111 thousand. The caption also includes lease payments outside the scope of IFRS 16 amounting to €1,192 thousand; these contracts are therefore not capitalized.

10. STAFF COSTS

The expenses for employees are composed as follows:

(thousands of euro)	2023	of which related	2022	of which related
Salaries and wages	10,585	143	54,571	269
Social security contributions	3,891	29	18,566	65
Pension fund charges	822	6	3,477	20
Other	1,363	-	776	-
	16,661	**178**	**77,390**	**354**

The number of employees is the following:

Headcount (end of period)	2023	2022
White collar and executives	157	583
Blue collar and supervisors	3	580
	160	**1,163**

Headcount (medium)	2023	2022
White collar and executives	154	576
Blue collar and supervisors	3	580
	157	**1,156**

11. OTHER OPERATING EXPENSES

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	2023	of which related	2022	of which related
Write-down of receivables	(92)	-	-	-
Provisions for liabilities and charges	1,054	-	2,095	-
Expenses former business years	4,464	62	9,746	6
Association dues	326	-	1,772	-
Indirect taxes and duties	266	-	3,302	-
Losses on disposal of property, plant and equipment	7	-	136	-
Other	1,672	-	2,804	10
	7,697	**62**	**19,855**	**16**

During the year €2,993 thousand were accounted for within expenses former business years, provisions for liabilities and charges, and other, due to additional property tax required by the Municipality of Guidonia Montecelio – Rome (note 49 consolidated financial statements).

12. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

The amount refers to the following:

(thousands of euro)	2023	2022
Intangible assets	182	415
Property, plant and equipment	1,089	29,831
Right-of-use assets	265	1,716
Write-ups	-	(933)
	1,536	**31,029**

13. GAINS ON DISPOSAL OF INVESTMENTS

Gains on disposal of investments mainly refer to the sale of the investment in Premix Srl.

14. FINANCE REVENUES AND FINANCE COSTS

The content is summarized as follows:

(thousands of euro)	2023	2022
Finance revenues		
Interest income on liquid assets	19,027	2,800
Interest income on financial assets owed to third parties	2	8
Interest income from subsidiaries	1,505	102
Interest income on loans to other group companies	3,913	4,122
Changes in the fair value of derivative instruments	-	4,084
Foreign exchange gains	25,968	25,244
Dividend income	260,252	510,997
Other	71	109
	310,738	**547,466**
Finance costs		
Interest expense on bank borrowings	(23,654)	(14,470)
Interest expense on senior notes and bonds	(878)	(11,730)
Interest expense to subsidiaries	(29,208)	(11,611)
Changes in the fair value of derivative instruments	(15,818)	-
Interest expense on employee benefits	(79)	(116)
Write-downs of equity investments and other	(8)	(3,652)
Foreign exchange losses	(19,376)	(29,530)
Other financial expenses	(316)	(3,371)
	(89,337)	**(74,480)**
Net financial income	**221,401**	**472,986**

The amount of net finance revenues (costs), in 2023 has decreased by 251,585 thousand in comparison to 2022,2022 mainly due to lower dividends received, higher interest on loans from credit institutions and subsidiaries and a negative change in fair value derivatives, partially offset by higher interest rates, lower exchange rate differences and lower interest on bonds compared to last year.

The dividends approved by the subsidiaries are as follows:

(thousands of euro)	2023	2022
Dividends from subsidiaries:		
- Dyckerhoff GmbH	65,000	145,000
- Alamo Cement Company	65,432	143,559
- Rc Lonestar Inc.	48,562	147,580
	178,994	**436,139**
Dividends from associates and joint ventures:		
- Fresit BV	46,950	42,666
- Presa International BV	13,800	12,541
- Nacional Cimentos Participações SA	15,170	14,163
- Laterlite SpA	1,200	1,000
- Salonit Anhovo Gradbeni Materials d.d.	2,504	2,504
- Société des Ciments de Sour El Ghozlane EPE SPA	1,070	1,010
- Société des Ciments de Hadjar Soud EPE SPA	564	974
	81,258	**74,858**
Total dividends	**260,252**	**510,997**

15. INCOME TAXE EXPENSE

Income taxes are composed as follows:

(thousands of euro)	2023	2022
Current tax	(11,786)	14,719
Deferred tax	(26,862)	2,914
Tax relating to prior years	241	-
	(38,407)	**17,633**

The item current tax primarily consists of withholding taxes on dividends and on interest income from loans to group companies for €6,531 thousand, and of positive income taxes for €18,317 thousand (calculated as the difference between positive taxes for the year of €7,912 thousand and the uses of prior years losses for €9,731 thousand, plus higher taxes from previous year for €305 thousand, uses of tax credits for €60 thousand, and other positive variations for €919 thousand).

Caption deferred tax, amounting positive for €26,862 thousand, includes the deferred tax assets (€26,046 thousand) related to the assessments concerning the future recoverability of prior losses in the predictable future (note 37).

Item deferred tax amounts to a net positive amount of €26,862 thousand and is determined as follows:

(thousands of euro)		
Changes in deferred tax assets related to:		**28,068**
- Provision for asset impairment losses	(15)	
- provisions for liabilities and charges	121	
- write-down of receivables	24	
- long-term debt	1,906	
- deferred recognition of assets on losses for previous years	26,045	
- Other	(13)	
Changes in deferred tax liabilities relating to:		**(1,206)**
- accelerated depreciation	(175)	
- deferred tax liabilities of dividends from associates and joint ventures	(1,031)	
		26,862

The reconciliation of income taxes computed in the financial statements and the theoretical tax rate, based on the theoretical applicable tax rates by law, is as follows:

(thousands of euro)	**2023**	**2022**
Profit before tax	**200,014**	**506,905**
Italian income tax rate (IRES)	24.00%	24.00%
Theoretical income tax expense	48,003	121,657
Effect of permanent differences	(48,472)	(118,604)
Tax relating to prior years	241	-
Adjustments/non-recognition of deferred taxes for the year	(26,045)	-
Other adjustments from IRES recognition to tax consolidation	(17,644)	-
Witholding tax on foreign dividends and interest	6,532	15,473
Other changes	(1,022)	(893)
Income tax expense	**(38,407)**	**17,633**

The taxation for 2023 is positive at €38,407 thousand (19.20% of profit before tax), while in the previous year it was negative at €17,633 thousand (3.48% of profit before tax).

16. GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets			
(thousands of euro)	Goodwill	Industrial patents, licenses and similar	Assets in progress and advances	Other	Total
At 1 January 2022					
Cost/deemed cost	142,130	11,820	-	666	12,486
Accumulated depreciation	(40,500)	(9,729)	-	(665)	(10,394)
Accumulated write-downs	(61,130)	(7)	-	-	(7)
Net book amount	**40,500**	**2,084**	**-**	**1**	**2,085**
Year ended 31 December 2022					
Additions	-	311	-	-	311
Transfers	-	88	-	-	88
Depreciation and amortization for the year	-	(415)	-	-	(415)
Net book amount	**40,500**	**2,068**	**-**	**1**	**2,069**
Year ended 31 December 2022					
Cost/deemed cost	142,130	12,219	-	666	12,885
- Accumulated depreciation	(40,500)	(10,144)	-	(665)	(10,809)
- Provision for impairment losses	(61,130)	(7)	-	-	(7)
Net book amount	**40,500**	**2,068**	**-**	**1**	**2,069**
Decreases due to contribution					
Cost/deemed cost	(142,130)	(3,768)	-	(166)	(3,934)
- Accumulated depreciation	40,500	2,112	-	165	2,277
- Provision for impairment losses	61,130	7	-		7
Total contribution	**(40,500)**	**(1,649)**	**-**	**(1)**	**(1,650)**
At 1 January 2023 post-cotribution					
Cost/deemed cost	-	8,451	-	500	8,951
- Accumulated depreciation	-	(8,032)	-	(500)	(8,532)
- Provision for impairment losses	-	-	-	-	-
Net book amount	**-**	**419**	**-**	**-**	**419**
At 31 December 2023					
Additions	-	26	15	-	41
Depreciation and amortization for the year	-	(182)	-	-	(182)
Net book amount	**-**	**263**	**15**	**-**	**278**
Year ended 31 December 2023					
Cost/deemed cost	-	8,477	15	500	8,992
Accumulated depreciation	-	(8,214)	-	(500)	(8,714)
Net book amount	**-**	**263**	**15**	**-**	**278**

At 31 December 2023, the column industrial patents, licenses, and similar rights is made up of patents for €48 thousand and application software for €215 thousand; the increase for the year, amounting to €41 thousand, refers to the acquisition of software licenses and patents. In the cash flow statement and in the business review they are reported according to the actual outflows (€41 thousand).
The depreciation of intangible assets in the income statement is included in the item 'Depreciation' (note 12).

Goodwill
Goodwill of the Italian cement business, entirely contributed to Buzzi Unicem Srl as part of the corporate revision effective 1 January 2023, amounts to €40,500 thousand.

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2022					
Cost/deemed cost	3,435	2,718	122	2,079	8,354
Accumulated depreciation	(761)	(767)	(104)	(1,170)	(2,802)
Net book amount	**2,674**	**1,951**	**18**	**909**	**5,552**
Year ended 31 December 2022					
Additions and other	558	69	71	539	1,237
Extinctions and other:					
- Cost/deemed cost	(183)	-	-	(351)	(534)
- Accumulated depreciation	108	(43)	-	321	386
- Provision for impairment losses	-	-	-	-	-
Amortization	(713)	(330)	(62)	(611)	(1,716)
Net book amount	**2,444**	**1,647**	**27**	**807**	**4,925**
Year ended 31 December 2023					
Cost/deemed cost	3,810	2,787	193	2,267	9,057
- Accumulated depreciation	(1,366)	(1,140)	(166)	(1,460)	(4,132)
Net book amount	**2,444**	**1,647**	**27**	**807**	**4,925**
Decreases due to contribution					
Cost/deemed cost	(3,684)	(2,787)	(193)	(1,310)	(7,974)
- Accumulated depreciation	1,283	1,140	166	832	3,421
Total contribution	**(2,401)**	**(1,647)**	**(27)**	**(478)**	**(4,553)**
At 1 January 2023 post-cotribution					
Cost/deemed cost	126	-	-	957	1,083
- Accumulated depreciation	(83)	-	-	(628)	(711)
Net book amount	**43**	**-**	**-**	**329**	**372**
Year ended 31 December 2023					
Additions and other	27	-	-	439	466
Extinctions and other:					
- Cost/deemed cost	(13)	-	-	(394)	(407)
- Accumulated depreciation	10	-	-	384	394
- Provision for impairment losses	-	-	-	-	-
Amortization	(34)	-	-	(231)	(265)
Reclassifications	-	-	-	-	-
Net book amount	**33**	**-**	**-**	**527**	**560**
At 31 December 2023					
Cost/deemed cost	140	-	-	1,002	1,142
Accumulated depreciation	(107)	-	-	(475)	(582)
Net book amount	**33**	**-**	**-**	**527**	**560**

Lease liabilities recorded in the balance sheet at 31 December 2023 amount to €573 thousand. During the period 2023, the financial effect due to the modification of the terms, mainly for extension and termination options, was a decrease in lease liabilities and right-of-use assets of €24 thousand.
The following schedule breaks down the present value of lease obligations at the balance sheet date:

(thousands of euro)	**2023**	**2022**	**Decreases due to contribution**	**Initial post-contribution balance**
Within 6 months	119	810	(694)	116
Between 6 and 12 months	100	702	(612)	90
Between 1 and 5 years	354	3,119	(2,944)	175
Over 5 years	-	324	(324)	-
	573	**4,955**	**(4,574)**	**381**

Set out below is a breakdown of cash outflows for leases:

(thousands of euro)	**2023**	**2022**
Short-term lease, low value and variable components	123	291
Interest amount	12	77
Principal amount	260	1,639
	395	**2,007**

18. PROPERTY, PLANT AND EQUIPMENT

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2022						
Cost/deemed cost	449,577	1,251,082	27,681	24,326	22,254	1,774,920
Accumulated depreciation	(336,301)	(1,121,314)	(25,948)	-	(20,405)	(1,503,968)
Accumulated write-downs	(9,319)	(18,739)	(45)	-	(39)	(28,142)
Net book amount	**103,957**	**111,029**	**1,688**	**24,326**	**1,810**	**242,810**
Year ended 31 December 2022						
Additions	2,109	10,004	2,541	12,045	556	27,255
Cost/deemed cost reclassification	6,686	9,061	714	(17,322)	773	(88)
Other reclassifications	(50)	(902)	-	-	-	(952)
- Cost/deemed Cost	(2,932)	(10,757)	(19)	-	-	(13,708)
- Accumulated depreciation	2,837	3,341	19	-	-	6,197
-Accumulated write-downs	45	6,514	-	-	-	6,559
Net disinvestments						
- Cost/deemed Cost	(284)	(5,895)	(119)	-	(149)	(6,447)
- Accumulated depreciation	278	2,936	119	-	149	3,482
-Accumulated write-downs	-	2,941	-	-	-	2,941
Depreciation	(7,714)	(20,434)	(954)	-	(729)	(29,831)
Impairment charges	63	870	-	-	-	933
Net book amount	**105,045**	**109,610**	**3,989**	**19,049**	**2,410**	**240,103**
Year ended 31 December 2022						
Cost/deemed cost	455,156	1,253,495	30,798	19,049	23,434	1,781,932
- Accumulated depreciation	(340,900)	(1,135,471)	(26,764)	-	(20,985)	(1,524,120)
-Accumulated write-downs	(9,211)	(8,414)	(45)	-	(39)	(17,709)
Net book amount	**105,045**	**109,610**	**3,989**	**19,049**	**2,410**	**240,103**
Decreases due to contribution						
Cost/deemed cost	(443,438)	(1,249,983)	(29,852)	(18,800)	(16,373)	(1,758,446)
- Accumulated depreciation	334,464	1,132,452	26,140	-	14,777	1,507,833
-Accumulated write-downs	9,211	8,414	45	-	39	17,709
Total contribution	**(99,763)**	**(109,117)**	**(3,667)**	**(18,800)**	**(1,557)**	**(232,904)**

