



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**Unaudited Interim Condensed Consolidated Financial**  
**Statements for the six months ended June 30th, 2022**  
**and 2021**

**Board of Directors August 4th, 2022**



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**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**Unaudited Interim Condensed Consolidated Financial Statements for**  
**the six months ended June 30th, 2022 and 2021**

**Board of Directors August 4th, 2022**



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>(in thousands of Euro)</i>	<b>Note</b>	<b>At June 30,</b>	<b>Of which with</b>	<b>At December 31,</b>	<b>Of which with</b>
		<b>2022</b>	<b>related parties</b>	<b>2021</b>	<b>related parties</b>
Intangible assets	7	84,886		79,317	
Goodwill		74,191		39,179	
Property, plant and equipment	8	97,033		86,094	
Investments accounted for using the equity method	9	243		237	
Non-current financial assets	10	1,237		1,237	
Deferred tax assets	11	25,785		23,181	
Other non-current assets	12	1,314		1,573	
<b>Total non-current assets</b>		<b>284,688</b>		<b>230,818</b>	
Inventories	13	15,036		12,168	
Contract assets	14	30,424		23,314	
Trade receivables	15	442,515	183	422,490	6,356
Current financial assets	16	5,057		3,578	
Other current assets	17	171,194	25,956	139,405	30,421
Cash and cash equivalents	18	157,455		169,622	
<b>Total current assets</b>		<b>821,682</b>		<b>770,577</b>	
Non-current assets held for sale	19	0		2,459	
<b>Total assets</b>		<b>1,106,370</b>		<b>1,003,854</b>	
Share capital		154,899		154,899	
Share premium reserve		17,788		17,788	
Stock grant reserve		6,391		4,670	
Other reserves		(94,859)		(155,462)	
Profit/(loss) for the period		31,538		57,908	
<i>Total group shareholders' equity</i>		<i>115,757</i>		<i>79,804</i>	
<i>Non-controlling interests</i>		<i>29,899</i>		<i>20,489</i>	
<b>Total shareholders' equity</b>	20	<b>145,656</b>		<b>100,292</b>	
Non-current liabilities for employee benefits	21	36,922		45,409	
Non-current provisions	22	9,390		11,210	
Non-current financial liabilities	23	397,208		395,982	
Deferred tax liabilities	24	81		2	
Other non-current liabilities	25	794		552	
<b>Total non-current liabilities</b>		<b>444,395</b>		<b>453,155</b>	
Current provisions	22	5,418		7,369	
Trade payables	26	314,683	54	272,904	271
Current financial liabilities	27	24,895		16,407	
Current tax liabilities	28	34,203		32,398	
Other current liabilities	29	137,119	36,766	121,329	31,519
<b>Total current liabilities</b>		<b>516,318</b>		<b>450,407</b>	
<b>Total liabilities</b>		<b>960,714</b>		<b>903,562</b>	
<b>Total equity and liabilities</b>		<b>1,106,370</b>		<b>1,003,854</b>	

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended June 30,					
<i>(in thousands of Euro)</i>	Note	2022	Of which with related parties	2021	Of which with related parties
Revenues from contracts with customers	30	515,010	0	451,424	21,794
Other Income	31	13,493	13	9,718	392
<b>Total revenues and other income</b>		<b>528,503</b>		<b>461,142</b>	
Cost of raw materials and services	32	(207,552)	(207)	(169,551)	(182)
Personnel expenses	33	(232,604)	(1,719)	(214,379)	
Depreciation and amortization	34	(21,555)		(17,716)	
Losses from sale of non-current assets	34	203		90	
Other expenses	35	(4,537)		(5,387)	
<b>Operating profit/(loss)</b>		<b>62,457</b>		<b>54,200</b>	
Financial income	36	1,756		297	
Financial expenses	36	(15,228)		(15,432)	
Exchange gains/(losses)	36	(516)		(105)	
Profit/(loss) from investments accounted for using equity method	37	6		(869)	
<b>Profit/(Loss) before taxes</b>		<b>48,475</b>		<b>38,091</b>	
Income taxes	38	(15,917)		(4,044)	
<b>Profit/(Loss) from continuing operations</b>		<b>32,558</b>		<b>34,048</b>	
<b>Profit/(Loss) for the period</b>		<b>32,558</b>		<b>34,048</b>	
of which:					
Profit/(loss) pertaining to the group		31,538		33,208	
Profit/(loss) pertaining to non-controlling interests		1,020		840	
<b>Earning (Loss) per share (EPS) basic and diluted</b>					
Basic, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.21		€ 0.22	
Diluted, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.21		€ 0.22	



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

<i>(in thousands of Euro)</i>		<b>For the six months ended June 30,</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Profit/(loss) for the period</b>		<b>32,558</b>	<b>34,048</b>
<b><i>Other components of comprehensive income that may be subsequently reclassified to profit or loss, after taxes:</i></b>			
Exchange differences on translation of foreign operations	<b>20</b>	13,792	7,695
<b>Total</b>		<b>13,792</b>	<b>7,695</b>
<b><i>Other components of comprehensive income that will not be subsequently reclassified to profit or loss, after taxes:</i></b>			
Actuarial gains/(losses) on valuation of liabilities for employee benefits	<b>21</b>	5,063	(1,039)
<b>Total</b>		<b>5,063</b>	<b>(1,039)</b>
<b>Comprehensive income/(loss) for the period</b>		<b>51,413</b>	<b>40,704</b>
of which:			
Comprehensive income/(loss) pertaining to the group		50,294	39,808
Comprehensive income/(loss) pertaining to non-controlling interests		1,119	896

## ALMAVIVA S.P.A. AND SUBSIDIARIES

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

**Note 20**

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward					Total other reserve and profit (loss) carried forward	Profit/(loss) for the year	Total Group shareholders' equity	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the year	Total non-controlling interests	Total shareholders' equity
				Profit (loss) carried forward reserve	FTA Reserve	Stock Grant reserve	Actuarial gain (losses) reserve	Translation reserve								
<b>Shareholders' Equity at January 01, 2022</b>	<b>154,899</b>	<b>17,788</b>	<b>12,465</b>	<b>(121,503)</b>	<b>4,493</b>	<b>4,670</b>	<b>2,529</b>	<b>(53,448)</b>	<b>(163,259)</b>	<b>57,908</b>	<b>79,804</b>	<b>19,596</b>	<b>(1,098)</b>	<b>1,990</b>	<b>20,489</b>	<b>100,292</b>
<b>Profit/(loss) for the year</b>									<b>0</b>	<b>31,538</b>	<b>31,538</b>			<b>1,020</b>	<b>1,020</b>	<b>32,558</b>
Other movements pertaining Other comprehensive income							5,063	13,692	18,755		18,755		100		100	18,855
<b>Comprehensive income/(loss) for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,063</b>	<b>13,692</b>	<b>18,755</b>	<b>31,538</b>	<b>50,293</b>	<b>0</b>	<b>100</b>	<b>1,020</b>	<b>1,120</b>	<b>51,413</b>
Allocation of prior year's profit/(loss)			2,674	55,234					55,234	(57,908)	0	1,990		(1,990)	0	0
Almawave increase of Equity due to M&A operations				7,732					7,732		7,732	4,535			4,535	12,267
Dividends paid				(25,000)					(25,000)		(25,000)				0	(25,000)
Changes in area and other movements				1,207					1,207		1,207	3,755			3,755	4,962
Stock Grant reserve						1,721			1,721		1,721				0	1,721
<b>Shareholders' Equity at June 30, 2022</b>	<b>154,899</b>	<b>17,788</b>	<b>15,139</b>	<b>(82,330)</b>	<b>4,493</b>	<b>6,391</b>	<b>7,592</b>	<b>(39,756)</b>	<b>(103,610)</b>	<b>31,538</b>	<b>115,757</b>	<b>29,876</b>	<b>(998)</b>	<b>1,020</b>	<b>29,899</b>	<b>145,656</b>

  

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward					Total other reserve and profit (loss) carried forward	Profit/(loss) for the year	Total Group shareholders' equity	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the year	Total non-controlling interests	Total shareholders' equity
				Profit (loss) carried forward reserve	FTA Reserve	Cash Flow Hedge reserve	Actuarial gain (losses) reserve	Translation reserve								
<b>Shareholders' Equity at January 01, 2021</b>	<b>154,899</b>	<b>17,788</b>	<b>7,619</b>	<b>(148,561)</b>	<b>4,493</b>	<b>0</b>	<b>3,192</b>	<b>(54,348)</b>	<b>(195,224)</b>	<b>35,143</b>	<b>20,228</b>	<b>5,250</b>	<b>(1,088)</b>	<b>1,006</b>	<b>5,168</b>	<b>25,396</b>
<b>Profit/(loss) for the year</b>									<b>0</b>	<b>33,208</b>	<b>33,208</b>			<b>840</b>	<b>840</b>	<b>34,048</b>
Other movements pertaining Other comprehensive income							(1,039)	7,639	6,600		6,600		56		56	6,656
<b>Comprehensive income/(loss) for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,039)</b>	<b>7,639</b>	<b>6,600</b>	<b>33,208</b>	<b>39,808</b>	<b>0</b>	<b>56</b>	<b>840</b>	<b>896</b>	<b>40,704</b>
Allocation of prior year's profit/(loss)			4,846	30,297					30,297	(35,143)	0	1,006		(1,006)	0	0
Almawave listing effect				19,975					19,975		19,975	10,025			10,025	30,000
Almawave listing fees				(1,724)					(1,724)		(1,724)	(609)			(609)	(2,333)
Dividends and other reserve paid				(10,400)					(10,400)		(10,400)				0	(10,400)
Changes in area and other movements				6					6		6				0	6
<b>Shareholders' Equity at June 30, 2021</b>	<b>154,899</b>	<b>17,788</b>	<b>12,465</b>	<b>(110,407)</b>	<b>4,493</b>	<b>0</b>	<b>2,153</b>	<b>(46,709)</b>	<b>(150,470)</b>	<b>33,208</b>	<b>67,893</b>	<b>15,673</b>	<b>(1,032)</b>	<b>840</b>	<b>15,481</b>	<b>83,374</b>

