

TERMINALI ITALIA S.r.l.
OPERATIONS REPORT AND
FINANCIAL STATEMENTS AT
31 DECEMBER 2022

A SINGLE-MEMBER COMPANY SUBJECT TO THE MANAGEMENT
AND COORDINATION OF RFI S.P.A. FERROVIE DELLO STATO
ITALIANE GROUP

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VAT NUMBER AND REGISTRATION IN THE BUSINESS REGISTRY OF ROME	
WEB ADDRESS	WWW.TERMINALITALIA.IT

THE COMPANY'S MISSION

A wholly-owned subsidiary of Rete Ferroviaria Italiana, the infrastructure manager, Terminali Italia S.r.l. is the Ferrovie dello Stato Group company created primarily for the integrated management of terminal services at RFI's intermodal terminals belonging to the network.

Formed to increase the capacity of access lines and freight terminals within a single system and to optimise the use thereof in accordance with the principles of fairness, transparency and non-discrimination dictated by Legislative Decree 188/2003, as confirmed by Legislative Decree 112/2015, the company is a single *last-mile* railway service provider (handling and shunting).

With this objective, together with RFI, it is committed to ensuring:

- promotion of an integrated supply system for freight operators (infrastructure + services)
- the implementation of an integrated organisational model through joint planning of schedules and resources.

The basis of the RFI-Terminali Italia relationship is the contract awarding the public intermodal terminal business area, commercial and development policy responsibility, and compliance with safety regulations.

Following the same system logic, in order to integrate the terminal services offer with the RFI network access offer, the company also operates intermodal terminals owned by other companies.

CORPORATE BODIES AND INDEPENDENT AUDITING FIRM

Board of Directors

Chairman	Francesca Ghezzi
Chief Executive Officer and General Director	Giuseppe Acquaro
Directors	Giuseppe Acquaro Cristina Malta
Sole Auditor	Enrico Dell'Elce

INDEPENDENT AUDITING FIRM

KPMG S.p.A.

Term of office: from the financial year ending 31 December 2020 to the financial year ending 31 December 2022

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LETTER FROM THE PRESIDENT

Dear RFI, Sole Shareholder,

The financial year closed with a net profit of 2.14 million euro and operating revenue that, for the first time, exceeded 50 million euro (52.33 million vs. 44.82 million in 2021), also due to the extended scope of the terminals managed with the commissioning of the Marzaglia terminal.

This result is particularly noteworthy because it was achieved in a global scenario characterised by threats and uncertainties, from the outbreak of the Russian-Ukrainian conflict to the continuing inflationary pressure caused by the soaring cost of energy, which in 2022 caused about 580 thousand euro more in fuel costs and about 290 thousand euro more in electricity costs for lighting and powering the gantry cranes in Verona, which the company met thanks to the price adjustment applied between January and April 2022 for services provided to customers.

Management's objectives during the financial year included the continuation of the investment policy in tangible assets started in previous years (in 2022, 3 new self-propelled cranes in Segrate and one in Marzaglia, as well as 1 new road tractor in Verona and the tender for the purchase of a further 9 self-propelled cranes in 2023-2024 was published) and the implementation of the "Industry 4.0" hardware and software investments. At the organisational level, the company continued to expand its workforce (+20.92 full-time equivalents compared to the previous year) and to use more flexible employment systems to meet specific production needs.

In 2022, activities were completed to expand the range of services offered to customers, particularly with regard to customs services incidental to the management of maritime traffic at the Marzaglia, Segrate, Bari and Bologna terminals, by obtaining AEO (Authorised Economic Operator) qualification on 16 February 2022. In the latter part of the year, the company also started the process of obtaining customs authorisations at the Verona terminal.

The increase in operating revenue (+17%) compared to 2021 and an EBITDA/operating revenue ratio of 12.75% represent elements that reflect the development targets underpinning the 2022 activities and intended to create value and demand in the years to come.

Finally, regarding the environmental sustainability of terminal services, 2022 also confirms the reduction of the environmental impact of activities through the modernisation of the vehicle

fleet instrumental to terminal operations (Stage V compliant) and the purchase of electricity for the driving force of Verona Quadrante Europa certified 100% from renewable sources.

The President

Francesca Ghezzi

OPERATIONS REPORT

MAIN RESULTS ACHIEVED IN 2022

		31.12.2022	31.12.2021
<u>Profitability</u>			
ROE	RN/MP*	8.62%	6.92%
ROI	EBIT/CI*	15.98%	10.85%
ROS	EBIT/RIC	6.46%	4.79%
EBITDA/OPERATING REVENUE	EBITDA/RIC	12.75%	9.27%
INVESTED CAPITAL TURNOVER	RIC/CI*	2.47	2.35
FINANCIAL DEBT	DF/MP	0.00	0.00
LABOUR COSTS/OPERATING REVENUE		23%	24%
AVERAGE CREDIT COLLECTION (days)	(CRED*/RIC)x360	150	160
AVERAGE DEBT PAYMENT (days)	(DEB*/A)x360	90	85

LEGEND

CI*: Average net invested capital (between start and end of year)

DF: Financial liabilities

EBITDA: Earnings before Interest, Tax, Depreciation and Amortization (MOL)

MP*: Average equity (between the start and end of the year) net of the year-end result

MP: Equity

RIC: Operating Revenue

RN: Net income

EBIT: Earnings before Interest and Tax (RO)

CRED*: Average trade receivables (between the beginning and the end of the year) gross of allowance for doubtful accounts

DEB*: Average trade payables (between beginning and end of year)

A: Purchases during the year (materials, services, use of third-party assets)

MAIN EVENTS DURING THE YEAR

The new FS Group organisational structure includes, with effect from 1 June 2022, the establishment of four hubs covering homogeneous business areas, namely:

- the Infrastructure Hub (consisting of: RFI S.p.A., as the Hub Lead Company, and its subsidiaries; Anas S.p.A.; Italferr S.p.A.; Ferrovie del Sud Est S.r.l. for the railway infrastructure area only), with the mission of guaranteeing the design, construction, management and maintenance of infrastructure networks for rail, road and motorway transport at national and international level;
- the Passengers Hub (consisting of: Trenitalia S.p.A., as the Hub Lead Company and its subsidiaries; Busitalia Sita Nord S.r.l.; Ferrovie del Sud Est S.r.l. for the transport services area only), with the aim of ensuring the supervision of the domestic and international passenger transport sector, including the promotion, implementation and management of initiatives and services in the field of passenger transport, developing an integrated offer of products/services and managing an articulated mix of distribution channels;
- the Logistics Hub (consisting of Mercitalia Logistics S.p.A., as Hub Lead Company, and its subsidiaries), with the aim of ensuring the supervision of the domestic and international logistics and freight transport sector, including the promotion, implementation, management and sale of logistics, mobility and freight transport initiatives and services;
- the Urban Hub (consisting of: FS Sistemi Urbani S.r.l., as Hub Lead Company, and its subsidiaries; Grandi Stazioni Immobiliare S.p.A.), with the aim of ensuring activities in the field of real estate and urban redevelopment, as well as intermodal and logistics solutions in urban areas for the first and last phase of the supply chain.

The Group's structure is completed by the “shared services” companies (Ferservizi SpA, Fercredit SpA, Italcertifer SpA, FSTechnology SpA, FS Security SpA and FS International SpA), which are transversal to all four business hubs and functional to the pursuit of the Group's objectives.

Consistent with the evolution of the Group's structure and effective from 1 June 2022, a Group governance model based on two distinct levels was adopted for the exercise of management and coordination activities:

- a first level, in which the Holding Company Ferrovie dello Stato Italiane SpA acts as the strategic and financial leader (defining and coordinating the implementation of the Group's common business plan), through the management and coordination of the Hub Lead

Companies (RFI, Trenitalia, Mercitalia Logistics, FS Sistemi Urbani) and the "shared services" companies;

- a second level, in which the above-mentioned Hub Lead Companies provide direction, coordination and technical-operational control (including risk management) of the companies belonging to the same sector, by way of direction and coordination exercised through corporate control or on a contractual basis.

The above was then implemented through:

- i. the issuing of Group Regulations, which provide for the two above-mentioned distinct levels;
- ii. the adoption of the Group Regulations and the respective Hub Regulations by the above-mentioned Hub Lead Companies, which also consequently amended their corporate objects;
- iii. the conclusion of management and coordination contracts between RFI, Trenitalia, FS Sistemi Urbani and the companies of the respective hubs.

With reference to Terminali Italia, the main events that marked 2022 are summarised below.

February

- Appointment of the Data Protection Officer (DPO)
- Obtaining full AEO (Authorised Economic Operator) authorisation valid for the entire company
- Obtaining Customs Authorisation of Approved Place for Import at Segrate Terminal
- Activation of the new daily traffic of non-intermodal semi-trailers at the Brindisi terminal.

March

- Activation of the first customs Fast Corridor between the Marzaglia terminal and the port of La Spezia

April

- Activation of the first customs Fast Corridor between the Marzaglia terminal and the port of La Spezia

May

-
- Entering into the CINT network contract for the management of the intermodal hub of the Catania Freight Terminal
 - Activation of the first customs Fast Corridor between the Marzaglia terminal and the port of Ravenna
 - Obtaining authorisation as Authorised Consignee, Temporary Storage Warehouse and Approved Location for export at the Segrate terminal

July

- Obtaining authorisation as Authorised Consignee and Temporary Storage Warehouse at the Bari and Bologna terminals

August

- Activation of the first customs Fast Corridor between the Bologna terminal and the port of La Spezia
- Renewal of the ISO 14001, ISO 45011 and ISO 9001 certificates following TUV surveillance audits

September

- Extension of the Environmental Certificate No. 50 100 14451 compliant with the UNI EN ISO 14001:2015 standard to the new Marzaglia terminal and the Brindisi Scalo terminal.
- Inauguration of the new Board of Directors and renewal of board members
- Obtaining Customs Authorisation of Approved Place for Export at the Bari and Bologna terminals
- Activation of the first customs Fast Corridor between the Bologna terminal and the port of Gioia Tauro
- Awarding to a third-party certification body the task of drawing up the sworn expert's report on the "Industry 4.0" project concerning the handling equipment used in the Marzaglia and Segrate terminals

October

- Extension of the Single Safety Certificate for shunting activities to the Verona Quadrante Europa and Bologna Freight terminals
- As of 1 October, the Company has adopted the FS Group Company Contract

December

- Completion of the installation of the “Enterprise 4.0” project equipment on the Marzaglia and Segrate terminal operating resources
- Conclusion of the Customer Satisfaction project developed with the collaboration of external consultants regarding the quality of the services offered in the terminals

HUMAN RESOURCES

At 31 December 2022, the Company's workforce consisted of 215 employees, an increase of 28 employees compared to 31 December 2021.

Furthermore, the company uses 6 resources seconded from RFI.

At 31 December 2022, the Company can count on an additional 28 resources made available under temporary employment contracts to meet the needs of production increases being consolidated at the managed terminals.

In 2022, a total of 36 resources were hired as employees of Terminali Italia. More specifically:

- 6 shunting and conducting technicians, 2 crane operators and 1 hall operator at the Bari terminal;
- 6 crane operators and 1 hall operator at the Marzaglia terminal;
- 7 crane operators at the Segrate terminal;
- 5 crane operators at the Verona terminal;
- 3 crane operators and 2 hall operators at the Brindisi terminal;
- 2 clerks at the Rome head office;
- 1 clerk at the Verona head office.

A total of 8 employment contracts were terminated in 2022. More specifically:

- 3 crane operators and 1 hall operator at the Verona terminal;
- 1 middle manager and 2 clerks at the Verona head office;
- 1 crane operator at the Brindisi terminal.

EMPLOYEES AT 31.12.2021	187
Incoming	36
Outgoing	8
EMPLOYEES AT 31.12.2022	215
AVERAGE COMPOSITION IN 2021	179
AVERAGE COMPOSITION IN 2022	200

As of 1 October 2022, the Company has adopted the FS Group Company Contract.

During the year, the Company continued to provide occupational safety, fire-fighting and first aid training, in cooperation with RFI's Central Training Structure.

ENVIRONMENTAL POLICY

In accordance with the provisions of the Integrated Policy for Railway Operations Safety, Occupational Safety, Environmental Protection and the Quality of Services Provided and in compliance with EU, national, regional regulations and the Company's voluntary provisions, and also taking into account that the objectives of the integrated management system can only be pursued on condition that a suitable "culture" is promoted and entrenched within the company, also with regard to environmental protection, the Company also intends to be a reference point for those who work within the company on a daily basis, as well as for those who come into contact with it from the outside, to ensure the dissemination and entrenchment of a solid culture.

Complying with environmental policies is one of the company's strategic objectives, and it is committed to ensuring that its activities generate the least possible environmental impact by promoting the efficient use of energy resources, the proper management of waste from operations and the reduction of greenhouse gas emissions, by implementing energy-efficient technologies and promoting the use of renewable sources.

In accordance with the above-mentioned general objectives, having obtained environmental certification No. 50 100 14451 in accordance with the UNI EN ISO 14001:2015 standards, to ensure a more effective supervision concerning the railway operation safety, environmental protection and work safety issues, Terminali Italia, with the organisational provision DOr. No. 3/AD of 22 July 2019, created the Safety Management Integrated System Micro structure, subsequently renamed Integrated Management System with the organisational regulation DOr. N.5/AD of 27 October 2020, with the task of ensuring the preparation and verification of the proper implementation of the Integrated Management System by confirming the resource dedicated to Quality and Environmental Protection management processes

In 2022, the modernisation of Terminali Italia's vehicle fleet continued with the purchase of four new cranes, three in Segrate and one in Marzaglia.

An increase in the consumption of diesel fuel used for machinery of +20.37% was recorded for 2022, mainly due to an increase in crane handling recorded at all terminals (+7.1% vs. 2021).

There was a decrease of -4.83% in the consumption of diesel used for railway traction (Shunting).

Waste from operations is handled and disposed of in full compliance with all applicable regulations and the highest safety standards. In previous years, contracts were signed both with companies authorised to collect waste and with a company specialising in waste matters, which assists Terminali Italia in monitoring regulatory compliance and issues relating to the day-to-day management of terminals. In particular, the latter assists in the proper performance of administrative/operational activities of the waste disposal cycle. Waste loading and unloading registers have been created at each organisational unit and are constantly updated by the terminal managers and periodically checked by an external company. Staff receive regular training and instruction on the storage and preservation of waste pending collection.

Monitoring showed savings in the consumption of raw materials for maintenance and a decrease in the production of special hazardous waste mainly due to the outsourcing of maintenance services for Terminali Italia's operating vehicles.

According to the contract, the maintenance technician is identified as a waste generator and custodian of the waste generated by the maintenance activities, with full organisational and managerial autonomy to perform all the duties that the environmental legislation places on the maintenance technician as waste generator/ custodian, providing, in addition to the rest, in particular, the transport, recovery and disposal of the waste in accordance with the procedures provided for by legislation, with the obligation to use parties that meet the regulatory requirements.

For the 2020-2023 period, the Company signed a contract for the supply of electrical energy with a Group supplier, the subject of which is energy covered by 100% green certificates (renewable sources), to cover 100% of Verona Quadrante Europa's power requirements.

The project for the partial recovery of excise duties on the cost of automotive diesel fuel continued in 2022. The applications submitted to the local Customs Agencies amounted to approximately € 346 thousand and reduced the cost incurred during the year for the purchase of fuel. The amount of this reimbursement is reported under Other revenues.

QUALITY

Activities related to the Customer Satisfaction project were completed in 2022, thanks to the activation of the consulting contract to support the Terminali Italia SGI, as well as the involvement of Stakeholders, which started in February 2021.

This project analysed new business development needs and areas by identifying new services and the possibility of extending those currently offered.

Part of the customers' requests were addressed and included in TMI's 2022-2030 business plan with projects to develop and expand the network.