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
Cost/deemed cost	11,718	3,512	946	249	7,061	23,486
- Accumulated depreciation	(6,436)	(3,019)	(624)	-	(6,208)	(16,287)
-Accumulated write-downs	-	-	-	-	-	-
Net book amount	**5,282**	**493**	**322**	**249**	**853**	**7,199**
At 31 December 2023						
Additions	23	4	139	374	304	844
Cost/deemed cost reclassification	-	-	25	(25)	-	-
Net disinvestments						
- Cost/deemed Cost	(8)	(48)	-	(46)	(190)	(292)
- Accumulated depreciation	4	45	-	-	184	233
-Accumulated write-downs	-	-	-	-	-	-
Depreciation and amortization	(600)	(67)	(116)	-	(306)	(1,089)
Impairment charges	-	-	-	-	-	-
Net book amount	**4,701**	**427**	**370**	**552**	**845**	**6,895**
Year ended 31 December 2023						
Cost/deemed cost	11,733	3,468	1,110	552	7,175	24,038
- Accumulated depreciation	(7,032)	(3,041)	(740)	-	(6,330)	(17,143)
-Accumulated write-downs	-	-	-	-	-	-
Net book amount	**4,701**	**427**	**370**	**552**	**845**	**6,895**

Caption historical cost reclassifications relate to assets in progress put into operation during the year for €25 thousand.
Additions recognized in 2023 amount to €844 thousand and primarily concern the purchase of hardware and equipment. These are reported in the cash flow statement and in the business review according to the actual outflows (€11,601 thousand).
Depreciation of property, plant, and equipment is included in the income statement under the caption depreciation (note 12).
At the balance sheet date, there are no property, plant, and equipment covered by mortgages or pledges as collateral on financings.

19. INVESTMENT PROPERTY

It is accounted for using the cost model, and the fair value, based on both internal and external independent appraisals, at 31 December 2023 amounts to €3,663 thousand, and is classifiable as level 2, because based on observable data.

For other items part of the category, the determination of market value, built on internal appraisals, was conducted using comparative estimates based on recent transactions for similar property, where available and comparing them with information coming from real estate agents operating in the same area and with other publicly available databases.

(thousands of euro)	**2023**	**2022**
Cost/deemed cost	9,951	11,096
Accumulated depreciation	(1,492)	(2,439)
Accumulated write-downs	(347)	(347)
Net book amount	**8,112**	**8,310**
Decreases due to contribution		
Cost/deemed cost	(6,650)	-
Accumulated depreciation	298	-
Accumulated write-downs	260	-
Total contribution	**(6,092)**	**-**
At 1 January 2023 post-cotribution		
Cost/deemed cost	3,301	-
Accumulated depreciation	(1,194)	-
Accumulated write-downs	(87)	-
Net book amount	**2,020**	**-**
Net disinvestments		
- Cost/deemed Cost	-	(958)
- Accumulated depreciation	-	749
Additions	-	11
Reclassifications	-	-
- Cost/deemed Cost	-	(198)
- Accumulated depreciation	-	198
Net book amount	**2,020**	**8,112**
Year end		
Cost/deemed cost	3,301	9,951
Accumulated depreciation	(1,194)	(1,492)
Accumulated write-downs	(87)	(347)
Net book amount	**2,020**	**8,112**

Income coming from real estate investments amounts to €50 thousand.

In accordance with Law No. 72/1983, Article 10, the indication of assets still held in the portfolio at 31 December 2023 on which write-ups have been made this year and in previous fiscal years pursuant to specific laws or as a result of merger difference allocations, is reported in the following table:

WRITE-UPS OF ASSETS IN EQUITY AT 31 DECEMBER 2023

In compliance with the obligations under Article 10 of Law No. 72 of 19 March 1983, we specify that write-ups have been made on the assets at 31 December 2023, as follows:

(thousands of euro)	Historical values subject to revaluation	Rivaled. L. n° 576/75	Rivaled. L. n° 72/83	Rivaled. L. n° 413/91	Revaluation from mergers	Historical values not subject to revaluation	Total 31.12.2023
Land and buildings	465	1	58	56	-	14,782	15,362
Plant and machinery	3,342	2	-	-	1,991	8,427	13,762
Industrial and commercial equipment	-	-	-	-	-	1,110	1,110
Other goods	-	-	-	-	-	7,175	7,175
Assets in progress and advances	-	-	-	-	-	552	552
	3,807	**3**	**58**	**56**	**1,991**	**32,046**	**37,961**

The total €37,961 thousand includes the revalued historical cost of property, plant and equipment for €24,038 thousand, investment property totaling €3,301 thousand and assets held for sale for €10,622 thousand.

20. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year, capital contributions were made to the associate Hinfra Srl (€500 thousand), and the investment in Premix SpA was sold.

(thousands of euro)	2023	2022
Beginning of year		
Cost/deemed cost	2,843,150	2,837,650
Accumulated write-downs	(399,562)	(396,802)
Net book amount	**2,443,588**	**2,440,848**
Additions/ decreases historical cost for contribution	285,054	-
Additions/ decreases accumulated write-downs for contribution	97,795	-
Fusion contribution	-	3,782
Additions/Decreases	503	(3,782)
Acquisitions and subscriptions (including ancillary costs and taxes)	-	5,500
Write-downs, revaluations, reversals	(3)	(2,760)
Disposals and other historical cost	(2,696)	-
Disposals and other accumulated write-down	1,537	-
Year end		
Cost/deemed cost	3,126,011	2,843,150
Accumulated write-downs	(300,233)	(399,562)
Net book amount	**2,825,778**	**2,443,588**

The book value of the investments is annually tested to identify any impairment. In determining the value in use, the management has measured the discounted present value of future cash flows as described in notes 19 and 23 of the consolidated financial statements. In some cases, the assessment has encompassed the fair value of quarries and property owned.

The comparison between the recoverable amount resulting from the calculation and the carrying amount did nor provide any evidence of a permanent loss on these assets.

Furthermore, a sensitivity analysis was performed on the recoverable amount of the investments, to verify the effects of reasonably possible changes, if any, in the key assumptions. Specifically, we reasoned upon changes in the cost of money (and consequently WACC discount rate) and net operating cash flow. In general, we can assert that only in the event of a meaningful cash flows decrease or an increase of the discount rate by some percentage points, the recoverable amount would come out lower than the carrying amount at the balance sheet date, despite the presence of some investments being more sensitive to changes in the above assumptions.

In detail, with evidence of the variations occurred in 2023, the investments are as follows:

(thousands of euro)	Net book amount 31.12.2022	Acquisitions Transfers	Supplies/ Other	Write-ups (write-downs)	Additions/ Decreases for contribution	Net book amount 31.12.2023	% of possession
Investments in:							
Subsidiaries							
Buzzi Unicem Srl - Casale Monferrato AL (IT)	38	-	-	-	389,125	389,163	100.00
Unical SpA - Casale Monferrato AL (IT)	126,182	-	-	-	-	126,182	100.00
Dyckerhoff GmbH - Wiesbaden (DE)	1,843,564	-	-	-	-	1,843,564	100.00
Arquata Cementi Srl - Casale Monferrato AL (IT)	818	-	-	-	(818)	-	-
Alamo Cement Company - San Antonio (USA)	27,607	-	-	-	-	27,607	100.00
RC Lonestar Inc. - Wilmington - (USA)	155,055	-	-	-	-	155,055	51.00
Testi Cementi Srl - Casale Monferrato AL (IT)	4,807	-	-	-	(4,807)	-	-
Falconeria Srl - Casale Monferrato AL (IT)	650	-		-	(650)	-	-
Buzzi Unicem Algérie Sàrl in liquidation - Ouled Fayet -Algiers (DZ)	-	3	-	(3)	-	-	70.00
	2,158,721	**3**	**-**	**(3)**	**382,850**	**2,541,571**	
joint ventures							
Nacional Cimentos Participações SA - Recife (BR)	165,824	-		-	-	165,824	50.00
Fresit BV - Amsterdam (NL)	6,479	-		-	-	6,479	50.00
Presa International BV Amsterdam - (NL)	3,950	-		-	-	3,950	50.00
Cementi Moccia SpA - Naples (IT)	1	-	-	-	(1)	-	-
	176,254	**-**	**-**	**-**	**(1)**	**176,253**	
Associated companies							
Société des Ciments de Sour El Ghozlane EPE SpA - Sour El Ghozlane (DZ)	33,000	-	-	-	-	33,000	35.00
Société des Ciments de Hadjar Soud EPE SpA - Azzaba (DZ)	39,455	-	-	-	-	39,455	35.00
Salonit Anhovo Building Materials dd - Anhovo (SI)	23,113	-	-	-	-	23,113	25.00
Alpacem Cementi Italia SpA (già w&p Cementi SpA) - San Vito al Tagliamento PN (IT)	2,886	-	-	-	-	2,886	25.00
Hinfra Srl - Casale Monferrato AL (IT)	1,500	500		-	-	2,000	60.00
Laterlite SpA - Solignano PR (IT)	7,500	-	-	-	-	7,500	33.00
Premix SpA - Melilli SR (IT)	1,159	-	(1,159)	-	-	-	-
	108,613	**500**	**(1,159)**	**-**	**-**	**107,954**	
Total subsidiaries, associates and joint ventures	**2,443,588**	**503**	**(1,159)**	**(3)**	**382,849**	**2,825,778**	

List of investments with the additional information required by CONSOB (communication no. DEM/6064293 of 28 July 2006):

(euro)

Name and registered office	Share capital	Profit Operating	Heritage net	% of possession	Number Shares/Quotas	Value accountant
Subsidiaries						
Buzzi Unicem Srl						
Casale Monferrato (AL)						
Al 31.12.2022	25,500	(504,951)	5,043,210	*100.00*	-	38,214
Al 31.12.2023	**120,000,000**	**109,446,598**	**503,644,674**	***100.00***	-	**389,163,676**
Unical SpA						
Casale Monferrato (AL)						
Al 31.12.2022	130,235,000	11,947,304	114,618,023	*100.00*	260,470,000	126,181,074
Al 31.12.2023	**130,235,000**	**24,132,772**	**138,724,324**	***100.00***	260,470,000	**126,181,074**
Dyckerhoff GmbH						
Wiesbaden (DE)						
Al 31.12.2022	105,639,816	278,213,163	1,625,967,941	*100.00*	-	1,843,564,084
Al 31.12.2023	**105,639,816**	**211,245,343**	**1,772,213,284**	***100.00***	**-**	**1,843,564,084**
Alamo Cement Company						
San Antonio (USA)						
Al 31.12.2022	200.000 (*)	75,212,789	546,597,170	*100.00*	200,000	27,607,406
Al 31.12.2023	**200.000 (*)**	**111,968,388**	**576,222,727**	***100.00***	200,000	**27,607,046**
RC Lonestar Inc.						
Wilmington - (USA)						
Al 31.12.2022	10 (*)	220,871,461	2,254,523,260	*51.00*	515	155,054,642
Al 31.12.2023	**10 (*)**	**295,706,630**	**2,381,384,918**	***51.00***	515	**155,054,642**

(*) amounts expressed in USD.

For the investments in the main affiliated and jointly controlled companies, the latest official data for 2022 are provided:

(thousands of euro)	Total Assets	Total Liabilities	Revenues	Profit Operating
2022				
Nacional Cimentos Participações SA	331,203	76,204	-	63,889
Fresit BV	223,475	23	85,404	85,341
Presa International BV	202,280	2	25,132	25,090
Société des Ciments de Sour El Ghozlane EPE SpA	112,971	15,682	34,333	7,308
Société des Ciments de Hadjar Soud EPE SpA	129,891	17,970	29,948	3,959
Salonit Anhovo Gradbeni Materiali dd	164,190	32,986	117,311	23,702
Alpacem Cementi Italia SpA (già w&p Cementi SpA)	40,508	24,987	49,284	2,002
Laterlite SpA	148,967	60,202	155,996	13,352

21. INVESTMENTS IN OTHER COMPANIES

(thousands of euro)	2023	2022
Beginning of year		
Cost/deemed cost	9,243	9,249
Accumulated write-downs	(3,747)	(2,921)
Net book amount	5,496	**6,328**
Disposals and other historical cost	-	(66)
Disposals and other accumulated write-down	-	66
Additions/ decreases historical cost for contribution	(8,752)	-
Additions/ decreases accumulated write-downs for contribution	3,263	
Acquisitions & Subscriptions	5	60
Impairment charges	(5)	(892)
Year end	-	-
Cost/deemed cost	496	9,243
Accumulated write-downs	(489)	(3,747)
Net book amount	**7**	**5,496**

Due the contribution of the business, the investment in Energy for Growth Scarl was moved to Buzzi Unicem Srl.