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(in thousands of Euro)</i>	<b>Note</b>	<b>At June 30, 2022</b>	<b>At June 30, 2021</b>
<b>Profit/(loss) for the period</b>		<b>32,558</b>	<b>34,048</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Income Taxes	38	15,917	4,044
Financial income	36	(1,756)	(297)
Financial expenses	36	15,228	15,432
Exchange (gains)/losses	36	516	105
Depreciation, amortization and write-downs	34	21,555	17,716
Write-downs/(revaluations) of non-current financial assets and equity investments		(6)	869
Losses from sale of non-current assets	34	(203)	(90)
Interest received		1,663	297
Interest paid		(12,516)	(12,213)
Income taxes paid		(4,773)	(4,042)
<i>Cash flows generated from operating activities before changes in working capital</i>		<i>68,183</i>	<i>55,869</i>
Change in trade receivables excluding of the exchange rate effect and consolidation scope changes	15	(11,060)	(28,641)
Change in inventories excluding of the exchange rate effect and consolidation scope changes	13	(2,868)	(737)
Change in contract assets excluding of the exchange rate effect and consolidation scope changes	14	(7,110)	(3,847)
Change in trade payables excluding of the exchange rate effect and consolidation scope changes	26	37,590	3,947
Change in other assets excluding of the exchange rate effect and consolidation scope changes	12-17	(22,963)	(26,231)
Change in other liabilities excluding of the exchange rate effect and consolidation scope changes	25-29	(7,396)	112
Change in liabilities for employee benefits and provisions gross of exchange rate effect	21-22	(6,450)	(5,841)
Change in deferred tax liabilities (assets) excluding of exchange rate effect and consolidation scope changes		0	0
<i>Cash flows generated from operating activities changes in working capital</i>		<i>(20,257)</i>	<i>(61,238)</i>
<b>Cash-flow generated from/(absorbed by) operating activities (A)</b>		<b>47,926</b>	<b>(5,369)</b>
Investments in property, plant and equipment	8	(5,786)	(5,497)
Investments in intangible assets	7	(12,546)	(8,466)
Acquisition of investments accounted for using the equity method	9	(0)	(11)
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity method	9	55	0
Acquisition of subsidiaries net of cash and cash equivalents	6	(16,156)	(6)
Change in non-current financial asset	10	2,459	0
<b>Cash-flow generated from/(absorbed by) investing activities (B)</b>		<b>(31,973)</b>	<b>(13,980)</b>
Dividends		(25,000)	(10,105)
Proceeds from borrowings	23	2,980	2,674
Repayment of medium/long-term loans and non-current financial liabilities	23	(1,353)	(5,728)
Repayment of lease liabilities		(6,397)	(7,905)
Change in current and non-current financial liabilities	27	(3,044)	(1,660)
Change in current financial assets	16	(1,478)	559
Proceeds deriving from Almaxwave's share capital quotation		0	30,000
Fees paid for the Almaxwave listing		0	(1,947)
<b>Cash-flow generated from/(absorbed by) financing activities (C)</b>		<b>(34,292)</b>	<b>5,887</b>
<b>NET CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES (A + B + C)</b>		<b>(18,340)</b>	<b>(13,462)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents (D)</b>		<b>6,172</b>	<b>2,896</b>
<b>Cash flow of the year (A+B+C+D)</b>		<b>(12,168)</b>	<b>(10,567)</b>
Opening cash and cash equivalents		169,622	98,569
Closing cash and cash equivalents		157,455	88,002

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES**

### **1. GENERAL INFORMATION**

AlmavivA The Italian Innovation Company S.p.A. (hereinafter "AlmavivA" or the "Company") is the parent company of one of the leading Italian groups in the Information & Communication Technology sector, which operates globally with an organisational structure incorporating approximately 46,463 employees and several offices around Italy and abroad.

The Company has its registered office in Via di Casal Boccone, 188/190, Rome and it is governed by the Italian law.

The unaudited interim condensed consolidated financial statements of the parent company and its subsidiaries (the "AlmavivA Group") were drafted in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") adopted by the European Union, in particular the international accounting standard applicable for the preparation of interim financial statements (IAS 34 - Interim Financial Reporting) and include the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity and the consolidated cash flow statement for the six months period ended as at June 30, 2022 compared, as regards the income statement part, cash flow part and change in shareholders' equity, with the six months period ended as at June 30, 2021 and as regards the balance sheet part, with December 31, 2021, together with the associated notes.

The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the Standing Interpretations Committee ("SIC") and then the International Financial Reporting Interpretations Committee ("IFRIC").

The activities of the Group and its segments are described in Note 5, while Paragraph 2.2 presents the information on the Group's structure. The information on the Group's transactions with other related parties is presented in Note 44.

The Interim Condensed Consolidated Financial Statements were approved by the Company's Board of Directors on August 4th, 2022.

When used in these explanatory notes, unless otherwise specified or the context otherwise indicates, all references to the terms "AlmavivA Group", "Group", "we", "us", "our" and the "Company" refer to AlmavivA S.p.A., the parent company, and all entities included in the Interim Condensed Consolidated Financial Statements.

#### **1.1. Reflections of Covid-19 pandemic on the Interim Condensed Consolidated Financial Statements**

As already highlighted in the consolidated financial reports of 2021, the AlmavivA Group was immediately able to respond positively to the impacts of the Covid-19 pandemic, both in terms of compliance with the restrictive measures to contain the virus, and in terms of attention to the management and safety of its personnel, activating, for example, the tools necessary for the application of smart working - where applicable - for its employees. These characteristics, together with the growing demand for IT services from both the public administration and the private sector, have made it possible to confirm the strong resilience of the Group in its own reference sectors, as can be seen from the positivity of the final data as at June 30, 2022, that allowed the Management to be able to believe that there are no elements of discontinuity with

## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

respect to the short-term economic and financial objectives that the Group has set itself, as illustrated in more detail in Paragraph 2.1 to which reference should be made.

Overall, the direct effects produced by the Covid-19 pandemic on the economic result of the recurring 2022 operations of the AlmagivA Group are not to be considered significant.

### **1.2. The Group's sustainability policy**

Nowadays, it's clear how climate change, environmental protection and the consequent evolution of the reference context may require specific interventions on different types of processes and products.

For example, the transition to a low-carbon economy and greater environmental sustainability can lead to risks for the company, due to possible increasing in the severity of environmental and climate policies, to the progress of reference technologies or to the change in the stakeholders' confidence. Company processes, in particular production processes, as well as products and services offered to the market may also be affected.

AlmagivA Group has pursued an industrial strategy aimed at improving the efficiency of production systems and processes for the reduction of energy consumption and emissions into the atmosphere and, also thanks to its participation as a partner of excellence in the main European programs for research and innovation, it develops technological solutions with reduced environmental impact and functional to the fight against climate change. In fact, to ensure the prevention and containment of the environmental and energy impact deriving from the performance of its activities, the Group has developed and applies an Environmental Management System (EMS) and Energy (EMS), compliant with the UNI EN ISO 14001 and UNI ISO 50001, which plans and systematizes eco-compatible behaviors at Group level and the efficient use of Information Technology, for the improvement of which personnel, suppliers and other interested parties are required to actively collaborate.

Since 2008, the *AlmagivA Green project* has also been activated. The main purpose of this initiative is to manage the environmental impacts of the activities which, through a joint commitment between the company and the trade union, declines its actions in an innovative model of industrial relations on a three-lines basis: the Green Company, Green IT and IT solutions for the environment.

The Group has also implemented an Energy Planning Process through which it is possible to identify, starting from the analysis of the activities that affect energy consumption, an action plan for improving energy performance. The planning activity is conducted annually and / or in the face of significant changes in the system. Energy consumption, in fact, is an important environmental aspect for the Group, which is committed to making its offices and Data Centers highly efficient structures, carrying out multiple energy efficiency interventions. The Group, as part of the integrated environment-energy management system, carried out an analysis of the risks and opportunities regarding the energy consumption of its offices. This analysis took into consideration the offices and their impacts, including the heating, cooling and lighting of the offices. The monitoring of energy consumption and related emissions of the offices takes place in real time through the Smart Energy Management (SEM) tool, which is characterized by an extensive network of sensors and proprietary software. This solution has also become a commercial product with which over 11,000 third-party customer sites have been analyzed. In addition, a building automation system with automation functionality was integrated at the Casal Boccone office, in Rome, in order to manage the lighting of common areas such as corridors, stairwells and lift landings.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

### **2. BASIS OF PREPARATION**

#### **Standards**

The Interim Condensed Consolidated Financial Statements of the AlmagivA Group have been drawn up in compliance with current regulations.

The Interim Condensed Consolidated Financial Statement have been drawn up on the assumption of going concern. The assessment of the AlmagivA Board of Directors, presented below in paragraph 2.1, assumes that there are no uncertainties (as defined in paragraph 25 of IAS 1) about the AlmagivA Group regarding the ability to continue its business.