RELATIONS WITH CUSTOMERS

The company represents a benchmark in the Italian combined and intermodal transport market.

This has been achieved with a daily commitment to observing and assessing the real needs of customers, which, together with the skills and quality of the company's in-house professionals, have made it possible to achieve substantial customer satisfaction and, ultimately, customer loyalty.

The company expanded its market penetration targets in 2022, specialising and investing in the maritime traffic sector.

Customer relations are geared towards compliance with market regulations and maximum transparency, with guaranteed free access to terminals and services.

With this in mind, the Company publishes the general terms and conditions (which refer, among other things, to compliance with the FS Group Code of Ethics) and the methods for calculating the rates applied on its website.

Work continued during the year to standardise expiring contracts with the guidelines outlined above.

The activities at the Marzaglia terminal, the start-up of which was in December 2020, were further consolidated in 2022. The volumes at the end of 2022 amounted to 97,713 handling against 59,840 in 2021, an increase of +64.3%. In May, new traffic started up at Venice Marghera, a terminal operated under the VINT network contract. The analysis of the distribution of handling volumes across the network of terminals managed by TI confirms Verona as the leading production centre with about 34.7% of volumes, followed by the

Segrate terminal with about 16% and then Bari, with 11.8%. Marzaglia terminal is in fourth position for handled volumes with 10% of the volumes developed by the entire network. Handling volumes grew by +7.1% in 2022 compared to 2021. The balance of volumes at the end of 2022 was also higher than in 2019 (the last pre-pandemic year) by +30.9%, the growth of which was influenced by the expansion of the scope (activation of the Marzaglia terminal).

By obtaining AEO (Authorised Economic Operator) status from the Customs Agency in February 2022, the company can offer customs services directly to customers within its own terminals.

MACROECONOMIC FRAMEWORK

After a strong rebound in 2021, the international economy showed a widespread slowdown among the major countries in 2022. The main factors restraining global economic growth were high and persistent inflation and worsening financial conditions, which gradually led to a downturn in consumption and investment. However, the performance of the global business cycle was also adversely affected by other critical issues. These included the uncertainty related to the Ukraine conflict, the weakening of the Chinese economy and, especially during the first part of the year, supply difficulties along the value chains.

The Russian-Ukrainian conflict that broke out on 24 February, in particular, further intensified the inflationary trends that began with the cyclical upswing in 2021, following the first year of the pandemic.

The supply of natural gas in Europe, which was heavily dependent on Russian supplies, was tightened, and the European gas price reached an all-time high of 236 euro/mwh on average in August, only to fall in recent months partly as a result of exceptionally favourable weather conditions, which allowed storage facilities to be filled. At the end of December, the price of gas fell below the psychological threshold of 100 euro/mwh, similar to the level immediately before the conflict. Prices had been in the range of 20 euro/mwh for the last decade¹.

The price of crude oil (Brent) also experienced extensive increases in the initial phase of the Russian invasion of Ukraine, albeit to a lesser extent due to the greater diversification of supply sources compared to gas. The price rose from 70 dollars per barrel at the beginning of the year to around 130 dollars in the early stages of the conflict, only to fall back below 80 dollars in December.

¹ On 19 December, the European Union decided to cap natural gas prices at 180 euro/mwh as of 15 February 2023.

Energy price increases, together with restrictions on the supply of other raw materials and semi-finished goods upstream of the production phases, were gradually transferred to final prices and, driven also by consumption, inflation continued to accelerate in 2022, reaching values not seen for decades. In the latter part of the year, although in the US there were signs that inflation was stabilising, prices continued to rise in the European Union².

The significant weakening of the euro against the dollar was an additional upward pressure on inflation in Europe in the first part of 2022, although a reversal of this trend became apparent in the fourth quarter, with the single currency partially recovering against the dollar.

The current inflationary wave, the strongest since the 1970s, has steered the Central Banks' monetary policy restrictively. Since last July, the ECB, in line with the Fed's decisions, launched three increases of the official reference rate - the last one in December - and further increases are to be expected in 2023.

The slowdown of the Chinese economy represents an additional element of complexity in the international scenario. The lockdowns imposed by the zero-Covid policy continued in 2022, severely penalising GDP dynamics and causing bottlenecks in supply chains. The less aggressive approach to countering the pandemic, announced in the latter part of the year by the Chinese authorities, has so far not seemed sufficient to allay fears of weak growth.

² According to Prometeia's most recent estimates, the harmonised consumer price index in the Eurozone was 8.6 % in 2022, while the corresponding consumer price index in the US was 8.0 %.

Global economic data		2021	2022
		(year-on-year % change)	
GDP			
	World	6.3	3.0
	Developed countries	5.2	2.6
	USA	5.9	2.0
	Japan	1.7	1.2
	Euro Zone	5.3	3.4
	Developing countries	6.9	3.1
	China	8.1	3.3
	India	8.3	6.7
	Latin America	6.3	2.4
Oil (Brent \$ per barrel)		70.8	99.3
Global Trade		9.5	3.5
<i>Data source: Prometeia, December 2022</i>			

Prometeia estimates the growth of Gross Domestic Product and world trade for 2022 at +3.0% and +3.5% respectively, clearly lower than in 2021.

The 2023 forecast for growth shows a clear reduction in the rate of expansion of the world GDP (+1.8%), which will affect industrialised countries in particular (+0.3%) but also emerging countries (+2.8%).

After two consecutive quarters of decline in the **US**, GDP accelerated in the third quarter due to exports, while household consumption gradually slowed down as a result of lower purchasing power due to inflation. Some economic indicators such as the PMI index³ of the manufacturing industry and household sentiment are deteriorating, but the positive figure comes from the price dynamic, which, according to the latest surveys, seems to be stabilising, partly as a result of falling energy prices. The labour market conditions are less reassuring, in which the Fed considers hourly wage increases to be incompatible with inflation targets.

In **Japan**, the resilience of domestic demand only partially offset the negative contribution of net exports. Despite the substantial depreciation of the yen, these especially struggled in the Asian region, where China's demand slowed down considerably. PMI indicators and industrial

³The Purchasing Managers Index is a composite index of purchasing managers that provides a snapshot of a country's manufacturing activity.

production fell in the latter part of the year, underlining the weakness of the economy, despite the Bank of Japan's strongly expansive monetary policy.

In **China**, the slowdown of the economy was especially evident in the second quarter of the year, and was mainly attributable to the lockdowns imposed by the zero-Covid policy. These affected populous areas that are important for logistics and the production sites located in them. The weakness of domestic demand was reflected in imports, which fell in real terms over 2022, contributing to the weakness of world trade. PMI indicators confirm a negative outlook for the months to come and the risk of an epidemic situation reoccurring, as in the rest of the world, remains. In the latter part of the year, in fact, following a wave of protests and unrest, the Chinese authorities ordered a softer enforcement of the anti-Covid policy, with vaccination coverage likely to be low or ineffective.

In the **Eurozone**, the economic cycle performed well in the first six months of the year, and was still solid in the third quarter, despite the continued strong price increases related to the energy crisis. The good performance was mainly based on household consumption expenditure, with consumers seizing the opportunity to leave and travel after nearly all pandemic-related restrictions were lifted. A marked decline was observed in the construction sector, spread across all major European countries, where shortages of materials and skilled labour may have been a factor.

In a European comparison, the expansion of Italy's economic activity (+3.9%) was higher than that of France (+2.6%), Germany (1.9%) and the EMU average (3.4%), but lower than that of Spain (+4.6%).

Inflation in the Euro zone amounted to 8.6 %, up significantly from 2021.

	2021	2022	2021	2022
Gross Domestic Product			Inflation	
	(year-on-year % change)		(year-on-year % change)	
Euro Zone	5.3	3.4	2.6	8.6
Germany	2.9	1.9	3.2	8.9
France	6.8	2.6	2.1	5.9
Italy	6.7	3.9	1.9	8.1*
Spain	5.5	4.6	3.0	8.3
<i>Data source: Prometeia, December 2022</i>				
<i>*source: ISTAT January 2023</i>				

In **Italy**, the growth of economic activity in 2022 was much higher than the spring forecast, which was made after the Russian invasion of Ukraine. The main driver was domestic demand, the improvement of which reflected the excellent performance of household spending, complemented by the positive contribution of capital investment. Construction, on the other hand, fell back after six consecutive quarters of strong improvement. The trend in foreign demand showed a downturn driven by brisk imports, but also by weak exports, especially of services.

On the supply side, growth came almost exclusively from trade, accommodation and food services, while the industry sector in the strict sense came to a standstill.

Italy ended 2022 with a GDP increase of 3.9 % compared to the previous year. The consumer price index for the entire national community increased by 8.1 % compared to 2021.

2022				
GDP and main components	I quarter	II quarter	III quarter	IV quarter
	<i>percentage change on previous quarter</i>			
GDP	0.2	1.1	0.5	0.0
Domestic demand	-0.3	1.1	1.8	-0.3
Household and ISP spending	-1.2	2.5	2.5	-0.6
AP spending	0.6	-1.2	-0.2	0.0
Gross Fixed Capital Expenditure	3.8	1.5	0.8	-1.0
- constructions	4.6	0.8	-1.3	-0.3
- other capital assets	3.1	2.2	2.9	-1.1
Exports of goods and services	5.2	2.1	0.1	-0.6
Imports of goods and services	3.8	2.1	4.2	-1.5
<i>Data source: Prometeia, December 2022</i>				

ECONOMIC PERFORMANCE AND FINANCIAL POSITION

Dear Sole Shareholder,

The draft financial statements for the 2022 financial year, which are being presented for approval, show operating revenues of € 52,329 thousand and a profit for the year of € 2,137 thousand, including € 1,257 thousand for taxes for the year and an increase in the provision of € 894 thousand to the doubtful debt reserve.

Below are the reclassified Profit and Loss Account and Balance Sheet (expressed in thousands of €), with comments on the changes in the main items compared to the 2021 financial year.

This result is related to the significant increase in revenues (+17%) compared to 2021 and consequent to the increase of +7.08% compared to 2021 of the traffic volumes related to the terminal business, even in the presence of upward dynamics of the costs for purchases of raw materials, semi-finished products and energy assets, which weighed on the increase in sales tariffs (on which the adjustment to the ISTAT FOI index of December 2021 was applied).

RECLASSIFIED PROFIT AND LOSS ACCOUNT

		(amounts in thousands of euro)	
RECLASSIFIED PROFIT AND LOSS ACCOUNT	2022	2021	Differences
Revenues from sales and services			
- Terminal services/handling services revenue	29,652	26,908	2,744
- Revenues from shunting services	10,271	8,445	1,826
- Other revenues	12,324	9,359	2,965
Revenues from State and other Entities			
- Other grants for current expenses	82	105	(23)
Operating Income (a)	52,329	44,817	7,512
Cost of labour	(11,897)	(10,784)	(1,113)
Other costs	(33,752)	(29,877)	(3,875)
Operating costs (b)	(45,648)	(40,661)	(4,988)
EBITDA	6,681	4,156	2,524
Amortisation and depreciation of assets	(2,468)	(2,051)	(418)
Net provisions and impairments	0	(16)	16
- Impairment of cash assets	(894)	47	(940)
Balance of other income/expenses	66	13	54
EBIT	3,385	2,149	1,235
Total net income and expenses	9	(16)	26
EARNINGS BEFORE TAX	3,394	2,133	1,262
Income Taxes	(1,257)	(548)	(709)
EARNINGS FOR THE FINANCIAL YEAR	2,137	1,585	551

REVENUE

Operating revenue amounted to € 52,329 thousand, a year-on-year increase of € 7,512 thousand (+17%).

Specifically, revenues for terminal services increased by € 2,744 thousand as a result of both ISTAT tariff adjustments and higher traffic volumes at the Marzaglia terminal, where a 64% increase was recorded compared to the previous year (+38,233 crane handling), and the Bologna terminal, which recorded a 26% increase in movements (+15,281 crane handling). Furthermore, the Turin, Brindisi Scalo, and Livorno terminals contributed to the increase in revenues thanks to the start-up of new traffic, for which there was a doubling of volumes compared to the previous year at the Turin terminal (+12,511 handling) and Livorno terminal

(+4,091), while traffic at the Brindisi terminal tripled (+10,629 crane handling). Traffic in Catania also increased, by 14% (+2,858 crane handling).

Among the directly managed terminals, Verona is among the terminals that suffer the most with a reduction in volumes of 12,650 units (-3.6%), together with Segrate (-8,319 crane handling, or -5% compared to 2021), as a result of the impact of interruptions for extraordinary maintenance work on railway lines in Northern European countries.

The Bari terminal substantially maintained the same volumes as in 2021 (the trend compared to 2021 is -0.8%, corresponding to a decrease of 890 crane handling).

Finally, good performances were recorded by the other terminals managed with a network contract (Brescia + 1,003 handling, Parma Castelguelfo + 1,451 crane handling compared to 2021).

Revenues from shunting services also increased by € 1,826 thousand (+22%) as a result of both tariff increases (ISTAT) and the increase in the number of trains shunted in particular at the Marzaglia terminal, which in 2022 contributed 12% of shunting revenues as a result of the full operation of the terminal.

Other revenue increased by 32% (€ 2,965 thousand), mainly due to the increase in revenue from stoppages (€ 792 thousand) and other services (€ 1,897 thousand).

Below are detailed comments on the income for the year for the services offered.

Revenues from handling services

In 2022, the Company managed a total of 15 terminals owned by RFI and 2 owned by third parties (Brindisi Polimeri and Verona 3rd module). Of the terminals managed, 2 were sub-contracted to another operator of the FS group before 2014 (Roma Shunting Terminal and Marcianise), while activities are carried out on a self-handling basis at the Villaselva terminal by the only operator present at the terminal.

The handling services business volumes are shown in the table below.

Volumes of activity / Cargo units handled	2022	2021	Δ	Δ %
at directly operated terminals	660,511	617,249	43,262	7.01%
at terminals operated with network contracts	291,528	269,200	22,328	8.29%
Total - core activity	952,039	886,449	65,590	7.40%
Brindisi Versalis	28,312	29,045	-733	-2.52%
Total - no core activity	28,312	29,045	-733	-2.52%
Total	980,351	915,494	64,857	7.08%

The year-on-year change shows a total increase in the production of core business of 7.40% (corresponding to +65,590 handling), in addition to the contribution of non-core business (management of Brindisi Versalis), which decreased by -2.52% compared to 2021 (-733 handling): the overall increase in the volume of units moved was +64,857 handling (+7.08% year-on-year).

Revenues from shunting services

Revenues from the provision of shunting services increased by € 1,826 thousand year-on-year. This change was mainly due to the increase in traffic volumes recorded at the Marzaglia terminal, +61% compared to the previous year. Bologna and Bari also showed an increase in volumes of +13% and +8% respectively, while Verona showed a reduction of 4%, corresponding to around 700 fewer trains shunted than last year.

Other revenues

The item “Other revenues” includes income from services other than handling and shunting (i.e., stops and other services) and charge-backs of amounts owed by RFI under the contract for the assignment of terminal activities. The increase in “Other revenues” of € 2,965 thousand was primarily due to higher revenues for stoppages of approximately € 792 thousand and the increase in other services (€ 1,897 thousand), which were positively impacted by the start of operations at the Marzaglia terminal, where other services include the repair of maritime containers.

Customer portfolio

In the composition of the company's customer portfolio, Mercitalia Intermodal S.p.A. still represents the largest customer in terms of handling, covering 24% of the volumes generated by the entire terminal activity developed by Terminali Italia, in line with the 2021 figures. Among the other intermodal operators, in 2022 Medlog Italia became the second largest customer in terms of handled traffic, accounting for 12% of the total. TX Logistik A.G developed 10% of the traffic, with a slight decrease compared to 2021.

With regard to shunting activities, the main customer is Mercitalia Rail, which accounts for 36% of shunting revenues. This was followed by Rail Traction Company with 14%, GTS Rail with 13%, Medway accounting for 11% of shunting revenues this year, and finally Tx Logistik Transalpine with 10%.