The list of investments in other companies at 31 December 2023 is as follows:

(thousands of euro)	Net book amount 31.12.2022	Acquisitions/Transfers	Write-ups (write-downs)	Decreases for contribution	Net book amount 31.12.2023	% di possesso
Investments in:						
A.S. Junior Libertas Pallacanestro S.s.d. a r.l. - Casale Monferrato AL (IT)	7	5	(5)	-	7	12.00
Tassullo SpA in insolvency proceedings - Ville d'Anaunia TN (IT) (1)	-	-	-	-	-	2.00
Energy for Growth Società Consortile a rl - Milano (IT)	5,489	-	-	(5,489)	-	-
Total other enterprises	**5,496**	**5**	**(5)**		**7**	

(1) The value of the investment in Tassullo SpA (in insolvency proceedings) is 1 euro.

22 DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2023, the value of the derivative financial instrument relating to the put and call option on the remaining 50% of the capital of Nacional Cimentos Participações SA, based on the calculation methods agreed between the parties, corresponds to a liability of €4,787 thousand. It is defined as the difference between the exercise price of the option and the fair value of the ownership to be acquired. The change in the fair value of the derivative was taken through the income statement (note 14).
The notional principal amount and the fair value estimation of the outstanding derivative instruments are summarized as follows:

		2023			2022	
		Fair value			Fair value	
(thousands of euro)	Notional	Positive	Negative	Notional	Positive	Negative
Derivato call-put acquisizione Nacional Cimentos Participações SA	320,178	-	4,787	282,722	11,031	-

23. RECEIVABLES AND OTHER NON-CURRENT ASSETS

The following table summarizes the main categories of non-current receivables:

(thousands of euro)	2023	2022	Decreases due to contribution	Initial post-contribution balance
Tax receivables	703	839	-	839
Non-current financial receivables from associates	1,000	-	-	-
Non-current financial receivables from related parties	219,005	229,069	-	229,069
Receivables from personnel	20	287	(261)	26
Receivables for active guarantee deposits	58	268	(183)	85
	220,786	**230,463**	**(444)**	**230,019**

The item decreases by €9,233 thousand net of the contribution; the balance has a maturity exceeding 12 months.

The item non-current financial receivables from associates consists entirely of the loan due in December 2025 granted to Hinfra Srl.

Non-current financial receivables from related parties include the financing due in April 2026 granted to Companhia Nacional de Cimento (CNC, a wholly-owned subsidiary of Nacional Cimentos Participações SA), for the acquisition of the CRH group companies operating in Brazil that took place in 2021; the decrease by €7,884 thousand is due to the adjustment in the euro/USD exchange rate, the fair value is €207,578 thousand.

The maximum exposure to credit risk is the carrying value of each class of receivable mentioned above.

24. INVENTORIES

(thousands of euro)	2023	2022	Decreases due to contribution	Initial post-contribution balance
Raw materials, supplies and consumables	-	89,178	(89,178)	-
Work in progress and semi-finished goods	-	38,228	(38,228)	-
Finished goods and merchandise	-	13,169	(13,169)	-
	-	**140,575**	**(140,575)**	**-**

Due to the transfer of the business, the inventory stock has been fully moved to Buzzi Unicem Srl.

25. TRADE RECEIVABLES

(thousands of euro)	2023	2022
Trade receivables	1,809	159,793
(Loss allowance)	(541)	(633)
Trade receivables, net	1,268	159,160
Other trade receivables:		
- to subsidiaries	7,388	21,272
- to associated companies	45	7,990
- to parent companies	35	48
- to other companies of the group	242	256
	8,978	**188,726**

Trade receivables mainly consist of receivables from controlled companies resulting from services recharged to group companies, are non-interest bearing and generally have a maturity ranging from 30 to 120 days.

The balance of trade receivables is composed as follows:

(thousands of euro)	2023	2022
Unexpired trade receivables	7,818	170,209
Overdue trade receivables not in litigation	1,160	18,592
Trade receivables in litigation	541	558
To deduce:		
- Loss allowance	(541)	(633)
	8,978	**188,726**

Movements in the loss allowance for trade receivables during the year are as follows:

(thousands of euro)	2023	2022
Beginning of year	633	858
(Uses)	-	(225)
Increase recognized in profit or loss (releases)	(92)	-
Year end	**541**	**633**

The impaired trade receivables mainly involve customers experiencing financial difficulties, for whom a recovery plan is scheduled.

Information related to credit risk exposure is in note 3.

26. OTHER RECEIVABLES

(thousands of euro)	2023	2022	Additions/ decreases per contribution	Initial post-contribution balance
Current financial receivables from related parties	14,403	17,019	-	17,019
Income tax receivables	5,318	4,388	-	4,388
Income tax receivables from Fimedi	28,620	9,459	-	9,459
Tax receivables	274	11,382	(2,073)	9,309
Receivables from social security institutions	458	50		50
Receivables from personnel	19	63	(48)	15
Other accrued income and prepaid expenses	4,180	2,080	(489)	1,591
Other current financial receivables	139,774	-		-
Receivables from miscellaneous	1,922	12,039	(906)	11,133
Other receivables from related	28	974	-	974
Adjustment for contribution	-	-	14,127	14,127
	194,996	**57,454**	**10,611**	**68,065**

Current financial receivables from related parties

The item decreases by €2,616 thousand. The main variations are due to the receivable within the "cash pooling" agreement with Unical SpA (€4,175 thousand) and with Buzzi Unicem Srl (€1,185 thousand), the increase in the loan to Testi Cementi Srl by €500 thousand and the reclass of the Falconeria Srl loan (€2,180 thousand, subsequently increased by €100 thousand) from other non-current receivables. The final balance is mainly done by the "cash pooling" to Unical SpA for €7,238 thousand, the interest-bearing loan to Testi Cementi for €4,000 thousand and to Falconeria for €2,280 thousand.

Income tax receivables from Fimedi

The item increases by €19,161 thousand mainly due to the positive balance of income taxes for the year that are part of the consolidation tax return with Fimedi SpA.
The carrying amount of income tax receivables is deemed to approximate their fair value.

Tax receivables

The item decreases mainly due to the use of the residual tax credits on electric power purchases pursuant to Decree 4-17-21 for €8,577 thousand.

Current financial assets

The item mainly includes time-deposits in Italy amounting to €139,774 thousand, with a maturity exceeding 3 months, booked at nominal value or at amortized cost. The carrying amount of the item is deemed to approximate its fair value, which corresponds to level 2 of the related hierarchy.

The maximum credit risk exposure of the other receivables is represented by the carrying amount of the aforementioned credits. None of the detailed items mentioned have been impaired in 2023 and 2022.

27. CASH AND CASH EQUIVALENTS

(thousands of euro)	2023	2022	Decreases due to contribution	Initial post-contribution balance
Cash at banks	414,792	851,087	-	851,087
Cash in hand	2	8	(7)	1
	414,794	**851,095**	**(7)**	**851,088**

The item decreases by €436,301 thousand, mainly due to lower dividends received, repayment of the bond loan and repayments of loans, as well as investments in financial assets with a maturity exceeding 3 months. The weighted average interest rate on deposits is 4.327%. The amounts shown refer to balances of bank accounts in euros and dollars, repayable on demand. The value of cash and cash equivalents is deemed to be aligned with their fair value at the balance sheet date.
The credit risk associated with cash and cash equivalents is considered limited since the counterparties are represented by leading national and international bank institutions.

28. ASSETS HELD FOR SALE

The balance of the item, amounting to €911 thousand, is mainly done by plant and machinery from the inactive Manfredonia plant (€870 thousand). During the year, the sale of plant and machinery from the mothballed Travesio plant was completed for an amount of €1,235 thousand.

29. SHARE CAPITAL

The share capital of Buzzi SpA is composed as follows:

(number of shares)	2023	2022
Shares issued and fully paid		
- Ordinary shares	192,626,154	192,626,154
	192,626,154	**192,626,154**
Share capital (thousands of euro)	123,637	123,637

Each ordinary share, without nominal value, confers the right to one vote, without any limitation.
No allocation to the legal reserve is necessary as it represents 20% of the share capital.
The number of shares outstanding at the end of the year is as follows:

(number of shares)	ordinary
Shares issued	192,626,154
Less: Treasury shares	(7,494,316)
Outstanding at end of year	**185,131,838**

30. SHARE PREMIUM

It consists of the overall premium paid on shares issued over time. The line item amounts to €458,696 thousand as at 31 December 2023 and it is unchanged versus last year.

31. OTHER RESERVES

This item encompasses several captions, which are listed and described here below:

(thousands of euro)	2023	2022
Revaluation reserves	88,287	88,287
Merger surplus	249,177	249,176
Other	94,977	84,394
	432,441	**421,857**

Following the shareholders meeting resolution on 12 May 2023, by withdrawal from net profit, the reserve referred to in Article 6, paragraph 1, letter a) of Legislative Decree 38/2005, was increased by €10,584 thousand (total, €16,977 thousand), corresponding to the gains in income statement related to inventory, net of the related taxes.

32. RETAINED EARNINGS

The item includes retained earnings for €1,230,305 thousand, the legal reserve for €30,132 thousand, and the OCI reserve for employee benefits, negative for €578 thousand.
The retained earnings reserve increased mainly due to the allocation of the 2022 profit for €395,379 thousand and decreased by €62 thousand due to changes in earnings and losses resulting from actuarial valuations of employee benefit liabilities, net of related deferred taxes.

33. SHAREHOLDERS' EQUITY AS AT 31.12.2023 (PROSPECTUS ART. 2427 N° 7 BIS OF THE ITALIAN CIVIL CODE)

The detailed breakdown of the equity items, specifying their origin, potential utilization, distributability, as well as their utilization in previous financial years, as required by Article 2427 of the Italian Civil Code, is provided below.

(euro)				Summary of uses made in the Three previous years	
Shareholders' equity items Nature/Description	**Amount**	**Possible uses (*)**	**Available Quota**	**To cover leaks**	**For other reasons**
Share capital	123,636,659	-	-	-	-
Deducted: Reserve for cancellation of treasury shares	(130,917,220)	-	-	-	-
- Share premium reserve	458,696,023	A,B,C	458,696,023	-	-
- Revaluation reserve	88,286,524	A,B,C	88,286,524	-	-
- Other reserves:					
• Capital grants reserve	34,331,897	A,B,C	34,331,897	-	-
• Merger Surplus (1)	189,167,437	A,B,C	189,167,437	-	-
Profit reserves:					
- Legal reserve	30,132,378	B	-	-	-
- Other reserves:					
• Res. Gain law 576/1975 and law 904/1977	25,913,087	A,B,C	25,913,087	-	-
• Capital gains reserve for Law 169/1983	9,915,972	A,B,C	9,915,972	-	-
• Reservation of Legislative Decree 124/1993	37,437	A,B,C	37,437	-	-
• Reservation of Law 388/2000	2,500,000	A,B,C	2,500,000	-	-
• Reservation art. 6 c.1 letter a) of Legislative Decree 38/2005	16,976,605	B	-	-	-
• Reservation art.7 paragraph 7) of Legislative Decree 38/2005	5,301,901	B	-	-	-
• Merger Surplus	60,009,218	A,B,C	60,009,218	-	-
• OCI Employee Benefits Reserve	(577,903)	-	-	-	-
- Retained earnings (2)	1,230,304,460	A,B,C	1,230,304,460	-	-
	2,143,714,475		**2,099,162,055**	-	-
- Non-distributable portion - Treasury share cancellation reserve			(130,917,220)		
- Remaining distributable portion			**1,968,244,835**		

(1) The merger surplus qualifies for tax purposes as a profit reserve for an amount of €31,640,742;

(2) Retained earnings that do not include profit for the year;

(*) LEGEND: A: for capital increase; B: to cover leaks; C: for distribution to members.

The share capital is tax suspended for €76,719 thousand, as a result of previous years' free increases in share capital performed by utilizing tax suspended reserves.

The reserves, tax suspended, which in the event of distribution contribute to forming the taxable income of the company, amount to €158,485 thousand and have been recorded gross of the latent tax effect as distribution is not expected:

– Revaluation reserve Laws 1952 and earlier	713	
– Revaluation reserve Law no. 72 of 19 March 1983	28,208	
– Revaluation reserve Law no. 413 of 30 December 1991	31,277	
– Revaluation reserve Law no. 342 of 21 November 2000	25,322	
– Revaluation reserve Law no. 266 of 23 December 2005	2,767	**88,287**
– Reserve for capital grants under Law 488/92	10,791	
– Capital grant reserve for the Mezzogiorno Law 64/86 and previous	10,088	
– Reserve for capital grants under Article 1 of Law 399/82	31	
– Reserve for capital grants Law 308/82	3,884	
– Reserve for capital grants Law 35/95	155	
– Reserve for capital grants for the development consortium Enna industrial area	32	
– Reserve for capital grants Law 10/1991	618	
– Reserve contributions for the Termie project	1,057	
– Capital grants reserve art. 55 of Presidential Decree 917/1986 higher VAT deduction	2,718	
– Capital grants reserve Law 127/1980	38	
– Reserve for capital grants Law 488/1992 (ex Cementizillo SpA)	4,906	
– Reserve for capital grants under Article 55 of Law 526/1982 (ex Cementi Riva Srl)	14	**34,332**
– Reserve for capital gains from contributions to Law 904/77		**25,913**
– Reservation of Legislative Decree 124/93		**37**
– Capital gains reserve Law 169/83		**9,916**
Total tax-deferred reserves		**158,485**

The revaluation reserves, distinctly indicated, refer to assets for which, as permitted by accounting standards, Buzzi SpA has decided to maintain values inclusive of revaluations made following specific laws, considering their real economic value, recorded before the transition date to IFRS in the consolidated financial statements. Similarly, the revaluation reserve under Law 266/2005 is indicated for the portion corresponding to the tax recognition of the values recorded in the financial statements, pursuant to Article 14 of Law 342/2000 referred to by this provision and also maintained in the application of international accounting standards.