#### **Contents of the Interim Condensed Consolidated Financial Statements**

The Interim Condensed Consolidated Financial Statements of the AlmagivA Group, as reported above, were drawn up in compliance with the IFRS issued by the IASB and adopted by the European Commission pursuant to the procedure as per Art. 6 of the (EC) Regulation no. 1606/2002 of the European Parliament and Council dated July 19, 2002, and to the international accounting standard applicable for the draw up of interim financial statements (IAS 34 - Interim Financial Reporting).

The Interim Condensed Consolidated Financial Statements are composed of the Consolidated Financial Statements reported above and the explanatory notes thereto and are prepared by applying the general historical cost principle, with the exception of certain financial statement items that, based on IFRS, are measured at fair value, as indicated in the relevant accounting policies and measurement criteria for each item.

The Interim Condensed Consolidated Financial Statements do not disclose all the information required in the preparation of the annual consolidated financial statements. For this reason, it is necessary to read the Interim Condensed Consolidated Financial Statements together with the consolidated financial statements as at December 31, 2021.

The accounting standards adopted for the draw up of the Interim Condensed Consolidated Financial Statements comply with those used for the draw up of the consolidated financial statements as at December 31, 2021, except for the adoption of the new standards, amendments and interpretations in force from 1 January 2022

The layouts adopted for the preparation of the Interim Condensed Consolidated Financial Statement are consistent with those in IAS 1, as follows:

- the **Consolidated statement of financial position** is presented by classifying assets and liabilities according to the current/non-current criterion. Current assets are those intended to be realised, sold or used in the company's normal operating cycle or in the twelve months after the end of the financial year. Current liabilities are those that are expected to be extinguished in the company's normal operating cycle or in the twelve months after the end of the financial year;
- the **Consolidated income statement** was prepared by classifying operating costs by nature, given that this type of presentation is deemed more appropriate to present the Group's specific business, conforms to the internal reporting methods and is in line with the industrial sector practice;
- the **Consolidated statement of other comprehensive income** presents the profit/(loss) for the year and the other changes in shareholders' equity that do not refer to transactions entered into by the owners in their capacity as owners;

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

- the **Consolidated statement of changes in shareholders' equity** provides separate disclosure of the result of the statement of other comprehensive income and of the transactions with shareholders entered into by the latter in their capacity as owners;
- the **Consolidated statement of cash flows** is prepared according to the "indirect method" as permitted by IAS 7 and presents the cash flows generated by operating activities, investing activities and financing activities.

**All amounts are stated in thousand of Euro, except where indicated otherwise.**

The Euro represents the functional currency of the parent company and subsidiaries, and that used for presenting the financial statements.

The following table indicates the exchange rates adopted:

<b>Exact exchange rates</b>					
Amount of currency for 1 Euro					
<b>Country</b>	<b>Currency</b>	<b>ISO</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Saudi Arabia	Riyal	SAR	3.8951	4.2473	4.4565
Brazilian	Real	BRL	5.4229	6.3101	5.9050
China	Yuan	CNY	6.9624	7.1947	7.6742
Colombian	Peso	COP	4279.0700	4598.6800	4474.1800
Dominican Republic	Peso	DOP	56.9600	64.9469	-
Egypt	Lira	EGP	19.5332	17.8012	-
Europe	Leu	RON	4.9464	4.9490	4.9280
Russia*	Rublo	RUB	117.2010	85.3004	-
United States	Dollaro	USD	1.0387	1.1326	1.1884
Tunisian	Dinaro	TND	3.2186	3.2603	3.3054

\* Last available exchange rate as at March 1st, 2022

<b>Average exchange rates</b>					
Amount of currency for 1 Euro					
<b>Country</b>	<b>Currency</b>	<b>ISO</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>	<b>June 30, 2021</b>
Saudi Arabia	Riyal	SAR	4.1024	4.4382	4.5213
Brazilian	Real	BRL	5.5579	6.3814	6.4917
China	Yuan	CNY	7.0827	7.634	7.798
Colombian	Peso	COP	4283.555	4427.2175	4369.3633
Dominican Republic	Peso	DOP	61.017	64.3929	-
Egypt	Lira	EGP	18.8794	18.3351	-
Europe	Leu	RON	4.9457	4.9209	4.9014
Russia *	Rublo	RUB	87.8415	83.3012	-
United States	Dollaro	USD	1.094	1.1835	1.2057
Tunisian	Dinaro	TND	3.2563	3.2883	3.2978

\* Last available exchange rate as at March 1st, 2022

## **2.1 Going Concern**

During the first six months of 2022, Almagiva Group consolidated the growth trends in revenues achieved in previous periods (reaching Euro 515.0 million, increased Euro 63.6 million compared to the same period of the previous year). The result as of June 30, 2022, shows consolidated operating profit growing compared to the previous year and equal to Euro 62,457 thousand

## **ALMAVIVA S.P.A. AND SUBSIDIARIES**

### **EXPLANATORY NOTES (continued)**

(increased Euro 8,257 thousand compared to June 30, 2021). At the level of Net Profit there is a positive result of Euro 32,558 thousand.

Regarding the health emergency relating to Covid-19, AlmagivA Group confirmed an insignificant impact during the first six months of 2022.

Each company of the Group has adopted and continues to maintain all the necessary precautions for the management of the emergency, in line with the regulatory provisions issued by the various countries and local authorities and with a view to always guaranteeing maximum safety regarding its employees, suppliers and workplaces. In particular, the modalities of temporary agile working (so-called smart working) have been adopted both in the IT and CRM Segments; the supporting technological / connectivity infrastructure was also enhanced. It is also important to highlight that AlmagivA Contact provides the contact center service on the public utility number 1500-Covid-19 to answer the questions of Italian citizens about the coronavirus.

The adoption of the new working methods on all Group's companies, with greater use of smart-working and new supporting technological implementations, is also aimed at achieving significant levels of efficiency and increased productivity.

As for the conflict situation between Russia and Ukraine, at the moment the Group has not identified any significant impacts. AlmagivA carries out, on behalf of the Ministry of Foreign Affairs and the Italian Embassy, through the newly established subsidiary AlmagivA Russia LLC, part of the activities related to the provision of visas for entry into Italy. At present day, there are no signs of issues related to these activities carried out which are proceeding even more consistently than forecasts. With the exception of the aforementioned subsidiary, there are currently no significant exposures to the affected markets and there are no supply relationships with Russian suppliers such as to slow down their supply chains. Regarding the subsidiary AlmagivA Russia LLC, the activities are in the start-up phase, therefore with reduced and optimized sizing on the current volumes; the overall volumes of the activities carried out are in any case not significant compared to the overall Group's revenues. The current crisis could, however, help to emphasize the effects related to the increase in costs of energy and raw materials, as well as rising interest rates on debt. Management verifies the evolution of the situation, sanctions, and restrictions on a daily basis.

In the IT sector, market estimates keep showing a growth forecast for the Information Technology sector; the centrality in the country's relaunching strategies promises a new step, in line not only with extraordinary EU funding and with the forecasts of the Recovery Plan - PNRR, but also with the pressures of businesses. The drive for growth now comes from digital transformation strategies, in particular applied to process innovation, relationships between customers and suppliers and the evolution of the offer, developments that have already begun in the industry, distribution, banks and utilities sectors. Even in the public administration sector, despite various uncertainties and difficulties, growth is expected.

The areas that will drive this positive trend are located in the sectors related to the production of ICT Software and Solutions and ICT Services.

In particular, as part of the Next Generation EU, the Italian Plan for Recovery and Resilience (PNRR) provides for investments for a total of Euro 222.1 billion, divided as follows: (i) approximately Euro 50 billion to support the digitization and innovation of businesses and the production system; (ii) Euro 20.3 billion in the Health sector, with the aim of strengthening the local network and modernizing the technological equipment of the National Health Service (NHS) with the strengthening of the Electronic Health Record and the development of telemedicine; (iii) Euro 31.5 billion for infrastructures for sustainable mobility. These three areas constitute



## **ALMAVIVA S.P.A. AND SUBSIDIARIES**

### **EXPLANATORY NOTES (continued)**

core areas of know-how for the Almagiva Group and will constitute a great opportunity to collaborate in the growth of the country.

Opportunities associated with the possible increase in investments by customers in the field of cybersecurity, process digitization, data science, analytics, big data, resulting from the consolidated experience in this emergency period are highlighted.

At the level of all the segments in which the Group carries out its business activities, in particular on CRM Europe, actions aimed at improving productivity and tempering inefficiencies are being studied by the management.

The forecast for 2022 estimates a development in revenues based especially in the areas relating to the Central and Local Public Administration (PA) thanks to the opportunities connected to PNRR. Almagiva has prepared itself to play a primary role especially for the Digital Healthcare, Culture and Environment areas, providing its customers with better tools and solutions.

As regard the Finance sector, in January 2022, a process of Almagiva business unit specialized in the banking sector was completed, with the transfer of the business unit into the newco ReActive S.r.l.. The operation, which follows the previous acquisition of the company Kline S.r.l., company specialized in application platforms for Front-to-Back operations of the entire Wealth Management, SIM, SGR and Private Banking sector, allows to further strengthen the Group's positioning in the reference market.