In addition to the traditional handling operations for the Castelfelfo terminal, other services are also provided to the customer Versalis S.p.A., such as, for example, the complete activity

carried out at the Brindisi Versalis terminal or some provisioning services provided in Catania, representing 5% of the total revenues recorded by the company among handling, stopovers and various services net of shunting. Compared to 2021, the tonnes handled in the container fleet of the Brindisi terminal decreased as a result of the terminal's decrease in bulk production.

OPERATING COSTS

Operating costs amounted to € 45,648 thousand, an increase of € 4,988 thousand year-on-year.

Against the increase in labour costs (+1,113 thousand euro), there was an overall increase in other costs of 3,875 thousand euro, mainly due to the increase in costs for services, linked both to container repair (+1,015 thousand euro), and to the greater volumes of terminal activities managed with network contracts (+726 thousand euro compared to the previous year), as well as to maintenance costs (in particular, +410 thousand euro on third party real estate such as yards, terminal infrastructures and shunting locomotives, while costs for the maintenance of owned cranes remain substantially in line with those recorded in 2021 at +40 thousand euro). Costs for the use of third-party assets also increased by 245 thousand euro, and costs for consumables by 1,379 thousand euro.

COST OF LABOUR

Labour costs, which account for 26% of operating costs, increased by € 1,113 thousand compared to 2021. The increase in labour costs is mainly due to the activation of temporary employment contracts to find resources against production increases that have not yet been consolidated and new employees hired during the year. Moreover, the cost increase related to the implementation of the FS Group's corporate contract was recognised in the last quarter.

OTHER COSTS

Other costs account for 74% of operating costs. Compared to the previous year, they increased by a total of € 3,875 thousand. This item includes higher container repair service costs (+€ 1,015 thousand compared to the previous year), related to the increase in corresponding repair service revenues from the Bologna and Marzaglia terminals.

A further increase in this item is driven by the cost of terminal services, which increased by € 1,291 thousand, in particular due to the impact of handling services rendered by network partners in the terminals of Bologna (+€ 335 thousand), Livorno (+€ 89 thousand) and Bari (+€ 97 thousand), or due to the outsourcing of semitrailer handling services carried out in

Turin (+€ 171 thousand), Brindisi Scalo (+€ 152 thousand) and Marzaglia (+€ 82 thousand). On the other hand, costs for shunting services decreased by € 565 thousand due to the decrease in the volume of trains shunted at the Verona Terminal, which suffered a decrease in traffic compared to last year, as well as the impact of a contingent asset recognised in 2022 on this item.

Consumption costs also increased significantly in 2022 (€ 1,379 thousand), due both to the increase in terminal volumes and the sharp rise in fuel and energy prices.

Maintenance costs also increased during the year, particularly on third-party real estate (+€ 410 thousand between terminal infrastructure and shunting locomotives, which are reimbursed to RFI since they fall under the latter's responsibility).

Lastly, costs for the use of third-party assets increased by € 245 thousand, the increase of which is attributable to the increase in turnover on which the fee to be paid to RFI is calculated pursuant to the contract for the assignment of terminal activities.

AMORTISATION AND DEPRECIATION

Depreciation and amortisation increased overall by € 418 thousand compared to 2021 as a result of new investments in cranes and handling equipment at the Marzaglia, Verona and Segrate terminals, as well as the implementation of the Industry 4.0 project.

The provision for the year to the doubtful debt provision amounted to € 894 thousand, an increase of € 940 thousand compared to 2021, primarily as a result of the write-down applied to the value of the receivables of a customer that in 2022 started a negotiation of a settlement procedure to resolve the company's crisis, which was not successful. This write-down impacted the provision for the year by 862 thousand euro.

TOTAL NET INCOME AND EXPENSES

The positive balance of financial management (€ 9 thousand) results from the difference between interest income on arrears from repayment plans agreed with customers and bank charges and commissions (the availability fee on current account balances will be applied from 2021).

TAXES

Taxes for the year include current taxes for Regional Business Tax (IRAP) and Corporate Income Tax (IRES) and the provision for deferred tax assets for the portion of maintenance that is deductible in future years exceeding the limit deductible for tax purposes during the

year (5%) and for the differences between the statutory and tax depreciation rates of locomotives owned by the Company.

RECLASSIFIED BALANCE SHEET

RECLASSIFIED BALANCE SHEET		(amounts in thousands of €)		
	31.12.2022	31.12.2021	Changes	
ASSETS				
Net working capital	14,104	10,031	4,073	
Other net assets	(951)	(1,088)	137	
Working capital	13,152	8,943	4,210	
Depreciation of net intangible assets	155	114	41	
Net property, plant and equipment fixed assets	11,337	11,250	87	
Investments in Financial Fixed Assets				
Net non-current assets	11,492	11,364	129	
Indemnity Leaving Fund	(1,357)	(1,224)	(133)	
Other funds	0	(16)	16	
Severance Pay Fund and Other funds	(1,357)	(1,240)	(117)	
NET INVESTED CAPITAL	23,287	19,066	4,221	
HEDGING				
Short-term net financial position	(4,434)	(6,519)	2,084	
Net financial position	(4,434)	(6,519)	2,084	
Equity	27,722	25,585	2,137	
HEDGING	23,287	19,066	4,221	

An analysis of the reclassified balance sheet shows the changes in net invested capital (NIC) and hedging.

The increase in net invested capital of € 4,222 thousand resulted, on the one hand, from the increase in working capital of € 4,210 thousand and in net fixed assets of € 129 thousand and, on the other hand, from the reduction in severance pay and other provisions of € 117 thousand.

The positive change in working capital resulted mainly from an increase in trade receivables from Group companies and trade receivables from third parties, connected with revenue trends, as well as an increase in spare parts inventory value, against an increase in trade payables to the Group and third parties, associated with the development of services provided through network partners and suppliers.

Changes in working capital are detailed below:

- increase in net operating working capital of € 4,073 thousand resulting from:

-
- higher trade payables in the amount of € 973 thousand, related to the increase in costs resulting from the increase in production at terminals (both directly and indirectly operated) and the increase in the cost of raw materials;
 - greater trade payables to parent companies amounting to € 488 thousand and to affiliated companies amounting to € 292 thousand;
 - greater receivables from Group companies of € 2,841 thousand, mainly owing to the increase in business volumes and the reduction in current collection times from Group customers;
 - greater receivables from parent companies of € 1,353 thousand, resulting from the increase in costs incurred by the company and requested for reimbursement from RFI under the existing contract;
 - greater trade receivables from third-party customers amounting to € 1,408 thousand, resulting from increased revenues;
 - greater inventories of spare parts for € 234 thousand.
- Increase in other net assets of € 137 thousand due to:
- increase in tax payables of € 81 thousand;
 - increase in payables to social security institutions of € 55 thousand;
 - reduction in payables to others by € 233 thousand;
 - increase in deferred tax assets of € 212 thousand;
 - reduction in other accounts receivable by € 170 thousand;
 - reduced tax credits of € 1 thousand.

The increase in net fixed assets of € 129, thousand is determined by:

- the increase in net intangible assets for 41 thousand euro, referring to the capitalisation of labour costs of the Marzaglia Terminal employees sustained in 2020 in the start-up phase and assets under development related to the software development for Industry 4.0 assets installed by the end of the year, pending the sworn report issued by the certifying body;

-
- the increase in technical fixed assets generated by the purchase of new vehicles, in particular, four self-propelled cranes and a road tractor, net of depreciation and disinvestments for the period (see the INVESTMENTS section for details).

The increase in the "Severance and other provisions" item of € 117 thousand is due to the increase in the provision for severance indemnity mainly resulting from allocations for the year amounting to € 133 thousand and the use of the provision for disputes with personnel amounting to € 16 thousand allocated in 2021.

In terms of hedging, there was a negative change in the short-term net financial position of € 2,084 thousand due to the reduction in cash and cash equivalents at the end of the 2022 financial year resulting from the higher investments in capital goods and so-called Industry 4.0 measures implemented at year end. Furthermore, there was an increase in equity resulting from the net profit for the year of € 2,137.

RISK FACTORS

With reference to the provisions of Article 2428, first paragraph, we report the risk factors to which the company is exposed.

Russia - Ukraine war conflict

The FS Group is characterised by a complex and varied domestic and international business, which exposes it to various risk factors related to the possible consequences of the Ukraine-Russia conflict. Several risk factors are significant in this context, particularly those related to:

- business development, such as reduced traffic, demand for mobility and reduced propensity to travel/tourist flows, border closures or restrictions on the transport of passengers and goods, restrictions on economic relations and cooperation;
- macroeconomic and financial factors, such as volatility of energy commodity prices, expected volatility of global financial markets, exchange rates and interest rates;
- supply chain, such as unavailability of raw materials and parts, unavailability of energy sources, interruption of the input supply chain for service continuity and/or capital expenditure;
- Cyber Crime, e.g. attacks on company assets operating locally or in neighbouring countries or the intensification of the same with potential impact on the disruption of services and critical infrastructures.

The Group has processes and procedures in place to support the identification, management and monitoring of events with potential significant impact on the company's resources and business. These processes are designed at maximising the responsiveness and effectiveness of the actions taken.

Furthermore, the company does not operate directly in the countries involved in the conflict.

ENVIRONMENTAL/CONTEXTUAL RISK

Since the company operates exclusively in Italy, it is not exposed to political and social risks in terms of instability.

STRATEGIC/OPERATIONAL RISK

Possible political and economic decisions related to the freight transport sector, which could substantially affect the markets to which the company is dedicated, are indicated as risks/opportunities for our activity. The promotion or otherwise, in whatever form, of this sector could significantly affect the company's economic activity.

COMPLIANCE RISKS

At present, there are no changes in national or international regulations that are expected to entail any downward risks on the company's business.

FINANCIAL RISKS

With reference to point 6-bis of Article 2428 of the Italian Civil Code, given its financial structure and limited risk areas, the Company does not apply any particular financial risk management policies.

The Company does not use derivative financial instruments.

With regard to other risks, it should be noted that:

- exchange rate risk: the Company operates with national and international customers and suppliers almost exclusively in the Euro Zone;
- credit risk: the customer portfolio is analytically and regularly monitored to minimise risk;
- cash risk: the Company implements prudent cash management with a view to favouring the availability of liquid assets;

- interest rate risk: since the Company does not have financial debts to third parties or to Group entities, it is not exposed to this risk.

INVESTMENTS

In implementing the main investment projects, the Company continued its programme of upgrading and modernising its capital goods, in line with the operational and management needs that emerged during the year. Investments made in 2022 amounted to € 2,597 thousand, of which € 2,470 thousand referred to investments in capital goods related to the "Industry 4.0" project for the Marzaglia Terminal (one crane) and Segrate Terminal (three cranes), as well as the purchase of a new road tractor in Verona. The remainder relates to investments in industrial equipment necessary for business operations and furniture and fittings for the new offices in Marzaglia.

The amount of intangible assets consists mainly of the costs capitalised in 2020 for the start-up of the Marzaglia terminal (84 thousand euro) and the "assets in progress and payments on account" item of 71 thousand euro, relating to the development of software for the 4.0 assets installed in 2022 for which the issuance of the sworn expert's report by the certifying body is pending.

The amount of property, plant and equipment fixed assets, shown net of depreciation incurred, mainly relates to systems and equipment used for operations (mobile cranes, rail-mounted gantry cranes, shunting locomotives and terminal vehicles and equipment).

RESEARCH AND DEVELOPMENT ACTIVITIES

No research and development activities were carried out during the year.

TRANSACTIONS WITH RELATED PARTIES

The transactions between Terminali Italia, the Group Companies and between the latter and other related parties are carried out in accordance with criteria of substantial fairness based on reciprocal economic benefits driven by normal market conditions; external professionals are also used to identify these, where appropriate.

Intercompany transactions pursue the common goal of creating efficiency, and thus value, for the entire Group.

These processes and transactions are conducted in compliance with sector-specific, statutory and tax regulations, according to and in conformity with the Group and Company Administrative and Accounting Procedures, and taking into account the specific nature and features of the activities performed by many of the Group companies.

The following table summarises the main asset and liability transactions during the year with subsidiaries, affiliated companies, parent companies and companies controlled by the parent companies.

Name	Receivables	Liabilities
Companies controlled by parent companies		
Mercitalia Intermodal S.p.A.	Terminal Services Shunting services	Various services
Mercitalia Logistics S.p.A.	Terminal Services	Rental of operational areas
Mercitalia Rail S.p.A.	Terminal Services Shunting services	Various services
Trenitalia S.P.A.	Shunting services	Railway ticketing
Tx Logistik A.G.	Terminal Services Shunting services	Various services
Grandi Stazioni	Expense recovery	
Italcertifer S.p.A.		Various services
Mercitalia Shunting & Terminal s.r.l	Terminal contracting	Various services
Ferservizi S.p.A.		Various services
FS Sistemi Urbani s.r.l		Office rentals
Eurogateway S.r.l	Use of areas	
Group Affiliates		
Quadrante Europa Terminal Gate S.p.A.		Rental of operational areas
Parent Companies		
R.F.I. – Rete Ferroviaria Italiana	Various Services	Contracting Network terminals, Secondment of staff, Administrators
Ferrovie dello Stato Italiane S.p.A.		Office rentals Insurance services Tax consolidation, group VAT
Other related parties		
ENEL group		Electricity supply
POSTE ITALIANE group		Provisions of postal services
ENI group	Other services Terminal Services	Fuel supply
EUROFER		Retirement funds (labour costs)

31 December 2022				
Name	Costs		Revenues	
Trade and other relations	Receivables	Liabilities	Production Costs	Production Value
Companies controlled by parent companies				
Mercitalia Intermodal S.p.A.	3,720	(107)	82	9,774
Mercitalia Logistics S.p.A.	116	176	182	50
Mercitalia Rail S.p.A.	3,123	12	-	3,610
Trenitalia S.p.A.	-	36	48	-
TxLogistik A.G.	1,479	17	54	5,237
Grandi Stazioni	(1)	-	-	-
Italcertifer S.p.A.	-		14	-
Mercitalia Shunting & Terminal s.r.l.	56	56	31	28
Ferservizi S.p.A.	-	60	169	-
FS Sistemi Urbani s.r.l.	-	(2)	0	-
Eurogateway S.r.l.				33
Parent Companies				
R.F.I. – Rete Ferroviaria Italiana S.p.A.	3,297	2,016	2,797	3,652
Ferrovie dello Stato Italiane S.p.A.	14	467	57	0
Group Affiliates				
Quadrante Europa Terminal Gate S.p.A.	-	217	1,201	-
Other related parties				
ENEL group	-	-	-	-
POSTE ITALIANE group	-	-	-	-
ENI group	707	2	14	1,999
EUROFER	-	-	22	-

SHAREHOLDINGS AND INVESTMENTS IN PARENT COMPANIES

The company does not hold, nor did it hold during the year, any shareholdings in its own portfolio or in the parent company, including through trust companies or intermediaries.

PARTICIPATION IN TAX CONSOLIDATION

Following the exercise of the option in 2021, the Company joined the tax consolidation of Ferrovie dello Stato S.p.A. for the 2021-2023 three-year period.

DISCLOSURE RELATING TO ARTICLE 2497 TER

The Company is subject to the management and coordination of RFI S.p.A.

Decisions influenced by management and coordination are not reported.

BRANCH OFFICES

The company does not have branch offices.