It is worth mentioning the provision of Article 109, paragraph 4, letter b) of Presidential Decree No. 917 of 22 December 1986 (Italian Tax Code), as in force before the amendments made by Article 1, paragraph 33, letter q), number 1) of Law No. 244 of 24 December 2007, according to which, in the event of dividend distribution, the net equity reserves and the retained earnings contribute to the company's income if, and to the extent that, the amount of the remaining net equity reserves and retained earnings carried forward is less than the excess of the deductions for depreciations, value adjustments and provisions charged to the income statement, net of the related deferred tax assets.

For the company, the portion of retained earnings reserves earmarked for tax purposes to cover costs and expenses deductible only in the tax return, net of related deferred taxes, amounts to €554 thousand. The costs and expenses deducted solely for tax purposes, which require such earmarking, consist of advanced depreciations totaling €729 thousand, net of related deferred taxes amounting to €175 thousand.

34. DEBT AND BORROWINGS

(thousands of euro)	2023	2022
Long-term debt - non-current		
- unsecured term loans	338,630	595,119
- financial payables to related parties	538,462	557,848
	877,092	**1,152,967**
Current portion of long-term debt		
- unsecured term loans	252,410	93,709
- non-convertible bonds	-	499,907
- financial payables to related parties	-	5,700
	252,410	**599,316**
Short-term debt		
- financial payables to related parties	168,188	89,864
- accrued interest expense	4,903	5,537
- accrued interest expense due to related parties	8,584	6,864
	181,675	**102,265**
	1,311,177	**1,854,548**

Financial liabilities analyzed by maturity:

(thousands of euro)	2023	2022
Within 6 months	223,727	600,031
Between 6 and 12 months	210,358	101,550
Between 1 and 5 years	876,094	1,151,969
Over 5 years	998	998
	1,311,177	**1,854,548**

During the year, the Bank of America Merrill Lynch loan was repaid at maturity for $100,000 thousand, equal to €94,895 thousand.
Unsecured by guarantees loans consist of:

(thousands of euro)

Description	Amount	Maturity
Landesbank Baden-Württemberg loan signed on 12/09/2017 for an amount of 78,500 thousand Euros at a fixed rate, valued at amortised cost	78,473	12.09.2024
Unicredit Bank AG loan signed on 31/07/2018 for an amount of USD 135,000 thousand at a fixed rate, valued at amortised cost	122,124	31.07.2025
Mediobanca loan signed on 05/06/2019 for an amount of 50,000 thousand Euros at a fixed rate, valued at amortised cost	49,987	03.06.2024
Landesbank Hessen-Thuringen Girozentrale loan signed on 14/08/2019 for an amount of 1,000 thousand Euros at a fixed rate, valued at amortised cost	998	14.08.2029
Landesbank Hessen-Thuringen Girozentrale loan signed on 14/08/2019 for an amount of 16,000 thousand Euros at a fixed rate, valued at amortised cost	15,981	14.08.2026
Landesbank Hessen-Thuringen Girozentrale loan signed on 14/08/2019 for an amount of 124,000 thousand Euros at a fixed rate, valued at amortised cost	123,950	14.08.2024
Unicredit Bank AG loan signed on 04/11/2022 for an amount of 150,000 thousand Euros at a floating rate, valued at amortised cost	49,900	10.11.2025
Unicredit Bank AG loan signed on 04/11/2022 for an amount of 150,000 thousand Euros at a floating rate, valued at amortised cost	149,627	10.11.2027
	591,040	

Undrawn committed facilities at 31 December 2023 amount to €152,750 thousand. They are variable-rate and have maturity date in 2028.

Bonds

On 28 January 2023 the bond "Buzzi Unicem €500,000,000 - 2.125% Notes due 2023" was paid back in advance before the maturity date of 28 April 2023.

Financial payables to group companies

Financial payables to group companies consist of long-term borrowings in US dollars from Alamo Cement Company for €206,439 thousand and from Lone Star Industries, Inc. for €338,958 thousand, current loans for cash-pooling from Buzzi Unicem Srl for €23,305 thousand and from Dyckerhoff GmbH for €146,483 thousand. The amounts also include accrued interest, classified among short-term borrowings.

The following table summarizes the carrying amount of the borrowings and the comparison with their fair value:

	2023		2022	
(thousands of euro)	Carrying value	Fair value	Carrying value	Fair value
Floating rate borrowings				
- unsecured term loans	199,527	204,860	293,099	294,926
- financial payables to group companies	168,188	168,188	88,724	88,724
Fix rate borrowings				
- financial payables to group companies	538,462	551,584	564,688	569,296
- unsecured term loans	391,513	392,788	395,729	389,802
- non-convertible bonds	-	-	499,907	490,855
	1,297,690	**1,317,420**	**1,842,147**	**1,833,603**

The fair values are based on the cash flows discounted at current borrowing rates for the group and are within level 2 of the specific hierarchy.

35. EMPLOYEE BENEFITS

The line item includes post-employment benefits and other long-term benefits.

Post-employment benefits

They consist of pension plans, employee severance indemnities and other. The company provides post-employment benefits for their employees either directly or indirectly, by paying contributions to independently administered funds. The obligations relate to active employees. Liabilities for contributions accrued but not yet paid are included within other payables.

Defined contribution plans

Defined contribution plans for post-employment benefits refer to employee severance indemnities or TFR for companies with at least 50 employees, after 31 December 2006.
Expenses associated with defined contribution plans are charged to the income statement together with social security contributions under staff costs. No further commitments on the part of the employer exist over and above the payment of contributions to public plans or private insurance policies.

Defined benefit plans

Defined benefit plans may be unfunded, or they may be wholly or partly funded by the contributions paid by the company and, sometimes, by its employees to an entity or fund legally separate from the employer by which the benefits are paid.
Employee severance indemnity (TFR) is considered a defined benefit plan and is unfunded. It consists of the residual obligation that was required until 31 December 2006 under Italian legislation to be paid by companies with more than 50 employees, or accrued over the employee's working life for other companies. The obligation is remeasured every year, according to national employment laws. The provision is settled upon retirement or resignation and may be partially paid in advance if certain conditions are met. The level of benefits provided depends on the date of hire, length of service and salary. The commitment that amounts to €1,738 thousand (2022: €2,009 thousand, after the contribution), has a weighted average duration of approximately 6 years.

Other long-term benefits

The company grants also other long-term benefits to its employees, generally paid when the employee attains a specific seniority. In this case the valuation reflects the probability that payment is required and the length of time for which payment is likely to be made. These schemes are unfunded and the amount of the obligation is calculated on an actuarial basis, in accordance with the projected unit credit method. Actuarial gains and losses arising from this obligation are recognized in the income statement.

The table below provides the main variations that occurred during the year:

(thousands of euro)	Employee severance indemnities	Other long-term employee benefits	Total
At 1 January 2022	**10,823**	**1,240**	**12,063**
Increase recognized in profit or loss	104	11	115
Benefit payments	(1,248)	(152)	(1,400)
Other changes	(600)	(56)	(656)
At 31 December 2022	**9,079**	**1,043**	**10,122**
Decreases due to contribution	(7,070)	(895)	(7,965)
Value as at 1 January 2023 post-contribution	**2,009**	**148**	**2,157**
Increase recognized in profit or loss	176	18	194
Benefit payments	(516)	(31)	(547)
Other changes	69	(18)	51
At 31 December 2023	**1,738**	**117**	**1,855**

The movement in the defined benefit obligation for post-employment benefits is illustrated below:

	Employee severance indemnities		Other	
(thousands of euro)	2023	2022	2023	2022
At 1 January	**9,079**	**10,823**	**1,043**	**1,240**
Additions per transfer	-	176	-	10
Current service cost	102	-	13	90
	102	**176**	**13**	**100**
Interest expense	74	104	5	11
(Gains) losses from changes in demographic assumptions	-	-	-	-
(Gains) losses from changes in financial assumptions	26	(1,671)	1	(11)
Experience (gains) losses	58	895	(8)	(145)
	84	**(776)**	**(7)**	**(156)**
Benefit payments	(516)	(1,248)	(31)	(152)
Decrease due to transfer	(15)	-	(11)	-
Decreases due to contribution	(7,070)	-	(895)	-
At 31 December	**1,738**	**9,079**	**117**	**1,043**

The following table shows the maturity analysis of undiscounted payments for the next 10 years for the same type of benefits:

(thousands of euro)	**Employee severance indemnities**
Year 2024	68
Year 2025	303
year 2026	127
year 2027	105
year 2028	224
Years 2029 - 2033	567
	1,394

In addition to forecasts of mortality and employee turnover based on current statistical insight, post-employment benefits and other long-term benefits are computed according to a discount rate of 3.08% (3.77% in 2022).
The above-mentioned rate reflects the current economic period and/or realistic expectations. The discount rate adopted is the rate applicable for high quality corporate bonds with a term corresponding to the obligation for employee benefits.
The sensitivity of the defined benefit obligation to changes in the main assumptions is presented here below:

thousands of euro	**Impact on employee severance indemnitie**
Discount rate	
Increase 0.25%	(89)
Decrease 0.25%	95

36. PROVISIONS FOR LIABILITIES AND CHARGES

(thousands of euro)	Provision for restructuring charges	Legal claims Tax risks	Environmental risks	Other funds	Total
At 31 December 2022	**50**	**1,704**	**9,661**	**272**	**11,687**
Decrease due to contribution	(50)	-	(8,161)	-	(8,211)
At 1 January 2023 post-cotribution	**-**	**1,704**	**1,500**	**272**	**3,476**
Increase recognized in profit or loss	-	1,329	-	122	1,451
Used during the year	-	-	-	(272)	(272)
Release of provisions and reclassifications	-	(302)	-	-	(302)
At 31 December 2023	**-**	**2,731**	**1,500**	**122**	**4,353**

Detail by maturity of the total funds:

(thousands of euro)	Provision for restructuring charges	Legal claims Tax risks	Environmental risks	Other funds	Total
Non-current	-	820	1,500	122	2,442
Current	-	1,911	-	-	1,911
	-	**2,731**	**1,500**	**122**	**4,353**

Legal claims and tax risks provision for €2,731 thousand is essentially composed by the provisions made against disputes regarding assessments for higher property taxes (ICI/IMU).
The environmental risks caption includes the expected costs related to the restoration of land areas and the related aquifer at the Augusta plant (SR) (€1,500 thousand). Further details are provided in the consolidated financial statements note.

37. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Temporary differences and tax offsetting that generate deferred tax assets and liabilities are analyzed as follows:

(thousands of euro)	Value at the 31.12.2023	Value at the 31.12.2022	Decreases due to contribution	Initial post-contribution balance
Deferred income tax assets related to:				
- Provision for asset impairment losses	-	2,956	(2,940)	16
- Provisions for liabilities and charges	187	2,972	(2,906)	66
- Write-down of receivables	240	216	-	216
- Long-term debt	5,828	3,922	-	3,922
- Property, plant and equipment	-	33	(33)	-
- Other deferred tax assets	188	1,844	(1,644)	200
- Employee benefits	114	374	(280)	94
- Losses and interest expense from previous years	61,794	35,749	-	35,749
Total deferred income tax assets	**68,351**	**48,066**	**(7,803)**	**40,263**
Deferred tax liabilities related to:				
- to other related parties	(175)	(952)	952	-
- Employee benefits	-	(3)	3	-
- Property, plant and equipment	-	(8,176)	8,176	-
- LIFO/WAC stock difference	-	(7,888)	7,888	-
- Dividends from subsidiaries	(1,031)	-	-	-
- Financial assets	(1,455)	(1,455)	-	(1,455)
- Other deferred taxes	(6,686)	(6,832)	146	(6,686)
Total deferred income tax liabilities	**(9,347)**	**(25,306)**	**17,165**	**(8,141)**
Balance of deferred tax assets, net	**59,004**	**22,760**	**9,362**	**32,122**

The indents of deferred tax assets and liabilities at 31 December 2023, are presented in the following table:

(thousands of euro)	**Value at the 31.12.2023**	**Entries 2024**	**Entries 2025**	**Entries 2026**	**Entries 2027**	**Entries 2028**	**Entries Beyond**
Deferred income tax assets related to:							
- Provisions for liabilities and charges	187	40	40	40	30	20	17
- Write-down of receivables	240	80	50	30	30	30	20
- Long-term debt	5,828	-	-	-	-	-	5,828
- Interest expense from previous years	7,549	-	-	-	-	-	7,549
- Other deferred tax assets	188	188	-	-	-	-	-
- Employee benefits	114	-	-	-	-	-	114
- Losses in previous years	54,245	-	-	-	-	-	54,245
Total deferred income tax assets	**68,351**	**308**	**90**	**70**	**60**	**50**	**67,773**
Deferred tax liabilities related to:							
- Accelerated depreciation	(175)	(15)	(15)	(15)	(15)	(15)	(100)
- Dividends from subsidiaries	(1,031)	-	-	-	-	-	(1,031)
- Financial assets	(1,455)	-	-	-	-	-	(1,455)
- Other deferred taxes	(6,686)	-	-	-	-	-	(6,686)
Total deferred income tax liabilities	**(9,347)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(9,272)**
Balance of deferred tax assets, net	**59,004**	**293**	**75**	**55**	**45**	**35**	**58,501**

The net credit of €59,004 thousand, resulting from the table, corresponds to the caption deferred tax assets.