As regards the Transportation sector, one of the most affected by the pandemic, it is gradually also recovering thanks to the first effects of investments related to the PNRR. In this context, we highlight the award of 3 tenders with the Ferrovie dello Stato Group, for the provision of outsourced services, in which Almagiva participated: Tender 1 (Awarding of ICT Services for the development, evolutionary, corrective and adaptive maintenance and management of applications of railway infrastructure systems) with a total value of Euro 575 million in 7 years (of which 3 optional years and with the Almagiva's share of 85%); Tender 2 (Awarding of ICT Services for development, evolutionary, corrective and adaptive maintenance, management of transport operator applications) with a total value of Euro 478 million in 7 years (of which 3 optional years and with the Almagiva's share of 77.5%) and Tender 5 (Awarding of ICT services for systems management and hardware infrastructures, hosting, housing, IaaS) with a total value of Euro 795 million in 7 years (of which 3 optional years and with the Almagiva's share of 37%). At the same time, the constraints imposed by Ferrovie dello Stato Group, which did not allow participation in tenders 3 and 4 with the relative award to other operators, will result in the progressive disposal of the related business areas, also through the transfer to the new assignees of the resources previously allocated.

As regards other activities in the transport sector, both national and international, commercial and partnership actions and investments continue to use the advantages of the opportunities offered by the PNRR and the Complementary Funds and to support international development. It should be noted about the agreement with Leonardo and Fincantieri on infrastructure monitoring and the start of project activities consequent the award of the WMATA tender for the preparation of the Washington metro trains.

The main development lines will be focused on the Smart Vehicle, Road, Local Public Transport and Mobility as a Service (TPL / MaaS) sectors. An improve of the commercial structure with direct and indirect controls on the regions of greatest interest (north-east Europe, Middle East, Brazil, USA) is also expected.

The development process of the MoovA platform continues, which is increasingly becoming a fundamental asset for the development of new markets, with investments planned for the year for approximately € 1.5 million. It should be noted the completion of an agreement for the sale

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

of Moova licenses (and related services) with Accenture in the TPL / MaaS sector. At the moment, AlmovivA mobility systems and Passenger Information System solutions are present in Finland, Saudi Arabia, Switzerland, United States, but also in Qatar, United Arab Emirates, Egypt, Oman, Bahrain.

On the other hand, in addition to the aforementioned pandemic crisis in progress, we will have to absorb the effects of the extra costs deriving from the increases in energy and raw materials (especially in relation to the subsidiary Sadel), which have been emphasized by the Ukraine crisis.

Regarding international development, in addition to the aforementioned initiatives in the transport sector, developments in the public administration of the European Union ("EU") continue, developed through the subsidiary AlmovivA de Belgique.

In these first six months of 2022 activities related to entry visas started: in accordance with the award of the tenders of the Ministry of Foreign Affairs and in contracts with the Embassies of Italy, activities in already mentioned Russia, Egypt and Dominican Republic started, carried out through the three subsidiaries AlmovivA Russia LLC, AlmovivA Egypt LLC and AlmovivA Dominican Republic.

At the moment the crisis situation in Russia is not having a significant impact on the activities.

Certain actions continue to be carried out in all Group companies with the utmost attention and intensity of control, concerning, in particular:

- Structure costs
- Purchase policies
- The reduction of external costs through the correct balance between direct and indirect resources and the optimization of production and management processes
- The optimization of working capital management, with particular attention to trade receivables and work in progress
- The redesign of the corporate and organizational structure, aimed at improving production and management efficiency, with particular focus on technical and managerial skills, as well as on adequate capitalization of the companies.

During 2022, the Group will be able to benefit from the potential positive effects of the new national pension regulations, which could lead to an acceleration of the remix of resources in the production area with consequent professional optimization.

The use of Smart Working continued throughout the first semester of 2022, assisted by a specific company project that is guiding this transition, supporting the company population with a communication campaign and the related company procedures set (BECOME project); for 2022, in accordance with the stabilization of the situation relating to the health emergency, the achievement of a new organizational and production model is expected, with the adoption of all internal procedures.

As regard CRM Europe, the financial statements as at June 30, 2022, show a reduction at revenues level compared to the same period of the previous years (less 28% compared to the previous semester and less 30% compared to the same period of previous year), maintaining the contraction already recorded in 2021.

The decrease at costs level (less 31% compared to the previous semester and less 30% compared to the same period of previous year), made it possible to largely offset this impact, recording in this semester a positive EBITDA equal to Euro 69 thousand.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES**

### **EXPLANATORY NOTES (continued)**

This semester shows a substantial reduction in the workforce, basically due to the transfer of resources to competitors who have acquired the closed businesses in the CRM Europe companies. The semester saw the departure of 1,139 employees in Italy (-34.4%) and 344 in Romania (-36%).

In the second part of 2022, further reductions of resources are expected and consequently a reduction in the cost of labor.

The initiatives already adopted, the actions in progress, the new operating models, and the concentration on more profitable customers make it possible to foresee, for the conclusion of the 2022 Financial Statements, a level of cost containment and a recovery of operating efficiency such as to confirm the results of the first semester.

The Brazilian macroeconomic scenario is also affected by the spread of Covid-19, even if the sectors related to services, especially in the ICT and CRM field, as well as in Italy and other countries around the world, are more resilient than others. The Euro / BRL exchange rate, which in 2021 had a growing trend, had a downward trend in the first semester (average value equal to 5.56 euro / reais) and is estimated to continue to be volatile also in the next part of 2022.

Inflation (HICP) should remain at high levels. The 2021 recorded inflation of 10.06%, growth was confirmed also in these first six months of 2022. The Selic, the interest rate for the interbank market, is now at 13.25% per annum. This rate has seen an increase of 5.75 pp in 2021 from 2% to 7.75%, to currently stand at 13.25%, as mentioned. The increases are mainly due to contain the inflation phenomenon.

Brazil, more than other markets in which the Group is present, is experiencing a phase of consolidation and restructuring of the companies operating in the BPO-call center sector. In this scenario, further opportunities open up for AlmagivA, which boasts a solid financial base, careful and punctual cost control and an effective operating process.

In this context, AlmagivA do Brasil acquires the company CRC - CENTRAL de RECUP. de CREDITOS, a company active in the CRM Finance area and, in particular in the credit recovery area, with entry into the Group perimeter starting from March 2022. The acquisition allows AlmagivA do Brasil to consolidate its positioning in the reference market and to optimize the customer base, increasing the level of diversification. The dimensional growth, the diversification of the markets served and the continuous process of optimizing costs and operating synergies between the companies of the Group in Brazil make it possible to aim for a recovery of margins.

Also in Brazil, as in the other companies of the Group, extraordinary measures have been adopted aimed at adapting production methods to pandemic situation, thanks to the use of home office service delivery methods and the strengthening of the technological infrastructure. This operating mode has also made it possible to achieve operational efficiency and the maintenance of high-quality standards of service delivery; production is expected to continue in the same way for the second part of 2022.

The legal benefits relating to the LEI BRASIL MAIOR have been extended until December 2023, a rule that allows a lower contribution burden on labor costs.

The growth in Colombia also continues, through the subsidiary Almacontact, both towards the domestic market and with the objective of expansion towards other areas of the South American market.

As regards AlmagivA S.p.A., the Group intends to pursue its growth path in terms of technologies and offer.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES**

### **EXPLANATORY NOTES (continued)**

Almawave wants to continue investing heavily in order to increase and strengthen the vertical AI Cloud based solutions made available for the various market segments of interest. In addition, the evolution of the core product technology platforms Iride®, Audioma and Mastro and the products of the new subsidiaries Sistemi Territoriali S.r.l. and The Data Appeal Company S.p.A. will continue, focusing on technological integrations and synergies. The recruiting process of talents in support of laboratories and delivery structures will therefore be an important element of action, as happened in 2021.

In fact, the Group aims to strengthen its leadership in the Artificial Intelligence sector, proposing a distinctive vision based on its own complex technological assets and skills for the advanced interpretation of data and information. In particular, the strengthening of the value proposition and the consolidation of the distinctive positioning in the area of Insight & Analytics, as well as self-automated solutions (virtual voice and textual conversational agents), will continue towards all the reference markets. Furthermore, in the field of big data & digital transformation services, the path of synergistic and effective growth of the activities and the strengthening of the team are expected to continue.

The two recently acquired companies, The Data Appeal Company and Sistemi Territoriali, fit into this context, highlighting the strategic quality of the operations themselves and the speed of integration of the Almawave model.

Particular emphasis will be placed on commercial development at national and international level, aimed at the growing diversification of the customer base. To support this path, adequate investments in marketing functional to market positioning will be allocated.

The Public Administration Market, in its various structural components such as Public Finance, Smart Territory, Healthcare and Security, will see a further strengthening and focus by the company, also due to the important implementation challenges related to the implementation of the PNRR and tenders and framework agreements won by the company and operating in support of its business. A growth path is also expected for the Enterprise and Transportation market, both on the existing customer base and through the acquisition of new customers, also through qualified partners.

The aim will be to strengthen the positioning on the international market, with investments in targeted business development. On the Latam market, where the group already has a consolidated presence, development will continue, aiming to make the most of all the capabilities and assets of the Group as well as the skills and activities already present in the area.

In this regard, in July Almawave gave rise to the strengthening of its activities in South America through the launch of an activity dedicated to the tourism, fintech and location intelligence sectors in Sao Paulo (Brazil) through the subsidiary The Data Appeal Company, in particular through the analysis and combination of geographic data, sentiment and market trends, essential for making strategic decisions quickly and effectively, both in the public and private sectors.

The European market and the United States, on the other hand, represent high potential markets for the company, where some good results have also been obtained through partners, it is intended to continue and strengthen the path undertaken.

As part of the market expansion process, also through non-organic, vertical and transversal growth, the Al MAVIVA Group is considering investment projects to accelerate growth both in the IT sector (and in the field of products and integrated solutions for transport and in the area of market development, products and services for the industry, public administration and finance sectors, both in Italy and abroad) and in the Foreign CRM sector (focused on expanding and differentiating the current positioning).