Operations are carried out at the following terminals:

TERMINALI ITALIA S.R.L. local operational units	
BARI FERRUCCIO	Str. Vicinale del Tesoro – Ferruccio FS Freight Depot – 70123 BARI
BRINDISI	Via Porta Lecce – FS Freight Depot – 72100 BRINDISI
BRINDISI RACCORDO	Via E. Fermi, 4 Polimeri Europa factory – 72100 BRINDISI
BBOLOGNA FREIGHT TERMINAL	Bologna Freight Terminal FS Building – 40010 Bentivoglio (BO)
BRESCIA	Via Dalmazia, 50 – FS Freight Depot – 25125 BRESCIA
CASTELGUELFO	c/o Parma Freight Terminal Via Stoccolma, 1 – Bianconese – 43010 Fontevivo (PR)
CATANIA BICOCCA	STRADALE Passo Cavaliere – Ferruccio FS Freight Depot Industrial Area – 95121 CATANIA
GELA	Via S. Cristoforo, 47 – 93012 GELA (CL)
LIVORNO	Tuscan A. Vespucci Freight Terminal - Via delle Colline, 26 – 57017 COLLESALVETTI – Guasticce (LI)
MARCIANISE/MADDALONI	Via Ficucelle – Maddaloni FS Freight Depot – 81025 MARCIANISE (CE)
MODENA – MARZAGLIA	Str. Rametto 25 – 41123 Modena (MO)

ROME SHUNTING STATION	Via di Villa Spada 35 – FS Shunting Freight Depot – 00138 ROME
SEGRATE	Viale Lazio – 20090 Segrate (MI)
TORINO ORBASSANO	Strada del Portone 265 – FS Freight Depot – 10043 ORBASSANO (TO)
VERONA QUADRANTE EUROPA	Via Sommacampagna, 32 Q.E. – 37137 VERONA
VILLASELVA	Villaselva Industrial Area – FS Station – Via Selvina – 47100 FORLÌ

OTHER INFORMATION

ACTIVITIES UNDER LEGISLATIVE DECREE 231/2001

During the year, the Supervisory Board (hereinafter SB), in accordance with Article 6, paragraph 1, letter b) of Legislative Decree No. 231/2001, supervised the operation of and compliance with the Organisation, Management and Control Model.

Joint meetings were held with the SB and RFI's Audit Department, pursuant to the contract for the "Entrustment for Consulting Services and Assistance in Updating the Document Representing Model 231" aimed at further updating Terminali Italia's Organisation, Management and Control Model, which will take place in 2023.

On 7 December 2022, the Board of Directors approved the 2023 Audit Plan.

CO No. 30/P/AD of 20 December 2022 "General Criteria for the Adoption of the Organisation, Management and Control Model Pursuant to Legislative Decree No. 231/2001 and for the Appointment and Operation of the Supervisory Board" was issued on 20 December 2022.

On 21 December 2022, CO No. 34/AD "Company Adoption of the "Legal & Compliance Governance Model" was issued, which revised the process of updating the 231 Model by adopting the "Legal & Compliance Governance Model" issued by the Holding Company on 1 December 2022.

ETHICS COMMITTEE ACTIVITIES

No reports of conduct in breach of the Code of Ethics were received in 2022.

PRIVACY-RELATED ACTIVITIES

In order to keep TMI's processing activity register up-to-date and in line with the organisational situation, the revision and updating of the data processing forms pertaining to the Data Managers continued in 2022, which involved all company departments.

At 31 December 2022, there are currently 22 single processing operations (processing-Data Manager association) and 2 Data Managers appointed (corresponding to 2 Data Manager Departments/Facilities).

In the scope of the project to implement the OneTrust management software supporting the Group's data protection, processing was migrated to the new platform during the year.

A Pre-Assessment continued with regard to the processing of “Driver Accreditation for Terminal Access via APP”.

At the request of the hub lead company, all relevant characteristics of the processing operations registered were verified and forwarded through the parent company RFI.

Training was provided to Data Managers, Executives and resources (Senior/ Middle Managers) who coordinate/manage activities with impacts on data protection (e.g. Privacy Policies, Privacy By Design and By Default, Data Breach).

ENERGY CONSERVATION AND RATIONAL USE OF ENERGY ACTIVITIES (ENERGY MANAGER)

The project for the partial recovery of excise duties on the cost of automotive diesel fuel continued in 2022. The applications submitted to the local Customs Agencies amounted to approximately € 346 thousand and reduced the cost incurred during the year for the purchase of fuel. The amount of this reimbursement is reported under Other revenues.

As Terminali Italia is a party required to provide periodic reporting of energy data, with particular reference to the consumption of diesel fuel used for crane motive power, for 2022 it confirmed the appointment of the person responsible for energy conservation and rational use of energy (Energy Manager) pursuant to Article 19 of Law 10 of 9 January 1991, as amended and supplemented.

FORESEEABLE EVOLUTION OF OPERATIONS

The beginning of 2023 was characterised by a continuing scenario dominated by rising energy and commodity prices leading to soaring inflation, as well as threats posed by the continuing Russian-Ukrainian conflict.

Against this background, the company anticipates a decrease in traffic volumes in the first half of the year, due to global freight dynamics, and a gradual recovery in volumes in the second half of 2023. Uncertainty also continues to persist regarding the price trend of supplies of interest to the Company.

Investments were also planned for 2023 to ensure the efficiency of the fleet and the expected increases in production in the last months of the financial year.

Rome, 16 February 2023

For the Board of Directors

The President

Francesca Ghezzi

FINANCIAL STATEMENTS

BALANCE SHEET

(amounts in units of euro)

ASSETS BALANCE SHEET		31.12.2022	31.12.2021	Differences
B) FIXED ASSETS				
I. INTANGIBLE FIXED ASSETS				
1) Start-up and expansion costs		83,646	113,168	(29,522)
4) Grants, licences, trade marks and similar rights		330	690	(360)
6) Intangible assets under construction and payments on account		71,000	0	
Total I		154,976	113,858	(29,882)
II. TANGIBLE FIXED ASSETS				
2) Installations and machinery		10,971,825	10,822,936	148,889
3) Industrial and commercial equipment		255,325	300,139	(44,814)
4) Other assets		110,063	126,655	(16,592)
Total II		11,337,213	11,249,730	87,483
III. FINANCIAL FIXED ASSETS				
2) Receivables:				
d bis) other accounts receivable				
- due within twelve months				
- due after twelve months		4,394	4,394	0
Total III		4,394	4,394	0
Total B) Fixed assets		11,496,583	11,367,982	128,601
C) CASH ASSETS				
I. INVENTORIES				
1) Raw, subsidiary and consumable materials		945,031	711,489	233,542
Total I		945,031	711,489	233,542
II. RECEIVABLES				
1) Trade receivables				
- due within twelve months		10,974,126	9,566,569	1,407,557
4) From parent companies				
- due within twelve months		3,310,595	1,957,363	1,353,232
5) to companies controlled by parent companies				
- due within twelve months		8,492,552	5,651,712	2,840,840
5 bis) Tax credits				
- due within twelve months		84,997	86,222	(1,225)
Total 5 bis)		84,997	86,222	(1,225)
5 ter) Deferred taxes				
- due after twelve months		800,822	589,217	211,605
5 quater) Other accounts receivable				
a) Group Affiliates				
- due within twelve months		-	0	0
b) Other				
- due within twelve months		421,972	591,991	(170,019)
Total 5 quater)		421,972	591,991	(170,019)
Total II		24,085,064	18,443,074	5,641,990
IV. CASH AND CASH EQUIVALENTS				
1) Bank and postal accounts		4,436,134	6,515,845	(2,079,711)
3) Cash and cash equivalents		1	1	-
Total IV		4,436,135	6,515,846	(2,079,711)
Total C) Cash assets		29,466,230	25,670,409	3,795,821
D) ACCRUALS AND DEFERRALS				
II. Other accruals and deferrals		-	463	(463)
Total D) Accruals and deferrals		-	463	(463)
				-
TOTAL ASSETS		40,962,813	37,038,854	3,923,959

(amounts in units of euro)

LIABILITIES BALANCE SHEET		31.12.2022	31.12.2021	Differences
A) NET ASSETS				
I.	SHARE CAPITAL	7,345,686	7,345,686	-
IV.	LEGAL RESERVE	911,953	832,716	79,237
VIII.	PROFIT (LOSSES) CARRIED FORWARD	17,327,111	15,821,599	1,505,512
IX.	PROFIT (LOSS) FOR THE YEAR	2,136,842	1,584,747	552,095
Total A) Net Assets		27,721,592	25,584,748	2,136,844
B) PROVISIONS FOR LIABILITIES AND CHARGES				
3)	Other	0	16,100	(16,100)
Total B) Provisions for liabilities and charges		-	16,100	(16,100)
C) SEVERANCE PAY		1,357,352	1,224,081	133,270
D) LIABILITIES				
6)	Advance payments - due within twelve months			-
7)	Trade payables - due within twelve months	6,673,742	5,701,152	972,590
11)	Payables to parent companies - due within twelve months	2,482,218	1,994,420	487,798
11 bis)	Payables to companies controlled by parent companies - due within twelve months	247,713	(43,822)	291,535
12)	Tax payables - due within twelve months	319,538	238,628	80,910
13)	Payables to social security institutions - due within twelve months	1,028,231	972,882	55,349
14)	Other payables a) To Group affiliates - due within twelve months	216,616	201,813	14,803
	b) Other accounts payable - due within twelve months	915,810	1,148,850	(233,040)
Total 14)		1,132,426	1,350,663	(218,237)
Total D) Liabilities		11,883,869	10,213,924	1,669,946
TOTAL LIABILITIES		40,962,813	37,038,854	3,923,960

PROFIT AND LOSS ACCOUNT

(amounts in units of euro)

PROFIT AND LOSS ACCOUNT	2022	2021	Change
A) PRODUCTION VALUE			
1) REVENUES FROM SALES AND SERVICES	50,388,599	43,129,388	7,259,211
Total 1)	50,388,599	43,129,388	7,259,211
5) OTHER REVENUE AND INCOME			
a) contributions for operating expenses	81,733	104,912 -	23,179
b) other	1,925,087	1,595,732	329,355
Total 5)	2,006,820	1,700,644	306,176
Total A) Production value	52,395,419	44,830,032	7,565,387
B) PRODUCTION COSTS			
6) FOR RAW MATERIALS, AUXILIARY MATERIALS, CONSUMABLES AND GOODS	4,666,473	3,287,368	1,379,105
7) FOR SERVICES	24,726,661	22,047,464	2,679,197
8) FOR THE USE OF THIRD PARTY ASSETS	4,437,268	4,192,422	244,846
9) FOR PERSONNEL			
a) wages and salaries	7,078,107	6,638,591	439,516
b) social security contributions	2,474,377	2,277,659	196,718
c) severance pay	645,780	502,459	143,321
e) other costs	1,698,528	1,365,455	333,073
Total 9)	11,896,792	10,784,164	1,112,628
10) AMORTISATION AND DEPRECIATION			
a) depreciation of intangible assets	29,882	29,882	-
b) depreciation of tangible assets	2,438,596	2,020,821	417,775
d) Impairment of receivables included in current assets and cash and cash equivalents	893,564	(46,800)	940,364
Total 10)	3,362,042	2,003,903	1,358,139
11) CHANGES IN INVENTORIES OF RAW MATERIALS, AUXILIARY MATERIALS AND CONSUMABLES	(233,543)	213,194	(446,737)
12) RISK PROVISIONS	0	16,100 -	16,100
14) OTHER OPERATING EXPENSES	154,772	136,203	18,569
Total B) Production costs	49,010,465	42,680,818	6,329,647
Difference between value and cost of production (A-B)	3,384,954	2,149,214	1,235,740
C) FINANCIAL INCOME AND EXPENSES			
16) OTHER FINANCIAL INCOME			
c) from securities under current assets that are not shareholdings			
d) income other than the above:			
- from others	39,393	17,230	22,163
Total 16)	39,393	17,230	22,163
17) INTEREST AND OTHER FINANCIAL EXPENSES			
- to others	(30,114)	(33,484)	3,370
Total 17)	(30,114)	(33,484)	3,370
Total C) Financial income and expenses	9,279	(16,254)	25,533
Earnings before tax (A-B+/-C+/-D)	3,394,233	2,132,959	1,261,273
20) INCOME TAXES FOR THE YEAR			
CURRENT, DEFERRED AND PREPAID			
a) current taxes	1,468,996	1,015,681	453,315
b) deferred and prepaid taxes	(211,605)	(467,469)	255,864
Total 20)	1,257,391	548,212	709,179
21) Profit (loss) for the year	2,136,842	1,584,747	552,094

CASH FLOW STATEMENT

Cash Flow Statement		
<i>(values in euro)</i>	2022	2021
A - Cash flow from operating activities (indirect method)		
Profit (loss) for the year	2,136,842	1,584,747
Income Taxes	1,468,996	548,212
Interest expenses/(interest income)	(9,279)	16,254
(Gains)/losses on disposal of tangible fixed assets	(57,401)	(2,500)
Profit (loss) for the year before income taxes, interest, dividends and		
1 - Adjustments for non-monetary items not reflected in net working capital	3,539,158	2,146,714
Allocations to provisions	-	518,559
Depreciation of fixed assets	2,468,479	2,050,703
2 - Cash flow before changes in net working capital	6,007,637	4,715,976
Decrease/(increase) of inventories	(233,542)	213,194
Decrease/(increase) of trade receivables	(1,407,557)	(1,714,572)
Increase/(decrease) of accounts payable	972,590	2,416,387
Decrease/(increase) of accrued and deferred income	463	(463)
Other changes in net working capital	(3,849,268)	3,213,638
3 - Cash flow after changes in net working capital	1,490,323	8,844,159
Other adjustments		
Interest collected/(paid)	9,279	(16,254)
(Income taxes paid)	(966,136)	(803,441)
(Use of funds)	(16,100)	(493,845)
4 - Financial flow after other adjustments	517,367	7,530,619
Cash flow from operations (A)	517,367	7,530,619
B - Cash flow from capital expenditure activities		
Tangible fixed assets	(2,526,078)	(4,445,849)
(Investments)	(2,526,078)	(4,446,812)
Disinvestments	0	964
Intangible fixed assets	(71,000)	-
(Investments)	(71,000)	-
Financial fixed assets	-	1,348
Disinvestments	-	1,348
Cash flow from capital expenditure (B)	(2,597,078)	(4,444,501)
Cash flow from funding activities (C)	-	-
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(2,079,711)	3,086,118
Cash and cash equivalents at the beginning of the financial year	6,515,846	3,429,728
bank and postal accounts	6,515,845	3,429,727
cash and cash equivalents	1	1
Cash and cash equivalents at the end of the financial year	4,436,135	6,515,846
bank and postal accounts	4,436,134	6,515,845
cash and cash equivalents	1	1
Change in Cash and cash equivalents in the financial statements	(2,079,711)	3,086,118

EXPLANATORY NOTES

INTRODUCTION

Terminali Italia S.r.l. (hereinafter also referred to as the “Company” or “Terminali Italia”) is a company incorporated and domiciled in Rome, Piazza della Croce Rossa 1, incorporated under the laws of the Italian Republic. The registered office of the Company is in Rome, Piazza della Croce Rossa 1 and it is part of the Ferrovie dello Stato Italiane Group, the parent company of which is based at the same address, where it is possible to obtain a copy of the consolidated financial statements, in which the Company's information is included, within the terms and according to the procedures provided for by current legislation.

CONTENT AND FORM OF THE FINANCIAL STATEMENTS

The Terminali Italia (hereinafter also referred to as the “Company”) financial statements were prepared in accordance with the rules contained in Articles 2423 et seq. of the Italian Civil Code, interpreted and supplemented by the accounting principles issued by the Italian Accounting Organisation (the ‘OIC accounting principles’).

The financial statements for the year ended 31 December consist of: Balance Sheet, Profit and Loss Account, Cash Flow Statement and Explanatory Notes. The information in the Explanatory Notes relating to items in the Balance Sheet and Profit and Loss Account is presented in the order in which the relevant items are shown in the Balance Sheet and Profit and Loss Account.

For the year to which the financial statements relate and for the previous year, the cash flow statement shows the amount and composition of cash and cash equivalents at the beginning and end of the year and the cash flows for the year from operating, investing and financing activities, including, with separate disclosure, transactions with shareholders. The cash flow statement, prepared on a comparative basis, was presented according to the indirect method using the format prescribed by the OIC 10 accounting standard.