The recognitions consider the legal offsetting between entries of opposite sign in future years and are based on a reasonable certainty about their recoverability against future positive taxable income. In particular, the credit for deferred tax assets on tax losses and interest expenses carryforward has been maintained within the limits of an updated judgement of their future recoverability in the foreseeable future. In this perspective, during the year deferred tax assets on tax losses carryforwards were recognized for an amount of €26,045 thousand, while no deferred tax assets were recognized for those previous tax loss for which, at present, their recoverability is not foreseen.

During the year, deferred tax liabilities have been recognized on undistributed earnings of associates (€1,031 thousand). As of 31 December 2023, no deferred tax liabilities have been recognized on undistributed earnings of subsidiaries and joint ventures, on which any distribution would result in the payment of related income taxes. These accumulated profits, amounting to approximately €1.7 billion, do not contribute to the composition of deferred tax liabilities since distribution is unlikely in the foreseeable future.

38. OTHER NON CURRENT LIABILITIES

(thousands of euro)	2023	2022	Decreases due to contribution	Initial post-contribution balance
Other	775	837	(56)	781
	775	**837**	**(56)**	**781**

39. TRADE PAYABLES

(thousands of euro)	2023	2022
Trade payables:		
- to third parties	5,476	99,513
- to subsidiaries	286	406
- to associated companies	-	31
- to other related parties	-	8
	5,762	**99,958**

The above mentioned liabilities are recorded at a value approximating their fair value.

40. INCOME TAX PAYABLES

Income tax liabilities at the end of the year amounted to €697 thousand for IRES, recognized against the consolidating company Fimedi SpA, as Buzzi SpA is member of a controlled group of corporations for income tax purposes. This liability was paid during the year, and at the end of the fiscal year, the balance of the item is nil.

41. OTHER PAYABLES

(thousands of euro)	2023	2022	Decreases due to contribution	Initial post-contribution balance
Advances	877	2,484	-	2,484
Advances to subsidiaries	-	90	-	90
Tax payables to the Treasury	17,434	18,151	-	18,151
Payables to social security institutions	1,722	5,293	(937)	4,356
Payables to personnel	2,162	5,483	(2,718)	2,765
Charges on sureties	5	81	-	81
Other accrued expenses and deferred income	703	5,115	(4,807)	308
Other	686	2,538	(124)	2,414
	23,589	**39,235**	**(8,586)**	**30,649**

Tax liabilities to tax authorities mainly relate to pending litigations regarding assessments for higher property taxes (ICI/IMU) for €16,969 thousand and other liabilities for withholding taxes on employee salaries for €425 thousand.

42. CASH GENERATED FROM OPERATIONS

(euro)	2023	2022
Profit before tax	**200,014,020**	**506,904,684**
Adjustments for:		
Depreciation and amortization	1,535,542	31,028,981
(Gains)/losses on disposal of fixed assets	(16,015)	(805,226)
(Gains)/losses on disposal of equity investments	(441,360)	-
Net change in provisions and employee benefits	596,384	(716,113)
Net finance costs	(221,400,896)	(472,986,097)
Other non-cash movements	(28,944)	(154,197)
Changes in operating assets and liabilities:	111,974,362	(108,214,622)
Inventories	-	(44,075,881)
Trade and other receivables	179,577,695	(72,998,522)
Trade and other receivables from related parties	21,855,066	(6,170,548)
Trade and other payables	(89,307,771)	15,651,942
Trade and other payables to related parties	(150,628)	(621,613)
Cash generated from operations	**92,233,093**	**(44,942,590)**

43. FINANCING ACTIVITIES

The variations in the items included in the financing activities section of the cash flow statement are detailed as follows:

(euro)	Note	Opening Balance	Cash			Non-cash				Ending Balance
			Proceeds	Repay-ment		Accruals/ contribution	Exchange differences	Amortized cost	Reclassifications and others	
Current portion of long-term debt (b)										
Senior notes and bonds		499,907,459	-	(500,000,000)		-	-	92,541	-	-
Unsecured term loans		93,708,661	-	(94,894,667)		-	1,138,906	47,100.00	-	-
		593,616,120	-	**(594,894,667)**		-	1,138,906	**139,641**	**-**	**-**
Short-term debt (c)										
Accrued interest expense		12,400,959	-	(269,546)		-	-	-	(7,228,889)	4,902,524
		12,400,959	**-**	**(269,546)**		-	-	-	**(7,228,889)**	**4,902,524**
				(269,546)						
Change in lease liabilities (d)										
Lease liabilities		3,443,200	428,123	-		(3,267,952)	-	-	(249,182)	354,189
Current portion of lease payables		1,511,620	-	(259,960)		(1,305,863)	-	-	273,015	218,812
		4,954,820	**428,123**	**(259,960)**		(4,573,815)	-	-	23,833	**573,001**
Change in financial payables (e)										
Financial payables to group companies - non-current		557,847,385	-	-		-	(19,385,827)	-	-	538,461,558
Financial payables to group companies - current		95,663,889	85,188,217	(5,700,000)			-	-	1,620,251	176,772,357
		653,511,274	**85,188,217**	**(5,700,000)**		**-**	**(19,385,827)**	-	**1,620,251**	**715,233,915**
				79,488,217						
Change in shareholdings without loss of control (f)										
Shareholdings - Hinfra Srl		1,500,000	-	(500,000)	(*)	-	-	-	-	2,000,000
Shareholdings - Buzzi Unicem Algérie Sàrl in liquidation		415	-	(3,021)	(*)	-	-	-	(3,435)	1
		1,500,415	**-**	**(503,021)**		**-**	**-**	**-**	**(3,435)**	**2,000,001**
Dividends paid to owners of the company (g)										
Dividends paid to owners of the company		-	-	(83,309,327)		-	-	-	-	-
		-	-	**(83,309,327)**		-	-	-	-	-

(*) The amounts are indicated under the sign of the cash flow statement.

44. DIVIDENDS

Dividends declared in 2023 and 2022 were respectively €83,309 thousand (45 eurocent per share) and €74,053 thousand (40 eurocent per share).

As for the year ended 31 December 2023 the board of directors is proposing to the Annual Shareholders' Meeting of 9 May 2024, a dividend of 60 eurocents per share. Therefore, expected dividend distribution amounts to €111,079 thousand. These financial statements do not reflect such payable to the shareholders.

45. COMMITMENTS

(thousands of euro)	2023	2022
Guarantees granted	1,500	1,500
Guarantees Received	30,047	28,307
Commitments	34,380	56,008
	65,927	**85,815**

Guarantees granted include a letter of patronage in favor of credit institutions for credit granted to Cementi Moccia SpA.
The item guarantees received includes, among others, bank and insurance guarantees in favor of entities, public administration, etc., to cover potential damages caused by the company's activities or by some group companies.
Commitments include a comfort letter that Buzzi SpA provides for Schuldschein bank loans to Dyckerhoff GmbH for €12,500 thousand, guarantees to Nacional Cimentos Participações SA for €21,734 thousand and commitments related to the purchase of technical fixed assets for €346 thousand.
The total of future minimum payments due on short-term operating lease contracts, low-value assets, and other contracts outside the scope of IFRS 16 amounts to €1,376 thousand, of which €750 thousand within the next year and €626 thousand within 5 years.

46. LEGAL CLAIMS AND CONTINGENCIES

With reference to the description of legal disputes of Buzzi SpA, please refer to the information provided in the consolidated financial statements under note 49 Legal claims and contingencies.

47. RELATED PARTY TRANSACTIONS

Buzzi SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52.95% of the voting shares at 31 December 2023.
Buzzi SpA assembles the professional skills, the human resources and equipment that make it possible to provide assistance to other subsidiaries and associates.
Buzzi SpA regularly carries out trading transactions with a number of subsidiaries, associated and/or joint ventures, furthermore the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price list in force with non-related parties and services are rendered on a cost-plus basis. There are also some transactions of financial nature with investee and parent companies; equally, they have normal terms and interest rate conditions.
Buzzi SpA provides administrative, tax, corporate, audit, personnel management and data processing services to the parent company Fimedi SpA and to other entities controlled by individuals with significant influence on Buzzi SpA, for limited amounts.
The company and its Italian subsidiaries Unical SpA, Testi Cementi Srl and Buzzi Unicem Srl are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the corresponding year-end balances (refer to note 14 for details of dividends received).

Income Statement thousands of euro	**Revenues**	**Purchases of goods and services and other charges**	**Staff costs**	**Finance revenues**	**Finance costs**
Dyckerhoff GmbH	439	3	-	-	3,029
Dyckerhoff Polish Sp Zoo.	63	-	-	-	-
Cimalux SA	20	-	-	-	-
Unical SpA	3,689	189	-	113	59
Testi Cementi Srl	30	-	-	127	-
Arquata Cementi Srl	5	-	-	-	-
Falconry Srl	7	-	-	80	-
RC Lonestar Inc.	797	-	-	-	-
Alamo Cement Company	119	-	-	-	8,674
Buzzi Unicem Algérie Sàrl in liquidation	-	20	-	-	-
Hinfra Srl	17	-	-	1	-
Cement Frontier Inc.	13	-	-	-	-
Lone Star Industries, Inc.	-	-	-	-	17,314
National Company Cement - CNC	-	-	-	3,912	-
Companhia de Cimento Campeao Alvorada - CCA	31	-	-	-	-
Companhia Nacional de Cimento - CNC	9				
Cementi Moccia SpA	-	-	-	-	-
Laterlite SpA	20	-	-	-	-
Premix SpA	3	-	-	-	-
Buzzi Unicem Srl	7,431	(9,331)	-	1,185	132
Moctezuma Corporation SAB de CV	30	-	-	-	-
Moctezuma cements SA of CV	295	-	-	-	-
Socket PLC	13	-	-	-	-
Fimedi SpA	15	-	-	-	-
other related parties	69	160	125	-	-
Total group companies and other related parties	**13,115**	**(8,959)**	**125**	**5,418**	**29,208**
Total budget item	15,794	19,425	16,661	310,738	89,337
Impact % on the budget item	**83.04%**	**-46.12%**	**0.75%**	**1.74%**	**32.69%**

Balance Sheet thousand of euro	Credits & Other activities Non-current	Trade receivables	Other receivables	Trade payables	Short-term and long-term debt
Dyckerhoff GmbH	-	75	-	3	146,483
Dyckerhoff Polska Sp zoo.	-	32	-	-	-
Cimalux SA	-	20	-	-	-
Unical SpA	-	2,258	7,239	77	48
Testi Cementi Srl	-	2	4,045	-	-
Falconeria Srl	-	9	2,306	-	-
RC Lonestar Inc.	-	552	-	-	-
Alamo Cement Company	-	117	-	-	206,440
Hinfra Srl	1,000	20	1	-	-
Cement Hranice as	-	13	-	-	-
Lone Star Industries, Inc.	-	-	-	-	338,958
Companhia Nacional de Cimento - CNC	219,005	(1)	812	-	-
Cementi Moccia SpA	-	-	-	-	-
Laterlite SpA	-	24	-	-	-
Companhia de Cimento da Paraíba - CCP	-	10	-	-	-
Nacional Cimentos Participações SA	-	-	28	-	-
Companhia de Cimento Campeao Alvorada - CCA	-	32	-	-	-
Buzzi Unicem Srl	-	4,311	-	206	23,305
Corporación Moctezuma SAB de CV	-	30	-	-	-
Cementos Moctezuma SA de CV	-	172	-	-	-
Presa SpA	-	16	-	-	-
Fimedi SpA	-	18	28,620	-	-
Altre parti correlate	-	85	-	-	-
Totale imprese del gruppo e altre parti correlate	**220,005**	**7,795**	**43,051**	**286**	**715,234**
Totale voce di bilancio	220,786	8,978	194,996	5,762	1,311,177
Incidenza % sulla voce di bilancio	**99.65%**	**86.82%**	**22.08%**	**4.96%**	**54.55%**

(1) the non-current trade receivable from Cementi Moccia SpA of €461 thousand was fully written down.