In order to accelerate the development of innovative solutions and services with high technological value, evaluations are also underway relating to the possible activation of further investments in university spin-offs.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

From a financial point of view, on November 3, 2021, the transaction related a senior secured bond debt for a value of Euro 350 million, maturing in five years (November 2026) and coupon at 4.875%, reserved exclusively for institutional investors, was completed. The fixed rate is equal to 4.875% and the remuneration is foreseen with a half-yearly coupon and repayment of the principal at maturity, with the possibility of conditional early repayment. As a result of the significant reduction in the rate, the interest expense, despite the increase in the amount compared to the previous Bond debt (equal to € 100 million), is lower than the previous issue. On October 19, 2021, a € 70 million revolving credit line was also activated. As for the rating, the S&P agency raised the level to B + and the Fitch agency assigned BB-. In 2022 the payment of two half-yearly coupons is expected (30.04.2022, already paid, and 30.10.2022) for a total annual amount of € 17.1 million.

For 2022, a reduction in Net Financial Debt is also expected.

### **2.2 Basis of consolidation**

The Interim Condensed Consolidated Financial Statements comprise the financial statements of AlmagivA S.p.A. and of the Italian and foreign companies controlled directly or indirectly by AlmagivA S.p.A.

Consolidation criteria adopted for the draw up of the Interim Condensed Consolidated Financial Statements comply with those used for the draw up of the consolidated financial statements as at December 31, 2021.

#### Consolidation Area

The companies consolidated as at June 30, 2022 are listed in the following table. Compared to the Consolidated Financial Statements as at December 31, 2021, consolidation area has changed or has had a dilution of share due to:

- On February 22, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of Tilbranhill S.L.U., a company incorporated under Spanish law, simultaneously renamed AlmagivA Digital España S.L.;
- On March 3, 2022, the purchase, by AlmagivA do Brasil, of the entire share capital of CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA was completed. (in turn owner of the entire share capital of CRC DIGITAL LTDA.), a Brazilian company operating in the financial segment;
- On April 13, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of The Data Appeal Company S.p.A. ("TDAC"), a company based in Florence active in the development of vertical AI analytics solutions, a leader in the tourism, fintech and location intelligence sectors. The transaction was carried out, as regards 24.24% of TDAC' share capital, through a purchase by cash, and as regards the remaining 75.76% of TDAC' share capital, through an in-kind contribution to AlmagivA against an AlmagivA' share capital increase reserved for TDAC shareholders, corresponding to no. 2,155,172 newly issued shares;
- On May 25, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of SISTEMI TERRITORIALI S.r.l., a company based in Cascina (PI) active in the development of solutions and projects in the Data Science field, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms, for the Multi-utilities and Government sectors.

Compared to the Consolidated Financial Statements as of December 31, 2021, the consolidation area has changed due to the following added companies: AlmagivA Digital España S.L.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

(previously Tilbranhill S.L.U.), Central De Recuperacao De Créditos Ltda; CRC Digital Ltda; The Data Appeal Company S.p.A. and Sistemi Territoriali Srl.

Compared to the Interim Condensed Consolidated Financial Statements as at June 30, 2021, consolidation area has changed or has had a dilution of share due to

- On July 20, 2021, Almoviva S.p.A. has subscribed of the share capital (approximately 70%) of Kline S.r.l., a company active in the sector of development and production of integrated software platforms, technological solutions and services for financial intermediaries. The share was paid through the transfer of the business unit organized for the offer of outsourcing services and ICT solutions for institutions operating mainly in the banking and fiduciary sector. The transfer of the business unit is effective from August 1, 2021.
- Following the award of the tender for the outsourcing of services relating to the performance of activities auxiliary to the issuance of entry visas to Italy announced by the Italian Embassy in Cairo, Almoviva Egypt, a company incorporated under Egyptian law, was established. The Share Capital is held 99% by Almoviva S.p.A. and 1% by Almoviva Contact S.p.A.
- On November 16, 2021, following the award of the restricted procedure for the granting of concession of services relating to the performance of activities related to the issuance of entry visas to Italy announced by the Consulate General of Italy in Moscow, together with the Partners with whom Almoviva S.p.A. participated in the aforementioned restricted procedure, the Limited Liability Company "Almoviva Russia" was established, a company incorporated under Russian law in which Almoviva holds 40% of the share capital;
- On 1 December 2021, following the award of the tender for the outsourcing of services relating to the performance of activities auxiliary to the issue of entry visas in Italy announced by the Embassy of Italy Santo Domingo, ALMAVIVA REPÚBLICA was established DOMINICANA SRL, a company incorporated under Dominican law whose capital is held for approximately 99.997% by Almoviva S.p.A. and approximately 0.003% by Almoviva Contact S.p.A.;
- On February 22, 2022, Almoviva S.p.A. has completed the acquisition of the entire share capital of Tilbranhill S.L.U., a company incorporated under Spanish law, simultaneously renamed Almoviva Digital España S.L.;
- On March 3, 2022, the purchase of the entire share capital of CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA was completed. (in turn owner of the entire share capital of CRC DIGITAL LTDA.), a Brazilian company operating in the financial segment;
- On April 13, 2022, Almoviva S.p.A. has completed the acquisition of the entire share capital of The Data Appeal Company S.p.A. ("TDAC"), a company based in Florence active in the development of vertical AI analytics solutions, a leader in the tourism, fintech and location intelligence sectors. The transaction was carried out, as regards 24.24% of TDAC' share capital, through a purchase by cash, and as regards the remaining 75.76% of TDAC' share capital, through an in-kind contribution to Almoviva against an Almoviva' share capital increase reserved for TDAC shareholders, corresponding to no. 2,155,172 newly issued shares;
- On May 25, 2022, Almoviva S.p.A. has completed the acquisition of the entire share capital of SISTEMI TERRITORIALI S.r.l., a company based in Cascina (PI) active in the development of solutions and projects in the Data Science field, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms, for the Multi-utilities and Government sectors.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

Compared to the Interim Condensed Consolidated Financial Statements as of June 30, 2021, the consolidation area has changed due to the following added companies: the change in the minority of Almaxwave S.p.A. (and consequently the direct subsidiaries of the latter such as PerVoice S.p.A., Almaxwave do Brasil Ltda, Almaxwave USA Inc and OBDA Systems S.r.l.), Kline S.r.l., Almaxviva Egypt, Almaxviva Russia, Almaxviva Republica Dominicana, Almaxviva Digital España S.L. (previously Tilbranhill S.L.U.), Central De Recuperacao De Créditos Ltda; CRC Digital Ltda; The Data Appeal Company S.p.A. and Sistemi Territoriali Srl.

The following table shows, the ownership percentages as at June 30, 2022 compared to the same figure as at December 31, 2021:

## ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)

<i>Companies and method of consolidation</i>	<b>Currency</b>	<b>Share held</b>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>	<b>At June 30, 2021</b>
Almaviva S.p.A. (Parent Company) Rome, Italy	Euro	100.00%	Parent	Parent	Parent
Lombardia Gestione S.r.l. Milan, Italy	Euro	51.00%	Full	Full	Full
Almaviva de Belgique S.A. Brussels, Belgium	Euro	100.00%	Full	Full	Full
Almaviva Digitaltec S.r.l. Naples, Italy	Euro	100.00%	Full	Full	Full
Wave S.r.l. Pianoro, Italy	Euro	100.00%	Full	Full	Full
Sadel S.p.A. Castel Maggiore, Italy	Euro	84.05%	Full	Full	Full
Wedoo Holding S.r.l. Torino, Italy	Euro	55.00%	Full	Full	Full
Wedoo S.r.l. Torino, Italy	Euro	55.00%	Full	Full	Full
Wedoo LLC Michigan, U.S.	US Dollar	55.00%	Full	Full	Full
Data Jam (ex Spin Data) S.r.l. Napoli, Italy	Euro	80.00%	Full	Full	Full
Almaviva Saudi Arabia LLC Riyad, Saudi Arabia	Saudi Riyal	100.00%	Full	Full	Full
Almaviva Egypt LLC * Cairo, Egypt	Egyptian pound	100.00%	Full	Full	-
Kline S.r.l. *** Milan, Italy	Euro	70.00%	Full	Full	-
Reactive S.r.l. Milan, Italy	Euro	100.00%	Full	-	-
Almaviva Digital Espana Madrid, Espana	Euro	100.00%	Full	-	-
Almaviva Republica Dominicana S.r.l. * Santo Domingo, Dominican Republic	Dominican Peso	100.00%	Full	Full	-
Almaviva Russia L.L.C. * Moscow, Russian Federation	Ruble	40.00%	Full	Full	-
Almaviva Contact S.p.A. Rome, Italy	Euro	100.00%	Full	Full	Full
Almaviva do Brasil S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
Aquarius Participações S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
Chain Serviços e Contact Center S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
CRC Central de Recup de credits ***** San Paolo, Brazil	Brazilian Real	99.58%	Full	-	-
CRC Digital ***** San Paolo, Brazil	Brazilian Real	99.58%	Full	-	-
Almacontact S.A.S. Bogotá, Colombia	Colombian Peso	99.58%	Full	Full	Full
Italy Call S.r.l. Rome, Italy	Euro	100.00%	Full	Full	Full
Almaviva Tunisie S.A. Ville de Tunisi, Tunisie	Tunisian Dinar	56.25%	Full	Full	Full
Almaviva Services S.r.l. Iasi, Romania	Romanian Leu	100.00%	Full	Full	Full
Almawave S.p.A. Rome, Italy	Euro	66.01%	Full	Full	Full
Almawave do Brasil Ltda. San Paolo, Brazil	Brazilian Real	66.01%	Full	Full	Full
Pervoice S.r.l. Trento, Italy	Euro	66.01%	Full	Full	Full
Almawave USA Inc. San Francisco, U.S.	US Dollar	66.01%	Full	Full	Full
OBDA Systems S.r.l. ** Rome, Italy	Euro	39.61%	Full	Full	Full
The Data Appeal S.p.A.*** Florence, Italy	Euro	66.01%	Full	Full	Full
Sistemi Territoriali S.r.l.*** Cascina (PI), Italy	Euro	66.01%	Full	Full	Full
Agrisian S.C.p.A. in liquidazione Rome, Italy	Euro	50.86%	Full	Full	Full
*Established in 2021					
**Acquired in 2021					
***Acquired in 2022					
<i>Companies and method of consolidation (continued)</i>	<b>Currency</b>	<b>Share held</b>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>	<b>At June 30, 2021</b>
CCID - Almaviva Inform. Technol. Co. Ltd Shanghai, People's Republic of China	Chinese Yuan	50.00%	Equity	Equity	Equity
Consorzio Hypertix Rome, Italy	Euro	49.99%	Equity	Equity	Equity
TVEyes L.T. S.r.l. Trento, Italy	Euro	20.00%	Equity	Equity	Equity
SIN S.p.A. ***** Rome, Italy	Euro	20.02%	-	-	-