The Balance Sheet, Profit and Loss Account and Cash Flow Statement were drawn up in euro units, without decimal places, while the amounts included in the Explanatory Notes are expressed in thousands, unless otherwise indicated.

If the information required by specific legal provisions is not sufficient for a true and accurate representation, additional information deemed necessary for the purpose is provided.

Refer to the Operations Report for detailed information on relations with subsidiaries, affiliated companies, parent companies and companies subject to the control of the latter, other related parties and affiliates of subsidiaries, as well as on relations with the company

exercising management and coordination activities and with other companies subject to it.

Significant events occurring after the end of the financial year, the proposed allocation of the year's result, and the total amount of commitments, guarantees and contingent liabilities not shown in the balance sheet are disclosed in specific sections of these Explanatory Notes.

Please note that KPMG S.p.A. performs the statutory audit pursuant to Article 14 of Legislative Decree 39/2010.

Pursuant to Article 2497 et seq. of the Italian Civil Code, the Company is subject to the direction and coordination of RFI - Rete Ferroviaria Italiana S.p.A., and therefore, the Explanatory Notes include a summary of the essential data of the last financial statements of this company.

PRINCIPLES FOR THE DRAFTING OF THE FINANCIAL STATEMENTS

The annual financial statements were prepared in accordance with legal provisions, supplemented by the OIC national accounting standards, without any exceptions or waivers.

The items in the financial statements were valued according to the general principles of prudence and accrual, on a going concern basis, and taking into account the economic function of the asset or liability item considered, where compatible with the provisions of the Italian Civil Code and the OIC accounting principles. The principles of consistency in valuation criteria, relevance and comparability of information were also respected.

In application of the principles mentioned above:

The elements comprising the individual asset or liability items have been valued separately, so that capital gains of some items do not offset capital losses of others. In particular, gains have been included only if they materialised by the end of the financial year, while risks and losses pertaining to the financial year have been taken into account, even if they became known after the end of the financial year.

Income and expenses pertaining to the year were taken into account regardless of the date of receipt or payment. Accrual is the time criterion by which positive and negative income components are charged to the profit and loss account for the purpose of determining the result for the year. The directors conducted a forward-looking assessment of the company's ability to be a functioning economic entity intended to generate income over a foreseeable future period of at least twelve months from the reporting date. The assessment conducted did not identify any significant uncertainties with regard to this capacity.

The rights, obligations and conditions were identified based on the contractual terms of the transactions and their alignment with the accounting standards to ascertain the correctness of the recording or removal from the balance sheet and profit and loss account.

The valuation criteria did not change year-on-year to achieve a homogeneous measurement of the Company's results over the years.

During the year, there were no exceptional cases that made it necessary to derogate from the valuation criteria, pursuant to Article 2423, Section 5, of the Italian Civil Code, insofar as they were incompatible with the true and fair representation of the Company's financial position and economic results.

Also, assets were not revalued during the year pursuant to special laws on the subject.

The relevance of individual items was judged in the overall context of the financial statements. Both qualitative and quantitative elements were taken into account to quantify relevance.

The corresponding values as at 31 December 2022 are shown for each item in the Balance Sheet, Profit and Loss Account and Cash Flow Statement. If the items were not comparable, those for the previous year were adjusted providing the relevant comments in the Explanatory Notes for the pertinent circumstances.

DRAFTING CRITERIA

INTANGIBLE FIXED ASSETS

Subsequent to the approval of the Board of Auditors where required, intangible fixed assets are recorded at purchase or production cost and are stated net of depreciation. Ancillary costs are also included in the purchase cost. Production cost includes all costs directly attributable to the product and other costs, to the extent reasonably attributable, for the period of manufacture and up to the time the fixed asset can be used.

Deferred charges, which include start-up and expansion costs, are only recognised when their future usefulness is proven, there is an objective correlation with the related future benefits to be enjoyed by the Company, and their collectability can be estimated with reasonable certainty.

Intangibles, consisting of concessions, licences and trademarks, are recognised as assets only if they can be individually identified, if the Company acquires the power to enjoy the future economic benefits from the asset and can limit third parties' access to these benefits, and if their cost can be estimated with sufficient reliability.

Improvements and incremental expenses on third-party assets are entered under other intangible fixed assets if they cannot be separated from the assets themselves, otherwise they are entered under specific tangible fixed asset items.

Intangible fixed assets are systematically depreciated and the depreciation rate allocated to each year reflects the allocation of the cost incurred over their entire useful life. Depreciation begins when the fixed asset is available and ready for use. Depreciation systematicity is related to the interrelationship of the expected benefits.

Intangible fixed assets are depreciated on a straight-line basis as follows:

- Start-up and expansion costs are depreciated over a period of five years.
- Intangibles (concessions, licences and trademarks) are depreciated over the shorter of their legal or contractual duration and their remaining useful life. The estimated useful life of trademarks does not exceed twenty years.
- Other fixed assets - leasehold improvements: are depreciated over the lower of the future useful life of the expenses incurred and the remaining term of the lease, taking into account the renewal period, if any.

Until depreciation of development, start-up and expansion costs is completed, dividends may only be distributed if there are sufficient available resources remaining to cover the amount of the depreciated costs.

TANGIBLE FIXED ASSETS

Property, plant and equipment are initially recognised at the date on which the risks and benefits associated with the acquired asset are transferred and are stated at purchase or production cost, adjusted by the respective accumulated depreciation and any write-downs. The purchase cost is the cost actually incurred for the acquisition of the asset and includes incidental costs. Production cost includes all direct costs and general production costs, to the extent reasonably attributable to the fixed asset, for the period of manufacture and up to the time the asset can be used.

Depreciation is calculated on a straight-line basis, based on the remaining useful life of the assets. These rates are reduced by half in the first year the asset is available for use, thus approximating the shorter period of use of the fixed asset. If the estimated residual value at the end of the useful life is equal to or greater than the net book value, the fixed asset is not depreciated. Depreciation begins when the asset is available and ready for use.

Depreciation is also calculated on temporarily unused assets.

Land is not subject to depreciation; if the value of buildings also incorporates that of the land on which they stand, the value of the building is separated, also according to estimates, to determine the correct depreciation.

The value to be depreciated is the difference between the cost of the fixed asset and, if it can be determined, the residual value at the end of its useful life, which is estimated when the depreciation schedule is drawn up and reviewed periodically to verify that the initial estimate is still valid. Depreciation is discontinued if the estimated residual value is equal to or higher than the net book value.

The depreciation schedule is periodically reviewed to see if any changes have occurred that require a modification of the estimates made in determining the remaining useful life. If the latter is changed, the carrying amount of the fixed asset at the time of that change is allocated over the new remaining useful life of the asset.

The assets resulting from the Mercitalia Intermodal contribution, which occurred in the 2008 financial year, in accordance with the sworn appraisal report by the expert Lelio Fornabaio, were recorded at the current appraisal value, for mobile cranes and rail-mounted gantry cranes,

and at the original purchase cost with the relative depreciation provision for all other asset categories.

The depreciation rates applied are as follows:

CATEGORY	USEFUL LIFE (years)	% DEPRECIATION
Mobile cranes	8	12.50
Flat bed semi-trailers	5	20.00
Self-propelled vehicles and tractors	5	20.00
Mobile cranes, containers	6.66	15.00
Gantry cranes	12	8.33
Equipment and machines	10	10.00
Vans	5	20.00
Fixed installations	10	10.00
Vehicles	4	25.00
Office furniture and equipment	8.33	12.00
Computers and accessories	3	33.34
Machines and electronic systems	3	33.34
Shunting locomotives ⁴	2.75	36.36

Ordinary maintenance costs, relating to recurring maintenance and repairs performed to keep assets in good working conditions to ensure their original useful life, capacity and productivity, are recorded in the profit and loss account in the financial year in which they are incurred.

Extraordinary maintenance costs, which include expansions, upgrades, replacements and other improvements to the asset that generate a significant and quantifiable increase in the capacity, productivity or safety of the asset or extend its useful life, may be capitalised within the limits of the asset's recoverable amount.

Tangible fixed assets held for sale are reclassified as current assets only if they can be sold in their current condition, the sale appears highly probable and is expected to be completed in the short term. These fixed assets are not depreciated and are valued at the lower of net book value and estimated realisable value based on market trends.

⁴ The shunting locomotives redeemed as a result of the leasing contract are depreciated over the residual term of the existing contract between Terminali Italia and RFI, under which the latter also entrusted the shunting service.

Obsolete tangible fixed assets and in general those that are no longer used or can no longer be used in the production cycle on a permanent basis are not subject to depreciation and are valued at the lower of net book value and recoverable value.

Tangible fixed assets are revalued, within the limits of their recoverable value, only when special laws require or permit.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

At each reporting date, the company assesses whether there is an indicator that a fixed asset may be impaired. If there are indicators of impairment of intangible and tangible fixed assets at the reporting date, their recoverable amount is estimated. If no indicators of potential impairment exist, recoverable amount is not determined.

If their recoverable amount, defined as the greater of the value in use and fair value minus selling costs, is less than the corresponding net book value, fixed assets are depreciated.

When the recoverable amount of an individual fixed asset cannot be estimated, this analysis is performed with reference to the so-called “cash-generating unit” (hereafter “CGU”), i.e. the lowest possible group of identifiable assets that includes the fixed asset being measured and generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets.

If there is a long-term impairment loss, this is first recorded as a reduction in the goodwill value, if any, and subsequently to the other assets, in proportion to their net book value

A write-down for impairment is reversed if the grounds for the write-down no longer exist. The reversal of an impairment loss is made to the extent of the value that the asset would have had if the adjustment had never been made, i.e. taking into account the depreciation that would have been recorded in the absence of the impairment loss. A reversal of an impairment loss recognised on goodwill and deferred charges is not possible.

FINANCIAL FIXED ASSETS

Receivables are classified as financial fixed assets and current assets according to the criterion of their allocation to ordinary assets and therefore, regardless of their maturity date, financial receivables are classified as financial fixed assets while trade receivables are classified as current assets. The criterion for the valuation of receivables is explained below.

INVENTORIES

Assets included in inventories are initially recorded at the date on which the risks and benefits associated with the acquired asset are transferred. Risk and benefit transfer usually occurs when ownership is transferred in accordance with the contractually agreed terms.

Inventories are initially recorded at purchase cost and subsequently valued at the lesser of the cost or the corresponding realisable value that can be inferred from the market.

Purchase cost means the actual purchase price plus ancillary charges. In addition to the price of the material, the purchase cost of materials includes freight, customs, other taxes and other costs directly attributable to that material. Returns, trade discounts, rebates and premiums are deducted from costs.

The costing method adopted for fungible goods is the weighted average cost.

The market-driven realisable value of raw and ancillary materials, goods, finished goods, semi-finished and finished goods and work-in-progress is equal to the estimated selling price of the goods and finished goods in the ordinary course of business, based on market information, net of estimated completion costs and direct selling costs (e.g. commissions, transport, packaging). In determining the realisable value based on market trends, account is taken, inter alia, of the obsolescence rate and inventory turnaround times.

Inventories whose realisable value based on market trends is lower than their book value are accordingly depreciated.

If the reasons for the depreciation cease to be applicable in whole or in part as a result of an increase in the realisable value inferable from the market, the adjustment made is reversed within the limits of the cost originally incurred.

RECEIVABLES

Receivables arising from revenues from the sale of goods are recognised on an accrual basis when both of the following conditions are met: the production process of the goods has been completed; and the substantial, non-formal transfer of title has occurred, assuming the transfer of risks and benefits as the benchmark for the substantial transfer.

Accounts receivable represent rights to collect fixed or determinable amounts of cash, or goods/services of equivalent value, from customers or other third parties at an identified or identifiable maturity.

Receivables that originate for reasons other than the exchange of goods and services are recognised in the financial statements if there is a right to the receivable, i.e. if they actually represent an obligation of a third party towards the company.

The depreciated cost method is not applied in cases where its effects are insignificant, generally for short-term receivables or when transaction costs, fees paid between the parties and any other differences between the initial value and the maturity value of the receivable are insignificant.

With reference to the estimated recoverable value, the carrying amount of receivables is adjusted through an allowance for doubtful accounts to take into account the probability that the receivables have lost value. For this purpose, specific and experience-based indicators and any other useful elements are considered that indicate a probable loss of value of the receivables.

The doubtful debt provision is estimated by analysing individual loans, calculating the expected losses for each abnormal situation that is already apparent or reasonably foreseeable, and estimating, based on experience and any other useful information, the further losses that are expected to be incurred on loans outstanding at the reporting date. The provision for bad debts on loans secured by guarantees takes into account the effects of the enforcement of such guarantees.

Discounts and trade rebates that are estimated to be granted upon collection and other reasons for lower realisation are also appropriated. Financial discounts and allowances, which did not contribute to the determination of the estimated realisable value because they were not foreseeable at the time of initial recognition of the receivable, are recognised upon collection as financial expenses.

Loans are derecognised when the contractual rights to the cash flows arising from the loan are extinguished or when the contractual rights to the cash flows arising from the loan are transferred and with it substantially all the risks inherent to the loan. All contractual clauses are taken into account in the assessment of the risk transfer.

When the receivable is derecognised in the presence of the conditions set out above, the difference between the amount of the payment and the receivable's carrying amount (the nominal value of the receivable less any losses allocated to the allowance for doubtful accounts) at the time of the sale is recognised in the profit and loss account as a loss, unless the sale agreement allows for the identification of other economic elements of a different nature, including financial.

CASH AND CASH EQUIVALENTS

These are the positive balances of the bank, postal, and cheque deposits, as well as cash and valuables on hand at the close of the financial year.

Bank, postal and cheque deposits are valued at their estimated realisable value, while cash and stamps on hand are valued at their par value.

ACCRUALS AND DEFERRALS

Accrued income and expenses are respectively portions of income and expenses pertaining to the financial year that will be manifested financially in subsequent years.

Accruals and deferrals represent, respectively, portions of costs and income that have become evident during the financial year or in previous financial years, but which fall due in one or more subsequent financial years.

Therefore, only portions of costs and income, common to two or more financial years, are entered under these items.

At the end of each financial year, the conditions that determined their initial recognition are verified and, if necessary, value adjustments are made. Specifically, in addition to the passage of time, the presumed realisable value is considered for accrued income while the existence of the future economic benefit related to deferred costs is considered for prepaid expenses.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges account for liabilities of a certain or probable nature, the amount or date of occurrence of which cannot be determined. In particular, the provisions for risks and charges represent liabilities of a definite nature and probable existence, the values of which are estimated, while the provisions for charges represent liabilities of a definite nature and certain existence, the amount or date of occurrence of which is estimated, connected with obligations already assumed at the reporting date, but which will be manifested in cash in subsequent years. Provisions are recognised on an accrual basis for amounts that are expected to be paid or for goods and services to be provided when the obligation is fulfilled.

Provisions for risks and charges are recognised in the financial statements under the management activities to which the transaction relates, with the classification of costs by their very nature. The amount of provisions is measured by referring to the best cost estimate, including legal expenses, at each reporting date. If the measurement of provisions results in a

range of values, the provision represents the best feasible estimate between the maximum and minimum limits of the range of values.

Provisions for liabilities and charges recorded in a previous period are re-examined to verify that they were correctly measured at the reporting date.

The funds are subsequently used directly and only for those expenses and liabilities for which the funds were originally established. Any negative differences or surpluses over actual expenses incurred are recognised in the profit and loss account consistently with the original provision, whereas if the surplus results from the positive development of situations occurring in a company's operations, the elimination or reduction of the excess provision is recognised as a positive income element under the same category.