The main relationships between Buzzi SpA and its subsidiaries, affiliates, jointly controlled entities, and controlling parties can be summarized as follows:

- services through annually renewed contracts mainly for administrative, financial, IT, legal, and tax services to Unical SpA, Testi Cementi Srl, Fimedi SpA, Presa SpA, Buzzi Unicem Srl, Premix SpA, Hinfra Srl, and Falconeria Srl;
- financial receivables for cash pooling operations with Unical SpA and Buzzi Unicem Srl and for financing to Companhia Nacional de Cimento - CNC, Testi Cementi Srl, Hinfra Srl, and Falconeria Srl;
- provision, upon request, of technical and design assistance services to Dyckerhoff GmbH, Alamo Cement Company, Cementos Moctezuma SA de CV, Corporación Moctezuma SAB de CV, RC Lonestar, Inc., Cimalux SA;
- payment of interest expenses on loans from Alamo Cement Company, Dyckerhoff GmbH, Lone Star Industries, Inc., and on cash pooling from Buzzi Unicem Srl;
- interest income on cash pooling from Unical SpA and Buzzi Unicem Srl and on loans to Testi Cementi Srl, Hinfra Srl and Falconeria Srl;
- tax consolidation agreement with the parent company Fimedi SpA, reflecting a receivable for €29,404 thousand;

During the year 2023, the relationships with related parties, as defined by IAS 24, not represented by parent companies, subsidiaries and associates, have been indicated in the previous table under the “Other related parties” category.
Additionally:
- among the received guarantees, there are bank and insurance guarantees to third parties against commitments where the company is the principal obligor, particularly to Alamo Cement Company (€12,102 thousand), Cimalux SA (€7,200 thousand) and Dyckerhoff Polska Sp zoo. (€235 thousand).
- among the commitments, there are guarantees provided by Buzzi SpA on bank loans to Dyckerhoff GmbH for €12,500 thousand and to Nacional Cimentos Participações SA for €21,535 thousand;
- there is a letter of patronage in favor of a credit institution for €1,500 thousand for a loan granted to Cementi Moccia SpA.

Key management includes the directors of the company (executive or not) and the statutory auditors. As a consequence of the new operational and organizational structure of the company, the Board of Directors, on 3 August 2023, identified the new key management in the Chief Executive Officer (CEO), the General Manager, and the Chief Technology Officer (CTO).
The compensation paid by Buzzi SpA, not included in the previous table, is shown below:

(thousands of euro)	**2023**	**2022**
Salaries and other short-term employee benefits	2,772	2,400
Post-employments benefits	652	622
	3,424	**3,022**

For a complete and detailed description of the consideration paid to directors, please refer to the Report on the policy regarding remuneration and fees paid, available at the company's headquarters and website.

48. OTHER INFORMATION

Material non-recurring events and transactions

As stated in the review of operations, the year ended 31 December 2023 was affected by material non-recurring events and transactions - as defined by Consob Communication no. DEM/6064293 of 28 July 2006 - with a net negative impact on EBITDA equal to €2,948 thousand.

Atypical and/or unusual transactions

Please note that Buzzi did not carry out atypical and/or unusual transactions during the year ended 31 December 2023, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Net financial position

Buzzi SpA's net financial position as at 31 December 2023, is as follows:

(thousands of euro)	Note	**2023**	**2022**
Cash in hand	27	2	8
Cash and cash equivalents	27	414,792	851,087
Liquidity (A)		**414,794**	**851,095**
Current financial receivables (B)		**158,676**	**19,386**
To group companies	26	14,403	17,019
Short-term monetary investments	26	139,774	-
To third parties	26	4,499	2,367
Current financial debt (C)		**(451,278)**	**(717,511)**
Current portion of non-current debt	34	(252,410)	(99,409)
Other financial payables to group companies	34	(176,772)	(89,864)
Senior notes and bonds	34	-	(499,907)
To third parties	17/34/41	(22,096)	(28,331)
Net current financial debt D=(A+B+C)		**122,192**	**152,970**
Non-current financial liabilities (E)		**(882,233)**	**(1,156,409)**
Bank debts	34	(338,630)	(595,119)
To group companies	34	(538,462)	(557,847)
To third parties	17/34/41	(5,141)	(3,443)
Net debt F=(D+E)		**(760,041)**	**(1,003,439)**
Non-current financial receivables (G)		**220,005**	**240,100**
To group companies	23	220,005	229,069
To third parties	22	-	11,031
Net Financial position (F+G)		**(540,036)**	**(763,339)**

The net debt is in line with the guidelines issued by ESMA and adopted by Consob with Warning Notice No. 5/21 dated 29 April 2021.

Components of net debt

Set out below is the reconciliation of those net debt components not directly inferable from the line items in the balance sheet scheme.

(thousands of euro)	Note	2023	2022
Current financial receivables (B)			
To third parties		**4,499**	**2,367**
Other receivables	26	1,427	1,427
Accrued interest income	26	3,072	940
Current financial debt (C)			
To third parties		**(22,096)**	**(28,331)**
Lease liabilities	17	(219)	(1,512)
Accrued interest expense	34	(4,903)	(12,401)
Tax payables to the Treasury	41	(16,969)	(14,337)
Charges on sureties	41	(5)	(81)
Non-current financial liabilities (E)			
To third parties		**(5,141)**	**(3,443)**
Derivative financial instruments	22	(4,787)	-
Lease liabilities	17	(354)	(3,443)

49. TRANSPARENCY REQUIREMENTS

The law 124/2017 art. 1, paragraphs 125-129, as modified by the law 58/2019, art. 35, introduced some new disclosure requirements regarding the transparency of public funds received not of a general nature and without consideration, remuneration or compensation nature. In particular, for companies, the legislation requires the publication in the notes to the financial statements of all the economic benefits, of an amount equal to or greater than €10,000, received from public resources.
Subsequently, the law 12/2019, art. 3 quater, paragraph 2, with the aim of simplifying the disclosure requirements foreseen for the companies benefiting from the subsidies, provided that the recording of state and de minimis aids in the National State Aid Register, referred to in article 52 of the law 234/2012, replaces the duty to indicate them in the notes to the financial statements, asking the beneficiaries to simply declare the existence of such aids in the aforementioned Register.
It should be noted that Buzzi meets the requirements of the Ministerial Decree of 21 December 2017 containing "Provisions regarding the reduction of tariffs to cover the general system charges for energy-intensive companies", as well as those provided for by the Authority Resolution 921/2017/R/eel as subsequently amended.
For the purposes of transparency and control of State aid, CSEA as providing entity will register the concessions granted in application of the Ministerial Decree into the National State Aid Register, to which reference should therefore be made for the information required by the regulation:
https://www.rna.gov.it/RegistroNazionaleTrasparenza/faces/pages/TrasparenzaAiuto.jspx.
In addition to what is indicated in the National State Aid Register, "Transparency" section, the following additional grants have been received:

(in euro)

Paying entity	Amount of the economic benefit granted	Description of the kind of benefit granted
Eni Fuel SpA	21,930	Reimbursement of excise duties on diesel for industrial use
Agenzia delle Dogane Cuneo	41,363	Reimbursement of excise duties on diesel for industrial use
Agenzia delle Dogane Bari - Siracusa	130,750	Reimbursement of excise duties on electric power

50. EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the reference date of the financial statements.

As far as the trading outlook is concerned, Reference is made to the appropriate chapter in the review of operations.

51. APPROPRIATION OF NET INCOME

Reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 28 March 2024

on behalf of the Board of Directors
Chairman

Veronica Buzzi

INFORMATION PURSUANT TO ART. 149-*DUODECIES* OF THE CONSOB REGULATION FOR LISTED COMPANIES

The following table, prepared in accordance with article 149-duodecies of the CONSOB Regulation No. 11971/99, reports the amount of the fees charged in 2023 for auditing and services other than auditing provided by auditor PricewaterhouseCoopers SpA and by entities within its network.

(thousands of euro)		**Fees charged in 2023**
Audit	PwC SpA	121
Attestation	PwC SpA (1)	30
Attestation	Network PwC (2)	24
		175

(1) Attestation of compliance on consolidated non-financial statement

(2) Agreed-upon procedures on the annual financial information of the associates Société des Ciments de Sour El Ghozlane Epe SpA and Société des Ciments de Hadjar Soud Epe SpA.

CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ART. 81 TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

- The undersigned Pietro Buzzi, as Chief Executive Officer, and Elisa Bressan, as Manager responsible for preparing Buzzi SpA's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of the annual financial statements, during the year 2023:

  - are adequate with respect to the company structure, and

  - have been effectively applied.

- The undersigned also certify that:

  a) the annual financial statements
     - have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Councel dated 19 July 2002;

     - correspond to the results documented in the books and the accounting records;

     - provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer;

  b) the review of operations includes a reliable analysis of operating performance and results, as well as of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Casale Monferrato, 28 March 2024

Chief Executive Officer	Manager responsible for preparing financial reports
Pietro BUZZI	**Elisa BRESSAN**

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE N. 39 OF 27 JANUARY 2010 AND ARTICLE 10 OF REGULATION (EU) N. 537/2014

BUZZI SPA

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

Independent auditor's report

in accordance with article 14 of Legislative Decree N. 39 of 27 January 2010 and article 10 of Regulation (EU) N. 537/2014

To the Shareholders of
Buzzi SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buzzi SpA (the "Company"), which comprise the balance sheet as of 31 December 2023, the income statement, the statement of comprehensive income, the changes in shareholders' equity and the cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/05.

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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Evaluation of the investments in subsidiaries, associates and jointly controlled companies recoverability *Note 2 of the statutory financial statements "Summary of material accounting policies" and note 20 "Investments in subsidiaries, associates and joint ventures"*	
As of 31 December 2023 investments in subsidiaries, associates and jointly controlled companies amount to Euro 2,826 million, equal to approximately 76 percent of total assets, and refer to subsidiaries for Euro 2,542 million, to associates for Euro 108 million and to jointly controlled companies for Euro 176 million. According to the accounting standards, investments are valued at cost; in case of impairment losses, these are recognized in the income statement. In accordance with the accounting standards and with the impairment procedure approved by the Board of Directors autonomously and in advance of the time of approval of the draft financial statements (the "Procedure"), management verifies the presence of an investments loss of value by comparing the related book value with the estimated recoverable amounts as per the international accounting standard IAS 36 (so-called *impairment test*), when there are indicators that suggest a potential impairment. The recoverable amount of an asset is represented by the higher of its fair value, less costs of disposal, and its related value in use, determined by discounting the future financial flows estimated for that asset. In determining the value in use, the expected future financial flows are discounted using a discount rate that reflects the current cost of money market, in relation to the	We have obtained the valuation models and documentation used by management to identify any impairment loss in accordance with the Procedure and, also through the support of experts belonging to the PwC network, we have carried out the following main audit procedures: • understanding and evaluating of the Procedure and verification of its consistency with the international accounting standard IAS 36, as well as its compliant application; • analysis of the results of the audits performed by the component auditors; • verification of the models mathematical accuracy; • consistency verification of the cash flows used for the purposes of the impairment test with the economic-financial projections approved by the Board of Directors on 28 March 2024; • evaluation, through discussions and in-depth analysis carried out with management, of the reasonableness of the main assumptions underlying the determination of the data included in the models, with particular reference to prospective cash flows, also in consideration of historical data, growth and discounting rates used to determine value in use; • verification of sensitivity analyses on relevant assumptions, with particular

investment period and the specific risks of the asset.

Specifically, management carried out the annual impairment exercise as of 31 December 2023, determining the recoverable amount according to the configuration of the value in use obtained by discounting the investees' forecast data, relating to the five-year period subsequent to the balance sheet date deriving from the 2024-2028 economic and financial projections approved by the Board of Directors on 28 March 2024, to which a terminal value was added. The key assumptions used to determine the forecast data of the investees are related to the estimate of turnover, EBITDA, operating cash flows, long-term growth rate and the weighted average cost of capital (discount rate), taking into account past economic-financial performances and future expectations.

The assessment of the investments in subsidiaries, associates and jointly controlled entities recoverability was considered a key audit matter of the audit due to its significance on the financial statements as well as for the complex estimates underlying the impairment test, such as those relating to prospective cash flows, the variables included in the discount rates and the growth rate to be used for estimating the terminal value after the explicit forecast period.

reference to future financial flows and their discount rates.

Finally, we have also verified the adequacy and completeness of the information provided in the notes to the statutory financial statements with respect to the information and data obtained during the audit and with respect to the international accounting standards requirements.

Other Matters

The financial statements of Buzzi SpA for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 4 April 2023.

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree N. 38/05 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 Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 Company'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 Company'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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor’s report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 12 May 2022, the Shareholders’ meeting of Buzzi SpA engaged us to perform the statutory audit of the Company’s separate and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) N. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Buzzi SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the “Commission Delegated Regulation”) to the financial statements as of 31 December 2023, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2023 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree N. 39/10 and Article 123-bis, paragraph 4, of Legislative Decree N. 58/98

The directors of Buzzi SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Company as of 31 December 2023, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) N. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree N. 58/98, with the financial statements of Buzzi SpA as of 31 December 2023 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Buzzi SpA as of 31 December 2023 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree N. 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.

Turin, 15 April 2024

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF STATUTORY AUDITORS

STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING OF BUZZI S.P.A. CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023, PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 AND OF ARTICLE 2429, PAR. 2, OF THE ITALIAN CIVIL CODE

Dear Shareholders,
in this Report, drafted in compliance with Article 153 of Legislative Decree No. 58 of 24 February 1998 (the Consolidated Law on Finance, hereinafter "TUF") and in accordance with the recommendations made by Consob in Communication No. DEM/1025564 of 6 April 2001, as further updated, the Statutory Auditors' Committee reports on the activities carried out during the year ended 31 December 2023 and until today's date. This is done in compliance with applicable legislation and considering the Principles of Conduct for Statutory Auditors' Committees of Listed Companies recommended by the Italian National Board of Certified Accountants and Auditors (CNDCEC), recently updated on 21 December 2023.