\*\*\*\*\* As at December 31, 2021 and June 30, 2021, reported under the item Asset held for sale and valued at the lower between the book value and the recoverable value



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

### **2.3 Effects of seasonality**

The turnover and economic results of the Group are not significantly impacted by factors relating to the seasonality of the activities carried out in the Group's different operating sectors. The Group's performances actually tend to be generally uniform over the year, also thanks to the distribution to the operating activities in the two hemispheres, which makes it possible to mutually offset the periods of reduced operations of the Brazilian and European subsidiaries in the summer and winter periods. Therefore, taking into account the low economic impact of these trends, no additional financial disclosure is provided (required by IAS 34.21) relating to the trend in the last six months period ended as of June 30, 2022.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Accounting standards and valuation criteria**

The accounting standards adopted for the preparation of the financial statements are consistent with those used for the preparation of the financial statements as at December 31, 2021, except for the adoption of the new standards and amendments in force from January 01, 2022. The group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1st, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

### **3.2 New standards, interpretations and amendments adopted by the Group**

#### **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, no other directly related costs have been included by the Group in determining the costs of fulfilling the contracts.

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

### **Reference to the Conceptual Framework – Amendments to IFRS 3**

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### **IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

### **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original

## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

### **IAS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

## **4. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT**

The preparation of the Interim Condensed Consolidated Financial Statements in accordance with IFRS requires the adoption of judgement by management as well as the formulation of estimates and assumptions that have an impact on the amounts of assets and liabilities and revenues and expenses. These estimates were based on past experience and on other factors that were deemed to be reasonable under the relevant circumstances. However, the actual results that will ultimately be recognized may be different from the estimates.

### Management judgement mainly refers to aspects such as:

- The assessment of the impacts deriving from the Covid-19 pandemic;
- the evaluation of existence of control, joint control or significant influence over group entities, as further described in paragraph 2.2 above;
- the evaluation of the useful lives of Intangible assets and Property, plant and equipment, as further described in paragraph 3.1 above;
- evaluation of the capitalization of development costs;
- the determination of the lease term for contracts that contain extension options and in which the Group operates as lessee;
- the analysis about whether the conditions to qualify assets or operations as Non-current assets held for sale in accordance with IFRS 5 are met and if those assets or operations also represent discontinued operations or not;
- the definition of the Group's Operating and reportable segments that are relevant to the business and reflect the regular review process in terms of operating results performed by the entity's chief operating decision maker to make decisions about resources to be allocated to segments and assess their performance, as further described in Note 5 below;
- the Group has identified the AlmavivA CGU to which the goodwill called AlmavivA Finance is specifically associated; the AlmavivA Contact CGU to which the goodwill called Alicos and AlmavivA Contact refers; the Sadel CGU to which the goodwill called Wave refers; the Almaxwave CGU to which the goodwill called Gempliss, The Data Appeal and Sistemi Territoriali refers; the Pervoice CGU to which the goodwill called PerVoice refers; the Wedoo CGU to which the goodwill called Wedoo refers; the Kline CGU to which the goodwill called Kline refers. On the part relating to the International CRM sector, the AlmavivA do Brasil CGU was identified to which the goodwill called AlmavivA do Brasil and Central de Recuperação de Creditos refers.
- the recognition of public grants and other activities;
- the recoverability of deferred-tax assets;

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

- the number of shares to be assigned to employees included in the Stock Grant Plan and the related fair value.

Critical management judgement that are not covered in other parts of this document are commented here below.

Capitalization of development costs

The Group capitalizes the costs relating to projects for the development of new products, including those relating to internal resources involved in their creation. The initial capitalization of costs is based on the fact that the judgment of the administrators on the technical and economic feasibility of the project is confirmed, usually when the project itself has reached a specific stage of the development plan. To determine the values to be capitalized, the administrators make estimates based on the standard cost of a man day spent on the project

Significant opinion in determining the lease term of contracts that contain an extension option - The Group as a lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group does not include the renewal period as part of the lease term for leases of plant with shorter non-cancellable period (> 4 years) as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because there would be negative impacts on operations if alternative assets were not available.

Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets (or disposal groups) whose carrying amount will be recovered through sale, rather than through ongoing use, are classified as held for sale and shown separately from the other assets in the statement of financial position. The liabilities associated with assets held for sale are also shown separately from the other liabilities in the statement of financial position. This only occurs when the sale is highly probable and the non-current assets (or disposal groups) are available in their current condition for an immediate sale. Managements evaluates as to whether such conditions are met to qualify the non-current asset (or disposal group) as Non-current assets held for sale in accordance with IFRS 5.

For the purposes of this valuation, it also considers the timescales envisaged for the completion of the sale and - where events or conditions beyond the control of the entity materialize such as to suggest that the sale may not be completed within one year from the date of classification - value the existence of the requisites necessary to make use of the extension provided for in paragraph 9 and in Appendix B of IFRS 5.

Non-current assets (or disposal groups) classified as held for sale are first recognized in compliance with the appropriate

IFRS applicable to the specific assets or liabilities and subsequently measured at the lower of the carrying amount and the fair value, net of costs to sell. Any subsequent impairment losses

## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

are recognized as a direct adjustment to the non-current assets (or disposal groups) classified as held for sale and expensed in the income statement.

The corresponding values for the previous period are not reclassified.

A discontinued operation is a component of an entity that has been divested or classified as held for sale and:

- represents a major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Gains or losses on discontinued operations – whether disposed of or classified as held for sale – are shown separately in the income statement, net of the tax effects. The corresponding values for the previous period, where present, are reclassified and reported separately in the income statement, net of tax effects, for comparative purposes.

Management applies judgement to assess whether the non-current assets held for sale or the disposal group qualify as discontinued operations.

Non-current assets that no longer meet the requirements for classification as held for sale or which cease to belong to a disposal group classified as held for sale are measured as the lower of:

- the book value before the asset (or disposal group) was classified as held for sale, adjusted for depreciation, amortization, write-downs or write-backs that would have been recognized if the asset (or disposal group) had not been classified as held for sale; and
- the recoverable value, which is equal to the greater of its fair value net of costs to sell and its value in use, as calculated at the date on which the decision not to sell was taken.

### Identification of cash-generating units (CGUs)

In application of IAS 36, the goodwill recognized in the Interim Condensed Consolidated Financial Statements of the Group as a result of business combinations has been allocated to individual CGUs or groups of CGUs that will benefit from the combination.

In identifying such CGUs, management took account of the specific nature of the assets and the business acquired through the business combination that originated the goodwill (e.g., geographical area and business area), verifying that the cash flows of a given group of assets were closely interdependent and largely independent of those associated with other assets (or groups of assets), The assets allocated to each CGU were also identified in a way consistent with the manner in which management manages and monitors those assets within the business model adopted.

As a result of this process, the following CGUs were identified where goodwill was allocated: AlmavivA; AlmavivA Contact S.p.A.; Sadel; Almawave; Pervoice; Wedoo; Kline e AlmavivA do Brasil SA.

### Recognition of government grants and other activities

As part of its research and development activities, the group incurs costs which may be fully or partially facilitated in the form of tax credit by the virtue of the incentive mechanisms for technological innovation introduced first through art. 1, paragraph 35, of the law of 23 December 2014, n. 190 and recently reaffirmed with art. 1, paragraph 198-209, of the law of 27 December 2019, n. 160.

The recognition in the financial statements of these public grants is subject to reasonable certainty as to its reliable determination and recognition. These requirements are considered satisfied upon the release of specific technical reports commissioned by the companies of the group to specifically appointed professional firms with specific expertise in the matter. Where

## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

these reports are issued within the terms of preparation of the financial statements, the contribution is recorded in the closing financial statements in compliance with the accrual criterion, thus also ensuring full correlation of the same with the costs incurred in the year against which the itself is recognized.

As part of the Other Activities, the group also takes over an activity against a well-known insurance company for the recovery of which action has been initiated. At present, the Management assumes - also on the basis of the assessments made by the defense board of the Company regarding the full traceability of the claim to a contractual right protected in the insurance policy - that it has valid arguments to be able to support its position, the instrumentality of the reserves and exceptions moved by the insurance company and, consequently, to be able to subvert the outcome of the first degree sentence.