SEVERANCE PAY

The severance indemnity fund (TFR) is the benefit to which employees are entitled whenever their employment relationship is terminated, pursuant to Article 2120 of the Italian Civil Code and taking into account the regulatory changes made by Law No. 296 of 27 December 2006. It corresponds to the total compensation accrued, taking into account all forms of remuneration of a continuing nature, net of advances paid and partial advances paid pursuant to collective or individual agreements or company agreements for which reimbursement is not required, and net of the amounts transferred to supplementary pension funds or to the treasury fund managed by INPS.

The severance pay liability is the amount that would have been paid to employees if the employment relationship had terminated at the reporting date. Severance pay amounts relating to employment relationships already terminated at the reporting date and for which payment is made in the following year are classified as liabilities.

LIABILITIES

Payables are liabilities of a definite nature and certain existence, representing an obligation to pay fixed or determinable amounts of cash, or goods/services of equivalent value, usually on a specified date. These obligations are to lenders, suppliers and other parties. Liabilities are classified on the basis of their nature (or origin) with respect to ordinary operations regardless of the time period within which the liabilities are to be settled.

Liabilities from purchases of goods are recognised on an accrual basis when both of the following conditions are met: the production process of the goods has been completed; and the substantial, non-formal transfer of title has occurred, assuming the transfer of risks and benefits as the benchmark for the substantial transfer.

Financial liabilities and those arising for reasons other than the acquisition of goods and services are recognised when the company has an obligation to the counterparty.

In the case of early repayment, the difference between the outstanding amount of the debt and the total disbursement related to the repayment is recorded in the profit and loss account as financial income/expense.

Payables are recognised in the financial statements according to the depreciated cost criterion, taking into account the time factor.

At year-end, the value of payables measured at depreciated cost is equal to the current value of future cash flows discounted at the effective interest rate.

The depreciated cost method is not applied in cases where its effects are insignificant, generally for short-term debt or when transaction costs, fees paid between the parties and any other differences between the initial value and the maturity value of the debt are insignificant.

In this case, the debt is initially recognised at par value net of any premiums, discounts, allowances provided for by contract or otherwise granted, and is subsequently valued at par value plus interest expense calculated at the notional interest rate, less payments for principal and interest.

Transaction costs, such as appraisal fees, appraisal charges on the value of the property and other ancillary costs for obtaining loans and mortgages, any initial commission income and expenses, issuance costs (e.g. legal fees and initial commissions) incurred in connection with the issuance of bonds, bond issue premiums and discounts, and any other differences between the initial value and the par value at maturity are included in the calculation of the depreciated cost using the effective interest method, which implies that they are depreciated over the expected life of the debt. Their amortisation supplements or adjusts the interest expense calculated at the nominal rate (following the same classification in the income statement), so that the effective interest rate can remain a constant interest rate over the life of the debt to be applied to its carrying amount. The effective interest rate, according to the effective interest method, is calculated when the liability is initially recognised and is then used for its subsequent valuation, except in the case of contractual interest rates that are variable and benchmarked to market rates.

To take the time factor into account, the interest rate inferable from the contractual terms and conditions must be compared with market interest rates, the rate that would have been applied if two independent parties had negotiated a similar financing transaction with comparable terms and conditions to the one in question.

Trade payables with maturities beyond 12 months from initial recognition, without interest payments, or with interest significantly different from market interest rates, and related costs, are initially recognised at the value determined by discounting future cash flows at the market interest rate. The difference between the initial recognition value of the debt calculated as described above and the forward value must be recognised in the income statement as a financial expense over the life of the debt by applying the effective interest rate method.

The company derecognises all or part of a debt when the contractual and/or legal obligation is settled by fulfilment or other event, or transferred. Extinguishing a debt and issuing a new

debt to the same counterparty results in derecognition if the contractual terms of the original debt differ materially from those of the debt issued.

COSTS AND REVENUES

Revenues from the sale of products and goods or the provision of services related to normal operations are recorded net of returns, trade discounts, rebates and premiums, as well as taxes directly related to the sale of products and the provision of services, in accordance with the accrual and prudence principles.

Revenue from the sale of goods or the provision of services is recognised when the production process of the goods or services has been completed and the exchange has taken place, i.e. the substantive and non-formal transfer of ownership has occurred, taking the transfer of risks and benefits as the benchmark.

Production costs are recognised net of returns, trade discounts, rebates and premiums. Costs originated by the purchase of goods are recognised when the manufacturing of goods is completed and there is a substantial transfer of ownership with the transfer of risks and benefits as the benchmark. Costs incurred from the purchase of services are recognised when the services are received, i.e. when the service has been rendered.

Revenues and income, costs and expenses related to foreign currency transactions are calculated at the spot exchange rate on the date the relevant transaction is executed.

Financial expenses are recorded in an amount equal to the amount accrued during the year.

Exceptional revenue or cost items are commented on in a separate section of these Explanatory Notes.

CONTRIBUTIONS FOR OPERATING EXPENSES

Operating contributions due either by law or under contractual provisions are recorded on an accrual basis in the financial year in which the right to receive them is established with certainty.

INCOME TAXES

Current taxes are calculated on a realistic estimate of taxable income for the year, calculated in accordance with tax legislation, and applying the tax rates in force at the reporting date.

The related tax liability is recognised in the balance sheet at par value, net of payments on account, withholdings and tax credits that can be offset and for which reimbursement has not been requested. If payments on account, withholdings and credits exceed the taxes due, the related tax credit is recognised.

The Company participates in the national tax consolidation scheme of the parent company Ferrovie dello Stato Italiane S.p.A. for corporate income tax (IRES) and VAT purposes. Therefore, receivables from and payables to the consolidating company resulting from quantifying the tax benefits attributed and received are recognised in the financial statements.

Deferred and prepaid income taxes are calculated on the cumulative amount of all temporary differences existing between the values of assets and liabilities calculated using the statutory valuation criteria and their recognised value for tax purposes, which are to be written off in subsequent years.

Deferred and prepaid income taxes are recognised in the financial year in which the temporary differences arise and are calculated by applying the tax rates in force in the financial year in which the temporary differences will reverse, if these rates are already defined at the reporting date; otherwise, they are calculated on the basis of the rates in force at the reporting date.

Deferred tax assets on deductible temporary differences and on the benefit related to the carry-forward of tax losses are recorded and maintained in the financial statements only if there is a reasonable certainty of their future recovery, through forecasted taxable income or the availability of sufficient taxable temporary differences in the years when the deferred tax assets will reverse.

A deferred tax asset that was not accounted for or reduced in prior years, because the requirements for its recognition or retention were not met, is recorded or reinstated in the year in which those requirements are met.

The explanatory notes provide a statement of the temporary differences that led to the recognition of deferred tax assets and liabilities, specifying the rate applied and the year-on-year changes, the amounts debited or credited to the profit and loss account or equity and the items excluded from the calculation, as well as the amount of deferred tax assets recorded in the financial statements pertaining to losses for the year or previous years and the amount of taxes not yet recognised.

COMMITMENTS, GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The total amount of commitments, guarantees and contingent liabilities not shown in the financial statements are disclosed in separate sections of these Explanatory Notes.

Commitments are obligations assumed by the Company against third parties arising from legal transactions with certain mandatory effects but not yet performed by either party. The commitments category includes both commitments of which the implementation and amount are certain and commitments of which the implementation is certain but not the amount. The amount of the liabilities is the par value that can be inferred from the relevant documentation. If the commitment cannot be quantified, this is disclosed in the Explanatory Notes.

Guarantees include both real and personal guarantees given by the Company. These guarantees are those issued by the Company in connection with its own or another party's obligation. Its value corresponds to the value of the guarantee given or, if not determined, to the best estimate of the risk assumed in the light of the situation existing at that time.

Contingent liabilities not disclosed in the financial statements include those deemed probable, but the amount of which cannot be determined other than randomly and arbitrarily, and those deemed possible. Similarly, the appropriate section indicates the potential assets and profits considered probable that have not been recognised in the financial statements for the sake of prudence.

USE OF ESTIMATES

The preparation of financial statements requires estimates to be made that have an effect on the values of assets and liabilities and related disclosures. Actual results may differ from these estimates. Estimates are reviewed periodically and the effects of changes in estimates, where not resulting from faulty estimates, are recognised in the profit and loss account for the year in which the changes occur, if they affect only that year, and in subsequent years if the changes affect both the current and subsequent years.

EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

Events occurring after the end of the financial year that change conditions already existing at the reporting date and require changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis to reflect the effect that these events have on the financial position and economic result at the end of the financial year.

Events occurring after the end of the financial year that alter situations existing at the reporting date, but that do not require a change in the values of the financial statements, in accordance with the reference accounting principle, as they pertain to the next financial year, are not recorded in the financial statements but are explained in the operations report when necessary for a more complete understanding of the company's situation.

The time limit within which the event must occur for it to be taken into account is the date on which the Directors prepared the draft financial statements, except in cases where events occur between that date and the date scheduled for approval of the financial statements by the Shareholders' Meeting that make it necessary to amend the draft financial statements.

ANALYSIS OF FINANCIAL STATEMENT ITEMS AND RELATED CHANGES

BALANCE SHEET: ASSETS

FIXED ASSETS

INTANGIBLE FIXED ASSETS

At 31 December 2022, this item amounted to 155 thousand euro and mainly consisted of capitalisation of labour costs for the employees of the new Marzaglia terminal incurred in 2020 during the training phase and "Assets under construction and advances" relating to the purchase of software for the Industry 4.0 assets that were installed during the year and for which the certified report by the certifying body is pending.

The following pages contain analyses of changes in "Original cost", "Accumulated depreciation and impairment losses" and "Net values", respectively.

INTANGIBLE FIXED ASSETS	ORIGINAL COST						Values at 31 December 2022
	Values at 31 December 2021	Increases	Decreases for disposals	Revaluation	Transfers from LIC and reclassification	Other changes	
Start-up and expansion costs	167	-	-	-	-	-	167
Grants, licences, trade marks and similar rights	1						1
Intangible assets under construction and payments on account	0	71					71
Others	88		-	-	-	-	88
TOTAL	257	71	-	-	-	-	328

INTANGIBLE FIXED ASSETS	AMORTISATION AND DEPRECIATION FUND						Values at 31 December 2022
	Values at 31 December 2021	Increases	Decreases for disposals	Value restoration	Reclassification	Other changes	
Start-up and expansion costs							
- depreciation	54	30	-	-	-	-	84
Grants, licences, trade marks and similar rights							
- depreciation	-	0					1
Intangible assets under construction and payments on account	-						-
Others							
- depreciation	88	-	-	-	-	-	88
TOTAL	143	30	-	-	-	-	172

INTANGIBLE FIXED ASSETS	NET VALUES					
	31 December 2021			31 December 2022		
	Original cost	Amortisation and depreciation fund	Net values	Original cost	Amortisation and depreciation fund	Net values
Start-up and expansion costs	167	54	113	167	84	83
Grants, licences, trade marks and similar rights	1	-	1	1	1	-
Intangible assets under construction and payments on account	-	-	-	71	0	71
Others	88	88	-	88	88	-
TOTAL	257	143	114	328	174	154

TANGIBLE FIXED ASSETS

At 31 December 2022, this item amounted to € 11,337 thousand and consisted mainly of mobile cranes, rail-mounted gantry cranes, terminal equipment and machinery, and shunting locomotives.

Increases in "Loading and unloading equipment" amounting to 2,399 thousand euro refer to the purchase of handling equipment: three cranes in Segrate, one crane in Marzaglia, and a road tractor in Verona. This item also includes the disposal of three cranes at the Segrate, Brindisi Versalis, and Brindisi Scalo terminals.

Under the "Industrial and Commercial Equipment" item, an increase of 19 thousand euro is mainly due to the purchase of industrial equipment needed to conduct business, while the increase of 53 thousand euro recorded in the "Other Assets" category mainly refers to the purchase of furniture and furnishings for the new offices in Marzaglia.

The provision for amortisation of intangible assets increased by 30 thousand euro compared to the previous year, due to the investments made during the year.

The following pages contain analyses of changes in "Original Cost", "Accumulated depreciation and impairment losses" and "Net values", respectively.

TANGIBLE FIXED ASSETS	ORIGINAL COST						Values at 31 December 2022
	Values at 31 December 2021	Increases	Decreases for disposals	Value restoration	Reclassification	Other changes	
Installations and machinery							
- Loading and unloading vehicles	21,038	2,399	(423)				23,015
- Rolling stock	1,999						1,999
- On-road vehicles	119	46	-			-	164
Total loading and unloading vehicles	23,156	2,445	(423)	-	-	-	25,178
Industrial and commercial equipment							
- Fixed installations	877	22					900
- Cars	85		(10)				74
- Assets worth less than one million	0						0
- Sundry equipment	691	6					697
	1,653	29	(10)	-	-	-	1,672
Other assets							
- Furniture and furnishings	393	43					436
- Office equipment	758	10					767
	1,150	53	0	-	-	-	1,203
TOTAL	25,960	2,526	(433)	-	-	-	28,053

TANGIBLE FIXED ASSETS	AMORTISATION AND DEPRECIATION FUND						Values at 31 December 2022
	Values at 31 December 2021	Increases	Decreases for disposals	Value restoration	Reclassification	Other changes	
Installations and machinery							
- Loading and unloading vehicles	11,357	1,739	(423)				12,644
- Rolling stock	933	533					1,466
- On-road vehicles	43	23	-				67
Total loading and unloading vehicles	12,333	2,296	(423)	-	-	-	14,206
Industrial and commercial equipment							
- other fixed installations	685	50					736
- cars	84	0	(10)				74
- assets worth less than one million	0						0
- sundry equipment	583	24					606
	1,353	74	(10)	-	-		1,417
Other assets							
- Furniture and furnishings	351	25					376
- Electromechanical and electronic office equipment	673	44					717
	1,024	69	0	-	-		1,093
TOTAL	14,710	2,439	(433)	-	-		16,716

TANGIBLE FIXED ASSETS	NET VALUES					
	31 December 2021			31 December 2022		
	Original cost	Amortisation and depreciation fund	Net values	Original cost	Amortisation and depreciation fund	Net values
Installations and machinery	23,516	12,333	11,183	25,178	14,206	10,972
Industrial and commercial equipment	1,653	1,353	0,3	1,672	1,417	0,255
Other assets	1,15	1,024	0,126	1,203	1,093	1,11
TOTAL	26,319	14,71	11,609	28,053	16,716	11,337

FINANCIAL FIXED ASSETS

OTHER ACCOUNTS RECEIVABLE

They refer to security deposits issued to third parties for utilities and totalled € 4 thousand. These are entirely receivables from domestic suppliers.

Description	31 December 2022	31 December 2021	Differences
Within twelve months:			
- Security Deposits	4	4	0
TOTAL	4	4	0

CASH ASSETS

INVENTORIES

Inventories of raw materials, auxiliary materials, consumables amounted to € 945 thousand, net of the provision for obsolescence of € 159 thousand, and refer to maintenance and consumable materials related to the mobile and gantry cranes used for terminal services.

Description	31 December 2022	31 December 2021	Differences
Raw materials, auxiliary materials and consumables	1,104	870	234
Obsolescence Fund	(159)	(159)	0
TOTAL	945	711	234

RECEIVABLES

This item amounted to € 24,085 thousand, an increase of € 5,642 thousand over the previous year's value.

RECEIVABLES: TRADE RECEIVABLES

Trade receivables amounted to € 10,974 thousand with a decrease of € 1,408 thousand compared to 31 December 2021 and are detailed as follows:

Description	31 December 2022	31 December 2021	Differences
Invoices issued	12,788	10,974	1,814
Invoices to be issued	651	186	466
Credit notes to be issued	(122)	(144)	21
Doubtful debt provision	(2,343)	(1,450)	(894)
TOTAL	10,974	9,567	1,408

There was an overall increase in trade receivables from third-party customers of € 1,408 thousand, in line with revenue increase dynamics.