COMPOSITION AND FUNCTIONING OF THE STATUTORY AUDITORS' COMMITTEE

The Statutory Auditors' Committee in office at the date of this report was appointed by the Shareholders' Meeting of Buzzi S.p.A. (hereinafter "Buzzi"), held on 12 May 2023 for the three-year period 2023-2025, i.e. until the Meeting for the approval of the financial statements as at 31 December 2025, and is made up as follows[1]:

- Regular Auditors: Raffaella Pagani (Chairman), Paola Lucia Giordano and Giorgio Zoppi;
- Alternate Auditors: Roberto D'Amico, Maurizio Di Marcotullio and Giulia De Martino.

Upon assuming office and most recently in February 2024, the Statutory Auditors' Committee assessed, with a positive outcome, the compliance of each member with the requirements of integrity, professionalism according to the law and the company's bylaws and independence, in compliance with the principles and criteria stipulated by the TUF and the Corporate Governance Code, as adapted by the Company. The results of this assessment were communicated to the Board of Directors for the related obligations required.
All regular members of the Statutory Auditors' Committee adhere to the limit on the number of offices stipulated by the art. 144-terdecies of the Issuers' Regulations.
In February 2024, the Statutory Auditors' Committee carried out the annual self-assessment of its composition and functioning in line with the recommendations of Standard Q.1.1. of the Company's Rules of Conduct of the Statutory Auditors' Committee, expressing an opinion of overall adequacy and balanced distribution of the skills mainly acquired on the basis of professional experience.
The Statutory Auditors' Committee fulfilled its supervisory duties mandated by Article 2403 of the Italian Civil Code and Article 149 of TUF. Additionally, it fulfilled the supervisory functions required by Article 19 of Legislative Decree No. 39/2010, acting as Internal Control & Audit Committee. This included

[1] The appointment took place on the basis of the two lists deposited, respectively, by the majority shareholders, FIMEDI S.p.A. and PRESA S.p.A., holders of 52.952% of the voting stock at the meeting, and by a group of asset management companies and other institutional investors (holders of approximately 1.21031% of the share capital overall).

overseeing compliance with the principles of proper administration and, in particular, assessing the adequacy of organisational, administrative and accounting structures adopted by the Company and ensuring their functioning and actual implementation of the corporate governance rules mandated by relevant regulations. The Statutory Auditors' Committee also monitored the independence of the Auditing firm.

Information necessary to fulfilling these supervisory duties was obtained through frequent meetings with the heads of the relevant corporate entities, Internal Audit and the Supervisory Committee. The Committee also participated in meetings of the Board of Directors, the Control, Risks & Sustainability Committee (hereinafter also CRS Committee) and the Related-Party Committee (hereinafter also RP Committee). The RP Committee operates in accordance with the Procedure for Transactions with Related Parties adopted by the Company pursuant to art. 4 of the Consob Regulation referred to in Resolution no. 17221 of 12 March 2010 and subsequent amendments.

During 2023, the Statutory Auditors' Committee, appointed in May 2023:

held 8 meetings and attended 5 meetings of the Board of Directors, 4 meetings of the CRS Committee and 1 meeting of the RP Committee. Meetings of the Statutory Auditors' Committee averaged approximately 3,5 hours each;

in most cases scheduled meetings on the same day as those of the CRS Committee and the Supervisory Committee, including joint sections to facilitate the exchange and uniqueness of relevant information among parties responsible for internal controls and to optimize the use of company resources involved;

regularly met and exchanged information with the representatives of the Auditing firm Pricewaterhouse Coopers (PWC) S.p.A;

participated in follow-ups organised by the Company for induction purposes during the Board of Directors or its Committees meetings, as detailed in the Report on Corporate Governance and Ownership Structure, for the year 2023. The sessions covered various topics, including market performance and forecasts, with a specific focus on the USA, a visit at the Vernasca plant (Piacenza) and other initiatives concerning Sustainability and Health & Safety, as well as regulatory changes in the Legislative Decree 231/2001. The sessions were conducted by the management functions responsible for the various topics.

Acknowledgement is made regarding the previous Statutory Auditors' Committee in office until the Shareholders' Meeting of 12 May 2023 which, during the period from 1 January 2023 to 12 May 2023, held 9 meetings, participated in the ordinary and extraordinary Shareholders' Meeting of 12 May 2023, attended 3 meetings of the Board of Directors and 2 meetings of the CRS Committee.

Pursuant to Article 153 of TUF and Article 2429, paragraph 2, of the Italian Civil Code, in accordance with Consob recommendations and based on the main information obtained during the Committee's performance of its duties, the following information is provided.

SUPERVISORY ACTIVITY WITH REGARD TO COMPLIANCE WITH THE LAW, THE BYLAWS, AND THE CORPORATE GOVERNANCE CODE

Based on the available information acquired through its supervisory activity, the Statutory Auditors' Committee did not detect any violations of the law or bylaws, or outwardly imprudent or risky transactions, or transactions that entail a potential conflict of interest or actions contrary to resolutions taken by the Shareholders' Meeting that could jeopardise the integrity of the Company's assets or its ability to continue to operate as a going concern.

The Statutory Auditors' Committee constantly received from Directors, during the above-mentioned meetings, comprehensive information on business performance, its outlook, operations, economic, financial and capital transactions performed by the Company and/or its subsidiaries, as well as on going strategic projects, on which the Statutory Auditors' Committee has no particular observations to report.
The Statutory Auditors' Committee conducted inquiries into specific issues, meeting directly with the Company's top managers to address main risks and the related impacts on Buzzi's business. In particular, the Statutory Auditors' Committee was periodically informed by the Head of Internal Audit and the Manager responsible for preparing financial report about the impacts arising from the Russia-Ukraine conflict on Buzzi and about the mitigation actions put in place by the Group. The Statutory Auditors' Committee, in application of the Consob warnings of 18-19 March 2022, verified the constant monitoring by the Management of direct and indirect impacts resulting from macroeconomic effects of this situation and any associated economic and financial risks for the Company and the Buzzi Group to deal with the effects on Italian and foreign business. The management report on the consolidated financial statements as of 31 December 2023 presented the current situation and possible effects on the Group.
The Statutory Auditors' Committee continuously assessed Buzzi's administrative and accounting structure, including the suitability of staff, tasks, responsibilities and control measures put in place in accordance with the new crisis code.
The Statutory Auditors' Committee oversaw the proper implementation of the 2020 CGC's principles and recommendations adopted by Buzzi, as detailed in the Report on Corporate Governance and Ownership Structure prepared pursuant to Article 123-bis of TUF, and approved by the Board of Directors on 28 March 2024 (available on the Company's website).
Additionally, the Statutory Auditors' Committee verified the activities conducted under "Buzzi's Shareholder Engagement Policy", approved by the Board of Directors on 3 August 2021, through periodic reports with the Investor Relator during the year.
The Committee confirms compliance of the corporate bodies composition - appointed in the ordinary Shareholders' Meeting of 12 May 2023 - with legislative, regulatory provisions and the company's bylaws.
Diversity policies and criteria for corporate bodies are detailed in the Report on Corporate Governance and Ownership Structure 2023, in paragraphs 4.3 for the Board of Directors and 11.2 for the Statutory Auditors' Committee. The Board of Directors assessed compliance with the aforementioned criteria during its meeting of 28 March 2024 finding the composition and size of the Administrative Body to be adequate.
The Board Performance Evaluation activity occurs every three years, with the last assessment conducted in November 2022.
The Statutory Auditors' Committee verified the correct application of criteria and assessment procedures adopted by the Board of Directors to evaluate the existence of the requirements of its members, taking note of the declarations issued. The outcomes of these activities are described in the Report on Corporate Governance and Ownership Structure 2023 prepared in accordance with article 123-bis of the TUF.

SUPERVISORY ACTIVITY ON COMPLIANCE WITH THE PRINCIPLES OF SOUND MANAGEMENT AND THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

During its periodic audits, the Statutory Auditors' Committee met with the Manager responsible for preparing financial reports[2], the Head of Internal Audit, and representatives of the Auditing firm[3], to obtain information on the activities carried out and audit plans. No relevant data or information have emerged that need to be highlighted herein.

The Committee also constantly and promptly exchanged information, relevant for the performance of its respective tasks, with the CRS Committee and the Supervisory Committee.

The Statutory Auditors' Committee obtained knowledge of and, within its remit, supervised:

the adequacy, suitability and functioning of the organisational structure of the company and group, including by collecting information from the heads of company functions,

the adequacy and functioning of the internal control system and administrative and accounting system, and the reliability of the latter in properly reporting operating events, in accordance with the principles of sound management, by obtaining information from the heads of the responsible functions and the Auditing firm appointed and by reviewing company documents.

Regarding the foregoing, the Statutory Auditors' Committee has no particular remarks to relate, did not submit any reports to the governing body pursuant to and for the purposes of Article 25-octies of Legislative Decree No. 14/2019, and did not receive any reports from qualified public creditors, pursuant to Article 25-novies of Legislative Decree No 14/2019.

Moreover, the Statutory Auditors' Committee also verified the adequacy of instructions issued by the Company to its subsidiaries, as provided for by Article 114, paragraph 2, of TUF.

PARTICULARLY SIGNIFICANT TRANSACTIONS – ATYPICAL OR UNUSUAL TRANSACTIONS – INTRA-GROUP OR RELATED-PARTY TRANSACTIONS

On 1 January 2023, the contribution in kind of the business unit relating to the Italian cement operations in favor of the 100% owned company Buzzi Unicem S.r.l. became effective. Consequently, Buzzi S.p.A ceased direct operational activity, taking on the central and fundamental role of sector holding with the aim of efficiently owning, managing, and coordinating all the subsidiary companies operating in the cement, concrete, binders and other ancillary activities sectors in the various countries in which the group operates.

With the Extraordinary Shareholders' Meeting of May 2023, the name Buzzi Unicem was changed to Buzzi S.p.A., while the name Buzzi Unicem was assumed by the fully owned company operating on the Italian market.

In 2023, the Company did not carry out any unusual or atypical transactions with third parties or related parties, nor any intra-group transactions or transactions that could have a significant impact on the Company's economic, capital, or financial situation.

The Review of operations approved by the Board of Directors offers an adequate overview of the events that occurred in 2023 that characterised the management of the financial year. Please refer to it for a

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2 On 12 May 2023, the Board, following the mandatory but non-binding opinion of the Statutory Auditors' Committee, confirmed the Administrative Director, Elisa Bressan, as the Manager responsible for preparing the accounting and corporate documents. The role lasts until the Shareholders' Meeting to approve the Financial Statements as of 31 December 2025.

3 With regard to the audit assignment, it is recalled that the Shareholders' Meeting held on 12 May 2022 entrusted, on the basis of the reasoned proposal presented by the previous Statutory Auditors' Committee, the assignment of legal audit of the accounts to the Auditing firm PricewaterhouseCoopers S.p.A. for the financial years 2023 to 2031.

detailed examination of the various facts and transactions. Based on the information received and the analyses conducted by the Committee, among the operations of greatest economic, financial and equity importance carried out in 2023, also through subsidiaries and for which adequate information has been given in the reviews of operations and in the Notes to the Financial Statements, it is deemed appropriate to draw attention to the following events:

contribution in kind of the business unit relating to the Italian cement operations in favor of Buzzi Unicem S.r.l, as part of the corporate revision project started in 2022;

agreement with CRH regarding the sale of activities in Ukraine. Completion of the transaction is subject to the granting of the required regulatory approvals.

The Statutory Auditors' Committee was periodically updated in relation to:

Transactions with Related Parties excluded from the application of the RPT Procedure;

Small Operations;

Ordinary Transactions, regardless of whether they qualify as Minor or Major Importance;

Transactions of Minor or Major Importance.

With regard to ordinary intra-group transactions or related-party transactions carried out in the period, about which the Company provided specific and detailed information in its interim financial reports (and in the Notes to the Group's Consolidated Financial Statements), the Statutory Auditors' Committee acknowledged that such transactions were carried out in accordance with the above mentioned Related-Party Procedure adopted by Buzzi and, as regards these transactions' consistency and compliance with Company's interests, no critical issues arose.

With reference to the authorisation to buy and purchase treasury shares approved by the Shareholders' Meeting on 12 May 2023, as at the date of approval of this Report, the Company has not launched the plan. The Company holds 7,494,166 treasury shares representing 3.891% of share capital.

SUPERVISION OF THE FINANCIAL REPORTING PROCESS, THE NON-FINANCIAL DISCLOSURE PROCESS, THE EFFICACY OF INTERNAL CONTROL SYSTEMS, INTERNAL AUDITING AND RISK MANAGEMENT, AS WELL AS THE LEGAL AUDITING OF THE ANNUAL AND CONSOLIDATED ACCOUNTS

With reference to the financial reporting process, the Statutory Auditors' Committee verified the constant updating at Group level of the set of administrative and accounting rules and procedures, aimed at controlling the process of preparation and disclosure of the financial reports and information (of the Parent and the Group), deemed suitable for the issuing of attestations pursuant to Article 154 of Legislative Decree No. 58/1998. The actual application and reliability of accounting and administrative procedures were verified by the Manager responsible for preparing financial reports, also relying on the internal structures in charge, in accordance with the provisions of Law 262/2005.

Regarding the preparation of the Statutory and Consolidated Financial Statements for the year ended 31 December 2023, the Statutory Auditors' Committee acknowledges that the Board of Directors independently approved — prior to the approval of the said Financial Statements for the year ended 31 December 2023 (see Bank of Italy-Consob-ISVAP Document, jointly issued on 3 March 2010):

in the Board meeting of 9 February 2024, the changes to the impairment test procedure and acknowledged the assumptions and initial indications of the impairment test;

in the Board meeting of 28 March 2024, the multi-year plan, results of the impairment test and related assumptions.