Doubtful trade receivables provision	Balance at 31 December	Use	Provisions	Release of surplus funds	Reclassification	Balance at 31 December 2022
Doubtful debt provision	1,450	0	894	0	0	2,343
TOTAL	1,450	0	894	0	0	2,343

The provision for bad debts was increased by € 894 thousand due to an accurate analysis performed on the collectability and maturity of trade receivables in current assets, in particular due to the write-down of the value of receivables referring to a customer who, in the second half of the year, started a negotiation of a settlement procedure to resolve the company's crisis, which was not successful. This write-down had an impact of 894 thousand euro on the provision for the year.

There are no receivables in currencies other than euro.

Note that with regard to trade receivables, there are no receivables due after one year.

RECEIVABLES: FROM PARENT COMPANIES

This item amounts to € 3,311 thousand and is broken down as follows:

Nature	31 December 2022	31 December 2021	Differences
Trade Receivables			
Rete Ferroviaria Italiana:			
- Invoices issued	1,641	690	950
- Invoices to be issued	1,656	1,195	461
Financial			
VAT receivables from subsidiaries <12	15	-	15
- FS credit for the consolidation of corporate income tax (IRES)	0	69	(69)
- intercompany current account	(2)	3	(4)
TOTAL	3,311	1,957	1,354

The increase in receivables for invoices issued to RFI against the previous year, amounting to 950 thousand euro, refers to invoices issued for the amounts accrued for the contract to entrust Terminali Italia with the freight terminals owned by RFI. Likewise, the invoices to be issued to the parent company RFI increased due to the same effect.

This item also includes VAT receivables from Ferrovie dello Stato Italiane resulting from the higher advance payment paid on the December VAT settlement.

RECEIVABLES: FROM COMPANIES CONTROLLED BY PARENT COMPANIES

This item amounts to € 8,493 thousand and is broken down as follows:

Nature	31 December 2022	31 December 2021	Differences
Trade Receivables			
Mercitalia Logistics S.p.A.	116	67	50
Mercitalia Shunting & Terminal S.r.l.	56	53	3
Mercitalia Rail S.r.l.	3,123	1,556	1,567
Mercitalia Intermodal S.p.A.	3,720	2,893	827
TX Logistik Ag	1,090	784	307
TX Logistics Transalpine Gmbh	388	301	87
Grandi Stazioni S.p.A.	(1)	(1)	-
TOTAL	8,493	5,652	2,841

Receivables from Group companies increased by € 2,841 thousand, mainly due to the effect of the slower collection dynamics with respect to invoicing for shunting services and the extension of payment times that occurred near the end of the year by the counterparties Mercitalia Intermodal and TX Logistics, as well as the effect of the increase in business volumes.

TAX CREDITS

Tax credits amounted to € 85 thousand with a decrease of € 1 thousand year-on-year. The item relates to the recognition of tax credit for € 86 thousand, partially used in January 2023, referring to the investment in new capital assets not covered by the Industry 4.0 subsidy, amounting to 10% of the purchase cost.

Description	31 December 2022	31 December 2021	Differences
VAT	(1)	-	(1)
Tax credit to be recovered within the year	86	86	-
TOTAL	85	87	(1)

DEFERRED TAXES

Deferred tax assets amounted to € 801 thousand, the increase amounting to € 212 thousand and referring to the portions deductible for tax purposes in future years for maintenance

exceeding the 5% limit and the provision of deferred tax assets related to the difference between the statutory and fiscal amortization rates of locomotives owned by the Company. Please refer to the "CURRENT, DEFERRED AND PRE-PAID INCOME TAXES" section on page 89 for details.

Description	31 December 2021	Increases	Decreases	Balance at 31 December 2022
Corporate Income Tax (IRES)	589	212,00	-	801
Regional Business Tax (IRAP)	-	-	-	-
TOTAL	589	212	-	801

RECEIVABLES: OTHER ACCOUNTS RECEIVABLE

Other accounts receivable amounted to € 422 thousand with a decrease of € 170 thousand year-on-year. The details of these items are given below.

Description	31 December 2022	31 December 2021	Differences
Other accounts receivable:			
Within twelve months:			
- Advances on employee expenses	13	13	-
- Sundry receivables	409	579	(170)
TOTAL	422	592	(170)

The “Sundry receivables” item includes the recognition of the receivable of € 346 thousand from the Customs Agency for the reimbursement of excise duties on diesel fuel used for operating activities carried out at the Verona, Segrate, Torino, Bari, Brindisi, Marzaglia and Catania terminals.

There are no receivables due beyond 1 year.

There are no receivables due beyond 5 years.

RECEIVABLES BY GEOGRAPHICAL AREA

Receivables broken down by geographical area are shown below.

	Italy	Other EU countries	The rest of Europe	Other countries	Total
Trade receivables	8,902	1,075	987	10	10,974
Receivables from parent companies	3,311				3,311
Receivables from affiliate companies					
Receivables from companies controlled by parent companies	7,402	1,090			8,493
Tax Credits	85				85
Deferred taxes	801				801
Other accounts receivable	422				422
TOTAL	20,923	2,165	987	10	24,085

CASH AND CASH EQUIVALENTS

This item amounts to € 4,436 thousand and is broken down as follows:

Description	31 December 2022	31 December 2021	Differences
Bank and postal accounts	4,436	6,516	(2,080)
TOTAL	4,436	6,516	(2,080)

Compared to 2021, there was a decrease in cash and cash equivalents of 2,080 thousand euro resulting from the lower cash collections from Group companies shown in the latter part of the year and investments in capital assets under the "Industry 4.0" project paid at the end of the year.

BALANCE SHEET: LIABILITIES NET ASSETS

This item amounted to € 27,722 thousand, an increase of € 2,137 thousand compared to 31 December 2021, and is broken down as follows:

Breakdown of Net Assets	Balance at 31 December 2020	Allocation of the 2020 annual result	Result for 2021	Balance at 31 December 2021	Allocation of the 2021 annual result	Result for 2022	Balance at 31 December 2022
Share Capital	7,346			7,346			7,346
Legal Reserve	722	111		833	79		912
Profits (losses) carried forward	13,711	2,111		15,822	1,506		17,327
Profit (loss) for the year	2,222	(2,222)	1,585	1,585	(1,585)	2,137	2,137
TOTAL	24,000	-	1,585	25,585	-	2,137	27,722

The following table shows the origin, availability and divisibility of equity items, as well as their utilisation.

Origin	Amounts as at 31 December 2022 (a+b)	Unavailable share (a)	Available share (b)	Possibility of Use	Summary of uses for the three previous years**				
					Capital increase	Loss coverage	Distribution to shareholders	Other to be specified	Carried forward
Share Capital***	7,346	7,346		B					
Capital reserves:									5,658
Legal reserve****	912	912							
Carried forward	17,327		17,327	A+B+C					
TOTAL	25,585	8,258	17,327		-	-	-		5,658
A For capital increases									
B For coverage of losses									
C For distribution to shareholders									
* do not enter the profit for the period									
** 20xx-2; 20xx-1; 20xx									
*** The share capital is to be considered unavailable; except in cases expressly provided by law for the reduction of the share capital									
****The legal reserve is unavailable until it reaches one fifth of the share capital. It can be used to cover operating losses, regardless of the amount reached.									

PROVISIONS FOR RISKS AND CHARGES

The item is zero because the part allocated in the previous year for litigation against personnel was used in 2022.

Description	Balance at 31 December 2021	Provisions	Use	Release of surplus funds	Reclassification n	Balance at 31 December 2022
Other	(16)	-	16			-
TOTAL	(16)	-	16			-

SEVERANCE PAY

This item amounts to € 1,357 thousand. Changes in the item during the period are shown below.

It should be noted that the provision presented in this table shows only the portion referring to severance pay retained by the company.

Severance Pay	
Opening balance on 31 December 2021	1,224
Increases:	
Accruals and Revaluations	201
On additional monthly payments	
Decreases:	
Transfer	
Termination of employment	59
Advances paid	9
	68
Closing balance on 31 December 2022	1,357

LIABILITIES

This item amounted to € 11,884 thousand with an increase of € 1,670 thousand year-on-year, found mainly in the “Accounts Payable” item.

There are no debts due beyond one year.

LIABILITIES: ACCOUNTS PAYABLE

This item amounted to € 6,674 thousand, an increase of € 973 thousand compared to 2021 and is broken down as follows:

Description	31 December 2022	31 December 2021	Differences
Ordinary suppliers			
Invoices received	1,789	1,757	32
To be invoiced/credit note to be received	4,885	3,944	940
TOTAL	6,674	5,701	973

The increase is mainly attributable to the increase in production volumes observed at the terminals and the increase in prices related to ISTAT updates, which resulted in higher costs for terminal services and raw materials and consumables.

LIABILITIES: PAYABLES TO PARENT COMPANIES

This item amounts to € 2,482 thousand and is broken down as follows:

Nature	31 December 2022	31 December 2021	Differences
- within twelve months			
Trade Debt			
Rete Ferroviaria Italiana - for invoices received	1,359	1,397	(38)
Rete Ferroviaria Italiana - invoices and credit notes to be received	656	358	297
Ferrovie dello Stato Italiane S.p.A.	30	6	25
FSI - from invoices and credit notes to be received	85	90	(5)
Taxes			
Ferrovie dello Stato Italiane S.p.A.	352	144	208
TOTAL	2,482	1,994	488

The amount due to RFI mainly refers to accrued fees related to the contract of entrusting Terminali Italia with the scope of the freight terminals owned by RFI.

The tax liability to the parent companies consists of tax consolidation liabilities, and the corresponding change depends on the increase in taxable income for the year.

LIABILITIES: PAYABLES TO COMPANIES CONTROLLED BY PARENT COMPANIES

This item amounts to € 248 thousand and is broken down as follows:

Nature	31 December 2022	31 December 2021	Differences
Trade Debt			
Nord Est Terminal S.p.A	1	1	0
Mercitalia Intermodal S.p.A	(107)	(107)	0
Mercitalia Logistics S.p.A	176	(6)	182
Mercitalia Rail S.r.l.	12	12	-
Mercitalia Shunting & Terminal S.r.l.	56	26	30
Ferservizi S.p.A	60	23	37
Trenitalia S.p.A	36	5	41
TX Logistik Ag	17	13	4
FS Sistemi Urbani S.r.l.	(2)	-	(2)
TOTAL	248	(44)	292

The increase in payables to companies subject to the control of parent companies mainly results from the increase in payables to Mercitalia Logistics which relates to a decrease in payment times.

LIABILITIES: TAX PAYABLES

This item amounts to € 320 thousand and is broken down as follows:

Description	31 December 2022	31 December 2021	Differences
- within twelve months			
VAT	(1)	-	(1)
Regional Business Tax (IRAP)	118	36	82
Withholding taxes on employment	203	203	0
TOTAL	321	239	82

The increase in the IRAP (Regional Business Tax) debt is related to the dynamics of the operating result and the related taxable income, which in 2022 places the company in debt with the Inland Revenue Agency. Although the difference from one year to the next is 0, withholding taxes on employment, which is higher due to the increase in personnel. However, this increase is offset by the IRPEF (Personal Income Tax) reimbursement for employees disbursed in July.

LIABILITIES: PAYABLES TO SOCIAL SECURITY INSTITUTIONS

This item amounted to € 1,028 thousand, increased by € 55 thousand compared to 31 December 2021, and is broken down as follows:

Description	31.12.2022	31.12.2021	Differences
Social Security (INPS)	977	939	38
SUPPLEMENTARY FUNDS -SEVERANCE PAY:	41	28	13
PREVINDAI (pension fund for industrial executives)	7	7	-
SEVERANCE PAY ON ADDITIONAL MONTHLY PAYMENTS	(6)	(9)	3
HEALTHCARE	9	8	1
TOTAL	1,028	973	55

The increase from the previous year is mainly due to the increase in the amount due to the Italian National Social Security Institute (INPS) for personnel social security contributions, stemming from the adjusting of estimates from previous years referring to accruals to personnel and new hires made during the year.

LIABILITIES: SUNDRY PAYABLES

This item amounts to € 1,132 thousand and is broken down as follows:

Description	31 December 2022	31 December 2021	Differences
Group Affiliates	217	202	15
Other			
- Accrued salaries not yet paid	566	834	(268)
- Personnel for holidays not taken	367	343	24
- Trade Union withholding	3	2	1
- INAT (National Transport Assistance Institute)	1	1	(0)
- Security deposits from clients	6	5	1
- Confiscation/Seizures	10	1	9
- Miscellaneous creditors	(38)	(37)	(1)
	915	1,149	(234)
TOTAL	1,132	1,351	(218)

In addition to accrued and unpaid accruals, the “Accrued salaries not yet paid” item includes the provision for the washing of staff PPE for previous years. The difference in this item compared with the previous year is mainly due to the termination of contractual vacation pay estimates referring to the renewal of the National Collective Bargaining Agreement for Railway Operations and the related company contract made in previous years, following the disbursement of the amounts allocated by the Company.

LIABILITIES BY GEOGRAPHICAL AREA

Liabilities broken down by geographical area are shown below:

Liabilities	Italy	Other EU countries	The rest of Europe	Other countries	Total
Trade payables	6,565	100	9	-	6,674
Payables to Parent Companies	2,482				2,482
Payables to Associates	217				217
Payables to companies controlled by parent companies	231	17			248
Tax payables	320				320
Payables to social security institutes	1,028				1,028
Sundry payables	916				915
TOTAL	11,758	117	9	-	11,884

There are no debts secured by collateral on assets owned by Terminali Italia.

PROFIT AND LOSS ACCOUNT

The revenues and expenses for 2022 are analysed below in comparison with the previous year.

PRODUCTION VALUE

This production value item amounted to € 52,395 thousand, an increase of € 7,565 thousand year-on-year, and is broken down as follows:

Description	2022	2021	Differences
Revenues from sales and services	50,389	43,129	7,259
Other revenue and income	2,007	1,701	306
TOTAL	52,395	44,830	7,565

The details of the production value items are presented in the tables and comments below.

REVENUES FROM SALES AND SERVICES

This item amounts to € 50,389 thousand and is broken down as follows:

Description	2022	2021	Differences
Loading and unloading terminal services	29,652	26,908	2,744
Shunting services	10,271	8,445	1,826
Stoppage	3,659	2,867	792
Other services	6,807	4,909	1,897
TOTAL	50,389	43,129	7,259

Revenues from sales and services in 2022 increased by € 7,259 thousand compared to 2021, mainly due to an increase in revenues for terminal services and higher revenues for shunting services, other services and stops.

Revenues for terminal services increased by € 2,744 thousand due to both rate adjustments by ISTAT and higher traffic volumes generated at the Marzaglia and Bologna terminals, as well as the start of new traffic at the Torino, Brindisi Scalo and Livorno terminals.

Stopover revenues also increased due to increased traffic volumes.

With regard to the shunting business, an increase in revenues of € 1,826 thousand was recorded as a result of both tariff increases (ISTAT) and the increase in traffic volumes recorded at the Marzaglia, Bologna and Bari terminals.

Other services increased by € 1,897 thousand from the previous year, mainly due to an increase in the maritime container repair operations carried out at the Marzaglia terminal.

Specifically, revenues from sales and services net of turnover to RFI in 2022 amounted to 4,668 thousand euro.

All turnover for the 2022 financial year was achieved in Italy.

OTHER REVENUE AND INCOME

This item amounts to € 2,007 thousand and is broken down as follows:

Description	2022	2021	Differences
Contributions for operating expenses			
Contributions from the State, Public Territorial Authorities	82	105	(23)
Other			
Capital gains of a non-financial nature	57	3	54
Insurance refunds and non-existence of assets	9	11	(2)
Other non-financial revenues and income	1,858	1,583	275
TOTAL	2,007	1,701	306

The “Other non-financial revenues and income” item includes refunds from third parties, amounting to € 346 thousand, consisting mainly of sums claimed from the Customs Agency for reimbursement of excise taxes on fuels, and refunds from the group, amounting to € 1,512 thousand, consisting of chargebacks to RFI for expenses accrued during the year that were incurred pursuant to the contract for the entrustment of terminal activities. The increase of 275 euro over the previous year is mainly due to the increase in reimbursements from the group.