The notes to the financial statements contain information and outcomes of the process and assessments carried out.
During the periodic assessments, the Statutory Auditors’ Committee constantly received reports on the economic, asset and financial situation.
The Statutory Auditors’ Committee was constantly updated on tax issues.
With regard to the provisions of Article 36, paragraph 1, of the Markets Regulation (Consob Resolution No. 16191 of 20 October 2007 and Article 15, paragraph 1, of the same Regulation, as amended by Consob Resolution No. 20249 of 28 December 2017, in force since 3 January 2018), the Committee, as part of its supervisory activities, has no observations to make on the adequacy of the information flows from the subsidiaries aimed at ensuring the communication obligations required by law. The Statutory Auditors’ Committee monitored the adequacy and functioning of the Internal Control and Risk Management System through participation in the meetings of the CRS Committee, participation in meetings with the competent Functions for Compliance issues, through obtaining information from the CEO - Director in charge of the internal control and risk management system -, the Representatives of the Auditing firm and the Supervisory Committee. The Statutory Auditors’ Committee also periodically met with the Head of the Group Internal Audit, from whom it obtained information on the progress of the Audit Plan for the financial year, on the results of the checks carried out and on the remedial activities implemented and planned, as well as on the related follow-up activities.
The Statutory Auditors’ Committee, in the meeting of 26 March 2024, examined the 2023 Risk Report (ERM risks, also including the direct and indirect effects of climate change). The methodology is aligned with international best practices and the indications of the Corporate Governance Code, as well as providing for the integration of the Enterprise Risk Management model with the principles of corporate sustainability, including climate issues.
From the checks carried out and the information received, it emerged that the Risk Control and Management System is adequate as a whole and suitable for pursuing risk prevention, as well as ensuring effective application of corporate conduct rules. Furthermore, the organisational structure of the system itself guarantees coordination between the different subjects and functions involved, also through a constant flow of information between the various actors.
The Statutory Auditors’ Committee supervised the process of monitoring the system implemented by Buzzi S.p.A. for the purpose of ensuring compliance with Regulation (EU) No. 2016/279 on the protection of personal data (GDPR) and met the DPO.
With the aim of examining the specific risks and monitoring the improvement plans initiated by the management, the Statutory Auditors’ Committee, in the meetings held with the Company's Management, carried out in-depth studies on specific topics, within the scope of its competence, such as, among others:
the organisation of the Sustainability Function, with particular reference to the process of drawing up the NFS and relations with the CRS Committee;
the organization of the IT Function, with particular reference to updates regarding ongoing projects, in addition to the activities implemented for Cyber Security, the associated risks and the related mitigation actions.
The Statutory Auditors’ Committee oversaw the constant updating of the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01 (hereafter “231 Model”) and its functioning, as well as its suitability and efficacy in preventing liability in relation to predicate offences, through information exchange with Supervisory Committee meetings. The results of these activities are

described in detail in the Supervisory Committee’s report to the Board of Directors on 9 February 2024. In general terms, the Supervisory Committee confirmed the framework of the 231 Model, based on a structured, organic system of control procedures and activities designed to prevent and monitor the risk of commission of predicate offences pursuant to Legislative Decree No. 231/2001.
During 2023, the Model pursuant to Legislative Decree 231/01 was updated to incorporate the organisational and corporate changes that have affected the corporate and organisational structure of Buzzi S.p.A, and the regulatory changes introduced in the meantime also regarding whistleblowing. The update of the Model was approved by the Board of Directors on 28 September 2023.
With regard to the obligation to draft the Non-Financial Statement pursuant to Legislative Decree No.254/2016, the Statutory Auditors’ Committee was regularly informed by the Head of the Sustainability Function of the materiality analysis process carried out by the Company to define areas of non-financial information of a social and environmental nature deemed material to the Group and the related reference methodologies and standards adopted, as well as of the process of preparing, collecting and validating data at a global level in order to prepare the Non-Financial Statement pursuant to Legislative Decree No. 254/2016, also meeting with the Auditing firm PwC tasked with limited assurance activities on the said document.
With reference to the objectives linked to the transition to alternative energy sources and the actions necessary to tackle climate change, we have been informed of the efforts pursued by the Group aimed at guaranteeing a reduction in greenhouse gas emissions, through different types of initiatives, as identified in the Buzzi Roadmap, in its business activities, as well as adequate reporting of the emissions carried out along the value chain. Also considering the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Group's sector of activity, no significant exposures to environmental risks, particularly related to climate change, were identified.
It is acknowledged that during the supervisory activity described above no omissions, objectionable facts or irregularities emerged that would require reporting in this report. The Internal Audit and the Supervisory Committee, like the other company functions that the Statutory Auditors’ Committee has periodically met, did not report any critical issues within their respective competences. The annual report on Corporate Governance and Ownership Structure did not highlight any issues that needed to be brought to your attention.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT

The Statutory Auditors’ Committee ascertained the consistency of the remuneration attributed to the Administrative Body, the Executive Directors and the General Manager with respect to the remuneration policy. Additionally, opinions were provided on the remuneration attributed to Directors for special roles. The characteristics of the short and long-term remuneration policies, approved by the Board of Directors at the meeting of 28 March 2024, are detailed in the Report on the Policy regarding Remuneration and fees paid, prepared pursuant to art. 123-ter of the TUF (available on the Buzzi website). The first section of this report will be presented for examination and binding vote at the Shareholders' Meeting of 9 May 2024.

SUPERVISION OF THE DISCLOSURE PROCESS REGARDING THE INDEPENDENCE OF THE AUDITING FIRM, WITH REGARD IN PARTICULAR TO THE PROVISION OF NON-AUDITING SERVICES

The Statutory Auditors' Committee met periodically with representatives of the Auditing firm, PricewaterhouseCoopers S.p.A., to which the Shareholders' Meeting of Buzzi S.p.A. of 12 May 2022 granted the auditing assignment for the years 2023-2031. The Committee constantly received information concerning their work, audit plans and the progress and results thereof. No relevant data and/or aspects deserving of mention herein were brought to light in connection with the matters in the purview of the Statutory Auditors' Committee.

The Statutory Auditors' Committee supervised compliance with the rules of procedure governing the preparation and publication of the Consolidated Financial Statements pursuant to Article 41 of Legislative Decree No. 127 of 4 April 1991 and Article 154-ter of TUF.

PricewaterhouseCoopers S.p.A., today, 15 April 2024, has released the reports required by articles 14 of Legislative Decree 39/2010 and 10 of Regulation (EU) no. 537/2014, expressing an "unmodified opinion" on the statutory and consolidated financial statements of the Company as of 31 December 2023. Regarding the paragraph concerning the "key aspects of the audit", the Auditing firm considered aspects such as the recoverability of investments with reference to the separate financial statements and goodwill with reference to the consolidated financial statements

Furthermore, PWC S.p.A affirmed, pursuant to art. 14, paragraph 2, letter e), of Legislative Decree 39/2010, that the Review of operations and the information in the Report on corporate governance and ownership structure indicated in art. 123-bis, paragraph 4, of the TUF, are consistent with the statutory financial statements and the Group's consolidated financial statements as of 31 December 2023. The Auditing firm also certified compliance with the XHTML format and marking, as per the provisions of the Delegated Regulation, decision based on recent indications from Assirevi.

On the same date, the Auditing firm provided the Company's Statutory Auditors' Committee with the additional report required by Article 11 of Regulation (EU) No. 537/2014 pursuant to Article 19 of Legislative Decree No.39/2010. As stated in the opinion on the Financial Statements, this report addresses certain matters, without contradicting the opinions in question. The Auditing firm highlighted other significant risks – not material – such as revenue recognition fraud and management override of controls, in addition to the significant matter identified as "key aspect of the audit", in the aforementioned reports on the Statutory and Consolidated Financial Statements. No material lacks in the internal control system applicable to the financial reporting process were identified or notified to heads of governance. In the section "Other matters", as required by the recent Consob Warning Notice of 18 March 2022, visibility was given to the risks relating to the conflict in Ukraine and the related impacts; the report pursuant to art. 11 of Regulation (EU) no. 537/2014 also integrates the declaration of the Auditing firm on independence, pursuant to art. 6, paragraph 2, letter a) of Regulation (EU) no. 537/2014.

The Statutory Auditors' Committee will report to the Board of Directors on significant matters indicated in the Auditing firm's Report pursuant to Articles 14 and 16 of Legislative Decree No. 39/2010. The Committee also acknowledged the Transparency Report drafted by the Auditing firm and published on their website pursuant to article 18 of Legislative Decree No. 39/2010.

Today, 15 April 2024, the Auditing firm has also issued an ad-hoc report confirming the preparation of the Non-Financial Statement and certification of compliance (limited negative review), expressing an unqualified opinion.

The Statutory Auditors’ Committee monitored the independence of the Auditing firm pursuant to Article 19 of Legislative Decree No. 39/2010 and verified the nature and extent of the assignments received from Buzzi and/or the Group companies (based in Italy or abroad, both EU and non-EU) concerning services other than legal auditing, as described in the Notes to the Consolidated Financial Statements, pursuant to Article 149-duodecies of the Issuers’ Regulation on the disclosure of fees.
The Statutory Auditors’ Committee deemed the fees for such non-auditing services (never included those prohibited by article 5, paragraph 1, of Regulation (EU) No. 537/2014) to be appropriate to the scope and complexity of the work carried out, and hence compatible with the auditing mandate, in the absence of any anomalies impacting on the Auditing firm’s independence criteria. During 2023, Buzzi S.p.A. introduced a specific procedure for the aforementioned tasks.

FURTHER ACTIVITY BY THE STATUTORY AUDITORS’ COMMITTEE: OPINIONS AND OBSERVATIONS
The Statutory Auditors’ Committee issued 4 opinions required by law regarding the assignment of special tasks to directors and verified the consistency of the remuneration attributed to the Administrative Body, the Executive Directors, the General Manager and Key Management with respect to the remuneration policy.
The Statutory Auditors’ Committee acknowledges that, in the course of the activity performed and on the basis of the information obtained, on 21 June 2023, pursuant to art. 149, paragraph 3 of the TUF, it reported to Consob on the continuation by PricewaterhouseCoopers of a service carried out in the first months of 2023, prohibited pursuant to art. 5 of the EU Regulation, in the cooling in period, of an insignificant amount and immediately interrupted. The report was also made by the Auditing firm and the service was interrupted.
For the rest, the Statutory Auditors’ Committee confirmed that based on the information obtained as part of its supervisory activity, no omissions, reprehensible facts, irregularities or significant circumstances requiring further other reports to the Authorities or the mention in this Report were identified. Furthermore, no complaints were received or filed pursuant to art. 2408 of the Italian Civil Code.
The Statutory Auditors’ Committee ensured that, in compliance with the Consob and ESMA (European Securities and Markets Authority) recommendations, the Directors included in the Annual Report 2023 information about the assessment made by the Company concerning the Russia-Ukraine and the Palestinian-Israeli conflicts, along with the subsequent actions taken to mitigate the negative effects caused by the crisis on its operations. It is noteworthy that the Buzzi Group still has plants both in Russia and Ukraine. It is important to note that Buzzi S.p.A. ceased any operational involvement in the activity conducted by its subsidiary SLK Cement in Russia and suspended all strategic initiatives and investments in the country.
Regarding the annual shareholders’ meeting scheduled for 9 May 2024, the Committee acknowledges that the company will benefit from the possibility of holding the same through the participation of the exclusive designated representative (Law 23 February 2024 no. 18, with amendments, of the decree law of 30 December 2023, no. 215).
In this context, the Statutory Auditors’ Committee will collaborate closely with the Board of Directors to ensure that the Shareholders' Meeting proceeds in an organised manner, allowing shareholders to exercise their rights in accordance with the aforementioned provisions.

PROPOSALS FOR THE SHAREHOLDERS' MEETING REGARDING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 AND APPROPRIATION OF NET INCOME

After reviewing the Financial Statements for the year ended 31 December 2023, the Statutory Auditors' Committee, considering the specific responsibilities delegated to the Auditing firm concerning the audit of the accounts and the verification of the Financial Statements' accuracy, has no objections to the approval of the Financial Statements, to the Board of Directors' proposal regarding the distribution of an (ordinary) gross dividend of € 0.60 per (ordinary) share outstanding for a total of €111,079,102.80 and to the appropriation of the residual net income ascertained for €15,840,694.96 to the reserve art. 2426 paragraph 1 n. 8-bis of the Italian Civil Code, and for €111,501,137.40 to retained earnings.

Casale Monferrato, 15 April 2024

The Statutory Auditors' Committee

Raffaella Pagani (Chairman)

Paola Lucia Giordano (Regular Auditor)

Giorgio Zoppi (Regular Auditor)

Buzzi SpA

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Casale Monferrato (AL) - Italy
Tel. +39 0142 416 111
buzzi.com

Share Capital €123,636,658.80

Company Register of Alessandria-Asti no. 00930290044

Legal form: Buzzi SpA is a stock corporation organized under Italian law, controlled by Fimedi SpA

Business: Manufacturing, distribution and sale of cement, ready-mix concrete and aggregates

Place of activities: Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia, Mexico and Brazil

Cover photo: Employee at the Trebur quarry, Germany