Operating subsidies included tax credits from gas and energy consumption and sanitation expenses incurred in connection with the management of the COVID-19 health emergency.

PRODUCTION COSTS

Production costs amounted to € 49,010 thousand, an increase of € 6,330 thousand year-on-year, and are broken down as follows:

Description	2022	2021	Differences
Raw materials, auxiliary materials, consumables	4,666	3,288	1,378
Services	24,727	22,047	2,680
Leased assets	4,437	4,192	245
Personnel	11,897	10,784	1,113
Amortisation and depreciation	3,362	2,004	1,358
Change in inventories of raw materials, auxiliary materials and consumables	(234)	214	(448)
Other allocations	-	16	(16)
Other operating expenses	155	137	18
TOTAL	49,010	42,682	6,329

The details of the production cost items are presented in the tables and comments below.

RAW MATERIALS, AUXILIARY MATERIALS, CONSUMABLES

This item amounts to € 4,666 thousand and is broken down as follows:

Description	2022	2021	Differences
Fuel for the transport of people and goods	3,192	1,743	1,450
Filters and lubricants	-	46	(45)
Tyres	489	531	(42)
Maintenance materials	74	308	(234)
Driving force	715	425	290
Other purchases	197	234	(38)
TOTAL	4,666	3,287	1,379

The trend in raw materials, consumables and goods for 2022 is mainly attributable to the trend in fuel and electricity prices, which increased significantly compared to the previous year, as well as to increases in production for the year.

There was also a reduction in costs for other consumables (filters and lubricants, tyres and crane spare parts) due to the outsourcing of maintenance activities, which includes the consumables for scheduled maintenance work.

SERVICES

This item amounts to € 24,727 thousand and is broken down as follows:

Description	2022	2021	Differences
Shunting and Terminal Services			
- Shunting Costs	4,540	5,105	(565)
- Terminal costs	10,517	9,226	1,291
TOTAL SHUNTING AND TERMINAL SERVICES	15,057	14,331	726
Maintenance and repairs:			
- Company assets	2,003	1,963	40
- Third-party assets	2,037	1,627	410
Various Services:			
- Professional services	569	486	83
- IT services	69	67	2
- Container Repair Services	2,159	1,144	1,015
- Advertising and trade shows	0	1	(1)
- Other costs	824	806	18
- Utilities	267	179	88
- Postal expenses	1	0	1
- Insurance premiums	293	228	65
- Advertising, marketing and external relations	0	0	0
- Travel and accommodation	110	75	35
- Personnel training	137	141	(4)
- Personnel meal service	297	183	114
- Remuneration and reimbursement of directors' and auditors' expenses	68	64	4
- Sundry personnel expenses	2	2	0
- Administrative consulting	128	33	95
- Seconded personnel	706	717	(11)
TOTAL OTHER SERVICES	9,670	7,716	1,954
TOTAL	24,726	22,047	2,679

Shunting service costs decreased by 565 thousand euro due to the decrease in the volume of trains shunted at the Verona Terminal, which suffered a reduction in traffic compared to last year, as well as the impact of a contingent asset recognised in 2022 on this item.

Terminal costs increased by 1,291 thousand euro, mainly due to the crane handling volumes performed by network partners at the Bologna, Livorno and Bari terminals, as well as the outsourcing of semi-trailer handling services performed in Torino, Brindisi Scalo and Marzaglia.

Maintenance on company assets, relating to repairs and ordinary maintenance of owned cranes and handling equipment, increased by € 40 thousand.

The “Maintenance of third-party assets” item, which refers to both the maintenance of the Verona III module cranes, the terminal infrastructures owned by RFI and QETG, and the shunting locomotives used in Verona, increased by € 410 thousand year-on-year. Specifically, the cost of maintenance of cranes in Module III increased by € 232 thousand, both in relation

to the cyclical nature of the periodic maintenance schedule and because of a greater number of servicing and fault repair interventions during the year. Maintenance expenses incurred on terminal infrastructures owned by RFI increased by € 205 thousand as a result of the works carried out in advance by the company for the refurbishment of the yards. Maintenance of shunting locomotives, used in Verona, decreased by 43 thousand euro in line with the decrease in volumes. Please note that for rental locomotives in Bari and Bologna, the cost of periodic maintenance is included in the fee.

Professional service costs increased by € 83 thousand as a result of the services rendered by the parent company to manage labour disputes and assistance rendered by the company's external lawyer to manage disputes for outstanding receivables.

This item also includes costs for container repair services, the increase of which (+1,015 thousand euro compared to the previous year) is in line with the related revenue trend.

The increase in utility costs results mainly from the increase in the cost of raw materials.

Canteen costs increased by € 114 thousand, due to the increase in personnel hired during the year.

Administrative consulting increased by 95 thousand euro over the previous year, mainly due to the safety culture and environmental sustainability projects continued during the year.

LEASED ASSETS

This item amounts to € 4,437 thousand and is broken down as follows:

Description	2022	2021	Differences
Rental and Hire of Various Equipment	943	987	(44)
Renting areas and premises	3,459	3,206	289
TOTAL	4,437	4,192	245

Leases and rentals of various equipment include the rental of shunting locomotives located at the Bari and Bologna terminals and other equipment instrumental to terminal activities.

Compared to 2021, the costs for equipment rental decreased by 44 thousand euro as a result of the termination of the rental contract for an engine in Bari.

The item "Rent of areas and premises" includes the fee for using terminals owned by RFI ("fee"), and areas owned by other parties (Mercitalia Logistics and Quadrante Europa Terminal Gate), instrumental to the company's business.

PERSONNEL

This item amounts to € 11,897 thousand and is broken down as follows:

Description	2022	2021	Differences
Wages and salaries	7,078	6,639	439
Social security contributions	2,474	2,278	196
Severance pay	646	502	143
Other costs	1,699	1,365	333
TOTAL	11,897	10,784	1,113

The change in personnel costs compared to the previous year is mainly due to the increase in "Wages and salaries" as a result of the hiring of new personnel during the year, and in "Other costs" resulting of the use of temporary staff following the increases in consolidated traffic recorded at various terminals.

There will be 28 temporary staff in 2022, most of them located at the Segrate, Bari, Verona, Bari, Torino and Marzaglia terminals.

AMORTISATION AND DEPRECIATION

This item amounts to € 3,362 thousand and is broken down as follows:

Description	2022	2021	Differences
Depreciation of intangible assets	30	30	-
Depreciation of tangible assets	2,439	2,021	418
Impairment of receivables included in current assets and cash and cash equivalents	894	(47)	940
TOTAL	3,362	2,004	1,358

Depreciation and amortisation increased overall by € 418 thousand compared to 2021 as a result of new investments in cranes and handling equipment at the Marzaglia, Verona and Segrate terminals, partly attributable to the Industry 4.0 project.

The significant increase in the write-down of receivables included in current assets is due to an accurate analysis performed on the collectability and maturity of trade receivables in current in particular due to the write-down of the value of receivables referring to a customer who, in the second half of the year, started a negotiation of a settlement procedure to resolve the company's crisis, which was not successful. This write-down had an impact of 862 thousand euro on the provision for the year.

CHANGE IN INVENTORIES OF RAW, ANCILLARY AND CONSUMABLE MATERIALS AND GOODS

The Change in Inventories of Raw Materials, Auxiliaries, Consumables and Merchandise decreased by € 447 thousand compared to 2021, due to both the progressive modernisation of cranes at the terminals and the reduction of the related spare parts, which have become obsolete, and the outsourcing of maintenance activities.

Description	2022	2021	Differences
Change in inventories of raw materials, auxiliary materials and consumables	(234)	213	(447)
TOTAL	(234)	213	(447)

OTHER OPERATING EXPENSES

This item amounted to € 155 thousand, an increase of € 3 thousand year-on-year, and is detailed in the table below.

Description	2022	2021	Differences
Other costs			
- Personnel disputes	-	16	(16)
	-	16	(16)
Tax liabilities			
- Road traffic taxes	2	1	1
- Stamp duty and registration tax	6	6	0
- Waste collection fee	105	80	25
- Other taxes and fees	34	43	(9)
- Sundry expenses	7	5	2
	155	136	19
TOTAL	155	152	3

FINANCIAL INCOME AND EXPENSES

Financial income totalled € 10 thousand and is broken down as follows:

Description	2022	2021	Differences
Other financial income			
Income other than the above			
- from others			
- interest income on bank accounts	1	1	-
- other interest income	38	16	22
Total income other than the above	39	17	22
Total financial earnings	39	17	22
Financial expenses			
Interest and other financial expenses			
- from others	(30)	(33)	3
Total financial expenses	(30)	(33)	3
TOTAL	9	(16)	25

The "other interest income" item includes interest on arrears from repayment plans agreed with customers.

The "interest and other financial expenses from others" item includes bank fees and commissions on current accounts, which increased by € 3 thousand.

CURRENT, DEFERRED AND PREPAID INCOME TAXES FOR THE PERIOD

Income taxes amounted to € 1,257 thousand and were made up of the following:

Description	2022	2021	Differences
Current taxes			
- Regional Business Tax (IRAP)	266	144	122
- Corporate Income Tax (IRES)	1,203	871	332
	1,469	1,015	454
Deferred and prepaid taxes			
- Prepaid			
- Corporate Income Tax (IRES)	(212)	(467)	255
TOTAL	1,257	548	709

Compared to the previous year, there was an increase in current Corporate Income Tax (IRES) and Regional Business Tax (IRAP) due to the increase in the tax base.

IRES deferred tax assets of € 212 thousand were recorded for the tax-deductible portions in future years for maintenance exceeding the 5% limit and the difference between the statutory and fiscal amortisation rates for locomotives owned by the Company.

The reconciliation between the Corporate Income Tax (IRES) tax charges in the financial statements and the theoretical tax charge is shown below:

DESCRIPTION	2022			2021		
	Amount of temporary differences	Tax Rate %	Net of tax	Amount of temporary differences	Tax Rate %	Net of tax
Deferred tax assets						
- Credit for pre-paid Corporate Income Tax (IRES)	882	24.00%	212	589	24.00%	141
- Credit for pre-paid Regional Business Tax (IRAP)	0	3.90%	0	0	3.90%	0
TOTAL	882		212	589		141

The reconciliation between the Corporate Income Tax (IRES) tax charges in the financial statements and the theoretical tax charge is shown below:

Reconciliation between balance sheet tax burden and theoretical tax burden	2022	2021
Income before taxes	3,450	2,048
Theoretical tax burden (24% tax rate)	828	491
Temporary differences deductible in subsequent years	293	508
Total	1,121	999
Reversal of temporary differences	(81)	(41)
Total	(81)	(41)
Differences that will not be reversed in subsequent years	161	(124)
Total	161	(124)
Tax revenue	5,005	3,477
Use of Deferred Tax Provision		-
Corporate Income Tax (IRES) for the year	989	367

Permanent differences mainly refer to the provision for bad debts (upward variation on which the Company has never allocated advances) net of the ACE (downward variation) deduction.

The reconciliation between ordinary and actual tax rates is also shown for Corporate Income Tax (IRES) purposes.

	2022	2021
APPLICABLE ORDINARY TAX RATE	24.00%	24.00%
Impact of increases (decreases) in relation to the standard tax rate:		
- Non-deductible costs	13.22%	24.43%
- Other permanent differences	-2.41%	-7.68%
EFFECTIVE TAX RATE	34.81%	40.75%

The statement for calculating Regional Business Tax (IRAP) can be found below:

	2022	2021
The statement for calculating Regional Business Tax (IRAP)		
Difference between value and cost of production	16,217	12,819
Differences that will not be reversed in subsequent years	9,990	9,258
Regional Business Tax (IRAP) tax base	6,227	3,560
Regional Business Tax (IRAP) (4.08%)	254	145
Use of deferred tax provision	0	0
Regional Business Tax (IRAP) for the year	254	145

The reconciliation between ordinary and actual tax rates is also shown for Regional Business Tax (IRAP) purposes.

	2022	2021
APPLICABLE ORDINARY TAX RATE	4.08%	4.08%
Impact of increases (decreases) in relation to the standard tax rate:		
- Increase:	0.20%	0.26%
- Decrease:	-2.71%	-3.21%
EFFECTIVE TAX RATE	1.57%	1.13%

OTHER INFORMATION

NUMBER OF EMPLOYEES

There were 215 employees, broken down by category as follows:

PERSONNEL	2021	incoming	outgoing	2022	Differences
Middle Managers	21	-	1	20	(1)
Other personnel	166	36	7	195	29
TOTAL	187	36	8	215	28

REMUNERATION TO DIRECTORS, AUDITORS AND THE AUDITING FIRM

Fees paid to the Independent Auditors for the legal audit of the accounts amounted to € 21,124 in addition to the related CONSOB contribution, in addition to € 22,500 in fees for the audit of the regulatory accounts referring to shunting services provided in 2021, while those due to Directors and Auditors amounted to € 68 thousand.

The 2022 year-on-year increase in the "directors" item is related to the renewal of corporate offices.

PAYROLL	2022	2021	Differences
Executives	49	45	4
Statutory Auditors	19	19	-
TOTAL	68	64	4

GUARANTEES AND COMMITMENTS

The Company issued four sureties in favour of the Customs Agency, required following the obtaining of authorisations for temporary storage and approved warehouse at the Marzaglia, Bari, Bologna and Segrate terminals. The details of the guarantees are shown below:

Issued by	Re	Guarantee amount
Euler Hermes SA	Guarantee in favour of the Modena Customs and Monopolies Agency	€ 1,328,800.00
INTESA SANPAOLO	Customs and Monopolies Agency - Segrate Office	€ 888,800.00
Euler Hermes	Customs and Monopolies Agency - Bologna Office	€ 448,800.00
Banca Popolare di Sondrio	Customs and Monopolies Agency - Bari Office	€ 448,800.00

INFORMATION ON COMPANY MANAGEMENT AND COORDINATION

The key figures of the direct parent company at 31 December 2021 are available on the Company's website www.rfi.it and at the registered office of Rete Ferroviaria Italiana S.p.A. It should also be noted that the Company that prepares the consolidated financial statements is Ferrovie dello Stato S.p.A with registered office in Piazza della Croce Rossa, 1 - 00161 Rome.

	(amounts in thousands of euro)	
	31.12.2021	31.12.2020
Assets		
Total non-current assets	39,615,861	39,850,295
Total current assets	4,221,683	3,842,992
Total assets	43,837,544	43,693,287
Shareholders' equity		
Share Capital	31,528,425	31,528,425
Reserves	(6,173)	(3,104)
Profits (losses) carried forward	2,134,844	2,098,467
Profit (Loss) for the financial year	274,649	38,291
Total Shareholders' Equity	33,931,745	33,662,079
Liabilities		
Total non-current liabilities	3,437,404	3,093,501
Total current liabilities	6,468,395	6,937,707
Total liabilities	9,905,799	10,031,208
Total Net assets and liabilities	43,837,544	43,693,287
	2021	2020
Income from Operations	3,057,006	2,491,514
Operating costs	(2,604,660)	(2,158,755)
Amortisations	(110,746)	(90,142)
Write-downs and impairment losses (write backs)	(69,350)	(44,513)
Provisions	0	(127,000)
Financial income and (expenses)	2,400	(32,812)
Income taxes	0	0
Net profit for the year	274,649	38,291

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

No significant events occurred after the end of the financial year.

PROPOSED ALLOCATION OF THE OPERATING PROFIT

The company's financial statements for the year ended 31 December 2022 show a net profit of € 2,136,842.

A resolution is proposed to allocate 5% to the legal reserve (amounting to 106,842.10) and, taking into account the capital expenditure needs, to carry forward the remaining part of the earnings for the period.

Rome, 16 February 2023

For the Board of Directors

The President

Francesca Ghezzi