### Use of estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Interim Condensed Consolidated Financial Statements.

### Revenue from contracts with customers

The Group concluded that revenues related to services rendered in IT business have to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. The same conclusion has been reached for main contract in CRM business.

The Group determined that the input method is the best method in measuring the progress of the installation services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service, In other circumstances, the Group considered more correct to use the method based on the outputs as a suitable criterion for measuring the progress of the services provided by the Group. In this last case, the determination of the function points shared with the customer constitutes the basis for the recognition of revenues.

Some contracts for the sale of IT and CRM services provide for penalties to the Group for failure to reach contractually indicated KPIs. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Interim Condensed Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that

## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Notes 14 and 15.

### Recoverability of non-current assets

The carrying amount of non-current assets is subject to periodic verification and whenever the circumstances or events dictate the need to, Goodwill is verified at least annually. These recoverability checks are performed according to the criteria set out in IAS 36, described in more detail in Note 12 below. In particular, the recoverable value of a non-current asset is based on the estimates and assumptions used to determine the amount of the cash flows and the discount rate applied. If it is believed that the carrying amount of a non-current asset has suffered impairment, it is written down to the amount of the associated recoverable value, estimated with reference to its use and any future sale, based on the contents of the most recent company plan approved.

### Provisions for risks

In relation to the legal risks to which the Almoviva Group is exposed, provisions have been allocated to cover all significant liabilities for cases in which the legal representatives have verified the likelihood of an unfavorable outcome and a reasonable estimate of the loss amount.

### Pension plans

Some Group employees benefit from pension plans that offer social security benefits based on the salary history and respective years of service. The calculations of the costs and liabilities associated to these plans are based on the estimates made by actuarial consultants, who use a combination of statistical-actuarial factors, including statistical data relating to previous years and forecasts of future costs. Mortality and withdrawal indexes, assumptions regarding the future evolution of discount rates, salary growth rates and inflation rates are also considered as estimate components. These estimates may differ substantially from the actual results, due to the evolution of the economic and market conditions, increases/reductions in withdrawal rates and the life span of the participants. These differences may have a significant impact on the quantification of the pension costs and the other related expenses.

### Determination of the fair value of financial instruments

The fair value of financial instruments is determined on the basis of the prices directly observable on the market, where available, or, for unlisted financial instruments, by using specific valuation techniques that maximise the observable inputs on the market. In circumstances where this is not possible, the inputs are estimated by the management by taking into account the characteristics of the instruments subject to valuation. In compliance with IFRS 13, the Group includes the measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own credit risk (Debit Valuation Adjustment or DVA), in order to be able to adjust the fair value of the derivatives for the corresponding measurement of the counterparty risk, by

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

applying the methodology reported in the section "Information on fair value measurements". Variations in the assumptions made in estimating the input data could impact the fair value recognised in the financial statements for these instruments.

### Recovery of deferred-tax assets

As at June 30, 2022, the Interim Condensed Consolidated Financial Statements include deferred taxes, connected to the recognition of tax losses that can be used in future years and income components subject to deferred deductibility of taxes, for an amount whose recovery in future years is considered highly likely by the directors. The recoverability of the aforementioned prepaid taxes is subject to the achievement of sufficient future taxable income to absorb the aforementioned tax losses and for the use of the benefits of other deferred tax assets. Significant management judgments are required in order to determine the amount of prepaid taxes that can be recognised in the financial statements, based on the timing and amount of the future taxable income as well as the future tax planning strategies and tax rates in force at the moment of their reversal. However, at the moment the Group should ascertain that it is unable to recover, in future years, all or part of the prepaid taxes recognised, the consequent adjustment will be booked to the income statement in the year in which said circumstance is verified.

Verification of the recoverability of deferred tax assets in the Interim Condensed Consolidated Financial Statements at June 30, 2022 was carried out on the current 2021-2025 Business Plan approved by the Board of Directors.

## **5. OPERATING AND REPORTABLE SEGMENTS**

From an IFRS 8 perspective, management identified its Operating and reportable segments based on the criteria stated in the standard, which requires the identification of those segments whose reported revenue, from both external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all Operating and reportable segments. As a result of that, the following four major Operating and reportable segments were identified: (a) *IT Services*; (b) *CRM Europe*; (c) *CRM International* and (d) *Almawave – New Technology*.

The operating segment information based on the above four Operating and reportable segments is consistent with that used by the top management in its collective role as Chief Operating Decision Maker, as they monitor the operating results of these Operating and reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Interim Condensed Consolidated Financial Statements.

The Group's financing strategy (including finance costs and finance income) is managed on a Group basis and therefore is not allocated to Operating and reportable segments. As a result of that, income taxes remain also unallocated.

For management purposes, the Group is organised into business units based on its products and services and on geographic area. The Group has four Operating and reportable segments, as follows:

- a. IT Services, provide ICT and Cloud Computing solutions, includes the following companies: AlmavivA, Lombardia Gestione, AlmavivA de Belgique, Agrisian, AlmavivA Digitaltec, Sadel, Wave, Wedoo Holding, Wedoo Srl, Wedoo LLC, Data Jam S.r.l. (already Spin Data S.r.l.), AlmavivA Saudi Arabia for information Technology LLC, AlmavivA Egypt L.L.C., Kline S.r.l., AlmavivA Republica Dominicana S.r.l., Reactive S.r.l., AlmavivA Russia L.L.C. and AlmavivA Digital España S.L. (previously Tilbranhill S.L.U.);



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

- b. CRM Europe, provides Contact Centre services and operates predominantly in the European Union, includes the following companies: AlmovivA Contact, Italy Call and AlmovivA Services;
- c. CRM International, provides the same services as those in the previous point in South America and in Tunisia, includes the following companies: AlmovivA do Brasil, Aquarius Participacoes, Chain Servicos e Contact Center, Almacontact, AlmovivA Tunisie, Central De Recuperacao De Créditos Ltda and CRC Digital Ltda;
- d. Almovave – New Technology, segment operating in the supply of innovative solutions geared towards the best interaction with work instruments, aimed at improving the people experience, includes the following companies: Almovave, Pervoice, Almovave do Brasil, Almovave USA; OBDA Systems S.r.l.; The Data Appeal Company S.p.A. and Sistemi Territoriali S.r.l.

No segment combinations took place for the purpose of determining the reportable operating segments.

The transfer prices between the operating segments are negotiated internally using similar methods to transactions with third parties.

The following tables outline the main economic results of the Group's business segments, Intra-segment revenues and costs are eliminated or adjusted after consolidation and reflected in the column "Netting and eliminations", Financial income and expense and gains and losses on equity investments are not allocated to the single segments given the underlying instruments are managed centrally on a Group basis. Income taxes also remain unallocated.

**For the six months ended June 30, 2022**

<i>(in thousands of Euro)</i>	<b>IT Services</b>	<b>CRM Europe</b>	<b>CRM International</b>	<b>Almovave New Technology</b>	<b>Total Segments</b>	<b>Adjustments, eliminations and other</b>	<b>Consolidated</b>
<b>Revenue</b>							
Revenues from contracts with customers	339,002	27,037	130,556	18,416	515,010	(0)	515,010
Inter-segment	1,900	3,372	45	2,933	8,250	(8,250)	0
<b>Total revenues from contracts with customers</b>	<b>340,902</b>	<b>30,409</b>	<b>130,601</b>	<b>21,349</b>	<b>523,260</b>	<b>(8,250)</b>	<b>515,010</b>
<b>Income/(Expenses)</b>							
Cost of raw materials and services	(166,018)	(6,679)	(35,114)	(9,553)	(217,364)	9,812	(207,552)
Personnel expenses	(127,865)	(24,266)	(72,840)	(8,099)	(233,071)	467	(232,604)
Depreciation and amortization and write-downs	(11,443)	(1,007)	(7,522)	(1,792)	(21,764)	209	(21,555)
Losses from sale of non-current assets	242	(39)	0	0	203	0	203
Other operating income	13,069	831	897	776	15,573	(2,080)	13,493
Other operating expenses	(4,456)	(227)	(94)	(90)	(4,867)	329	(4,537)
<b>Operating Profit</b>	<b>44,430</b>	<b>(977)</b>	<b>15,927</b>	<b>2,590</b>	<b>61,970</b>	<b>487</b>	<b>62,457</b>
% Revenue	13.0%	n.d.	12.2%	12.1%	11.8%	n.d.	12.1%
<b>At June 30, 2022</b>							
<b>Total assets</b>	<b>1,044,224</b>	<b>177,551</b>	<b>234,865</b>	<b>92,281</b>	<b>1,548,921</b>	<b>(474,630)</b>	<b>1,074,291</b>
<b>Total liabilities</b>	<b>411,088</b>	<b>43,819</b>	<b>67,645</b>	<b>37,181</b>	<b>559,733</b>	<b>(55,407)</b>	<b>504,327</b>

## ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)

**For the six months ended June 30, 2021**

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
<b>Revenue</b>							
Revenues from contracts with customers	306,229	41,350	91,502	12,343	451,424	(0)	451,424
Inter-segment	1,736	2,247	79	2,410	6,472	(6,472)	0
<b>Total revenues from contracts with customers</b>	<b>307,965</b>	<b>43,597</b>	<b>91,581</b>	<b>14,753</b>	<b>457,896</b>	<b>(6,472)</b>	<b>451,424</b>
<b>Income/ (Expenses)</b>							
Cost of raw materials and services	(139,890)	(8,439)	(22,422)	(6,577)	(177,327)	7,776	(169,551)
Personnel expenses	(123,098)	(35,072)	(51,633)	(4,824)	(214,628)	249	(214,379)
Depreciation and amortization and write-downs	(10,634)	(962)	(4,793)	(1,536)	(17,925)	209	(17,716)
Losses from sale of non-current assets	83	1	0	6	90	0	90
Other operating income	9,120	728	722	604	11,174	(1,456)	9,718
Other operating expenses	(5,068)	(400)	(26)	(41)	(5,536)	149	(5,387)
<b>Operating Profit</b>	<b>38,479</b>	<b>(548)</b>	<b>13,428</b>	<b>2,386</b>	<b>53,745</b>	<b>455</b>	<b>54,200</b>
% Revenue	12.5%	n.d.	14.7%	16.2%	11.7%	n.d.	12.0%
<b>At December 31, 2021</b>							
<b>Total assets</b>	<b>1,020,352</b>	<b>186,045</b>	<b>165,024</b>	<b>69,953</b>	<b>1,441,374</b>	<b>(467,974)</b>	<b>973,400</b>
<b>Total liabilities</b>	<b>392,806</b>	<b>51,378</b>	<b>30,923</b>	<b>27,876</b>	<b>502,983</b>	<b>(44,210)</b>	<b>458,773</b>

The following table shows the EBITDA values for each segment, compared with the previous year:

**For the six months ended June 30, 2022**

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
<b>Operating profit</b>	<b>44,430</b>	<b>(977)</b>	<b>15,927</b>	<b>2,590</b>	<b>61,970</b>	<b>487</b>	<b>62,457</b>
(+) Depreciation and amortization	11,443	1,007	7,522	1,792	21,764	(209)	21,555
(+) Losses from sale of non-current assets	(242)	39	0	0	(203)	0	(203)
<b>Earning before intersts, taxes, depreciation and amortization (EBITDA)</b>	<b>55,632</b>	<b>69</b>	<b>23,449</b>	<b>4,382</b>	<b>83,532</b>	<b>278</b>	<b>83,809</b>
% Revenue	16.3%	n.d.	18.0%	20.5%	16.0%	n.d.	16.3%

**For the six months ended June 30, 2021**

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
<b>Operating profit</b>	<b>38,479</b>	<b>(548)</b>	<b>13,428</b>	<b>2,386</b>	<b>53,745</b>	<b>455</b>	<b>54,200</b>
(+) Depreciation and amortization	10,634	962	4,793	1,536	17,925	(209)	17,716
(+) Losses from sale of non-current assets	(83)	(1)	0	(6)	(90)	0	(90)
<b>Earning before intersts, taxes, depreciation and amortization (EBITDA)</b>	<b>49,030</b>	<b>413</b>	<b>18,222</b>	<b>3,915</b>	<b>71,580</b>	<b>246</b>	<b>71,826</b>
% Revenue	15.9%	n.d.	19.9%	26.5%	15.6%	n.d.	15.9%

The income statement and balance sheet reconciliations between the operating result attributable to the individual segments and the net income of the Group and between total assets attributable to the operating segments and total Group assets are shown below, as well as between total liabilities attributable to the operating segments and total Group liabilities excluding shareholders' equity.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**Reconciliation of Operating Profit**

	For the six months ended June 30,	
<i>(in thousands of Euro)</i>	2022	2021
<b>Segment profit</b>	<b>62,457</b>	<b>54,200</b>
Finance income	1,756	297
Finance costs	(15,228)	(15,432)
Exchange gains/(losses)	(516)	(105)
Gains/(losses) on equity investments	0	0
Profit/(loss) from investments accounted for using equity method	6	(869)
Inter-segment income/expenses (elimination)		
<b>Profit/(loss) before taxes</b>	<b>48,475</b>	<b>38,091</b>

**Reconciliation of Total assets**

<i>(in thousands of Euro)</i>	At June 30, 2022	At December 31, 2021
<b>Segment operating assets</b>	<b>1,074,291</b>	<b>973,400</b>
Deferred tax assets	25,785	23,181
Current financial assets	5,057	3,578
Non-current financial assets	1,237	1,237
Non-current assets held for sale	0	2,459
<b>Total assets</b>	<b>1,106,370</b>	<b>1,003,854</b>

**Reconciliation of Total liabilities**

<i>(in thousands of Euro)</i>	At June 30, 2022	At December 31, 2021
<b>Segment operating liabilities</b>	<b>504,327</b>	<b>458,773</b>
Non-current financial liabilities	397,208	395,982
Current financial liabilities	24,895	16,407
Current tax liabilities	34,203	32,398
Deferred tax liabilities	81	2
<b>Total liabilities</b>	<b>960,714</b>	<b>903,562</b>

The following table shows the revenues by geographical area of AlmagivA Group as at June 30, 2022 compared with June 30, 2021:

**Geographic information**

<i>(in thousands of Euro)</i>	At June 30, 2022	At June 30, 2021
<i>Revenues from external customers</i>		
Italy	379,218	355,448
Brazil	117,679	83,387
Tunisia	1,466	1,124
Colombia	11,440	7,082
Europe	1,726	3,133
Other	3,481	1,250
<b>Total</b>	<b>515,010</b>	<b>451,424</b>
<b>Of which:</b>		
<i>Revenues recognized over the time</i>	<b>493,094</b>	<b>441,303</b>
<i>Revenues detected at a point in time</i>	<b>12,658</b>	<b>6,062</b>

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**6. SIGNIFICANT TRANSACTIONS IN THE PERIOD**

During the period ended June 30, 2022, there were significant corporate transactions relating to business combination, which involved Almagora do Brasil of which a brief description is provided below. On March 3, 2022, the purchase of the entire share capital of CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA was completed, which, in turn, owns the entire share capital of CRC DIGITAL LTDA. The latter is a company with about 4,000 employees operating in Fortaleza with an annual turnover of about 200 million reais. On April 13, 2022, Almagora S.p.A. has completed the acquisition of the entire share capital of The Data Appeal Company S.p.A. ("TDAC"), a company based in Florence active in the development of vertical AI analytics solutions, a leader in the tourism, fintech and location intelligence sectors. On May 25, 2022, Almagora S.p.A. has completed the acquisition of the entire share capital of SISTEMI TERRITORIALI S.r.l., a company based in Cascina (PI) active in the development of solutions and projects in the Data Science field, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms, for the Multi-utilities and Government sectors.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

The accounting values of identifiable assets and liabilities of Brazilian companies as at the acquisition date were:

	<b>Accounting value on the acquisition date</b>
<b>ASSETS</b>	
<i>(Euro/000)</i>	
<b>NON-CURRENT ASSETS</b>	
<i>Property, plant and equipment</i>	6,564
<i>Intangible assets</i>	130
<i>Investments</i>	1,388
<i>Non-current financial assets</i>	0
<i>Deferred tax assets</i>	0
<i>Other non-current assets</i>	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>8,082</b>
<b>CURRENT ASSETS</b>	
<i>Inventories and amount due from customers</i>	0
<i>Trade receivables</i>	573
<i>Current financial assets</i>	0
<i>Other current assets</i>	1,089
<i>Cash and cash equivalents</i>	4,809
<b>TOTAL CURRENT ASSETS</b>	<b>6,471</b>
<b>TOTAL ASSETS</b>	<b>14,553</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Non-current liabilities for employee benefits</i>	0
<i>Non-current financial liabilities</i>	3,697
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,697</b>
<b>CURRENT LIABILITIES</b>	
<i>Trade payables</i>	1,089
<i>Current financial liabilities</i>	6,870
<i>Current tax liabilities</i>	0
<i>Other current liabilities</i>	1,707
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,666</b>
<b>TOTAL LIABILITIES</b>	<b>13,363</b>
<i>Fair value of net assets</i>	1,190
<i>Minorities</i>	0
<i>Goodwill</i>	14,950
<b>Purchase Price</b>	<b>16,140</b>
<i>Cash and cash equivalents acquired</i>	4,809
<i>Consideration paid</i>	(14,950)
<b>Net acquired cash flow</b>	<b>(10,141)</b>

Regarding this M&A transaction, the PPA was defined on a non-definitive basis as it was based on provisional fair value valuations. Furthermore, there are no uncertainties regarding the full collectability of trade receivables.

From acquisition date, CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA and CRC DIGITAL LTDA. contributed with Euro 12,921 thousand to Group revenues and a positive value of Euro 3,026 thousand to the Group's pre-tax profit.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

The accounting values of identifiable assets and liabilities of The Data Appeal Company SpA as at the acquisition date were:

<b>ASSETS</b>	<b>Accounting value on the acquisition date</b>
<i>(Euro/000)</i>	
<b>NON-CURRENT ASSETS</b>	
<i>Property, plant and equipment</i>	2
<i>Intangible assets</i>	681
<i>Investments</i>	0
<i>Non-current financial assets</i>	0
<i>Deferred tax assets</i>	246
<i>Other non-current assets</i>	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>929</b>
<b>CURRENT ASSETS</b>	
<i>Inventories and amount due from customers</i>	0
<i>Trade receivables</i>	788
<i>Current financial assets</i>	0
<i>Other current assets</i>	383
<i>Cash and cash equivalents</i>	739
<b>TOTAL CURRENT ASSETS</b>	<b>1,910</b>
<b>TOTAL ASSETS</b>	<b>2,839</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Non-current liabilities for employee benefits</i>	226
<i>Non-current financial liabilities</i>	354
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>580</b>
<b>CURRENT LIABILITIES</b>	
<i>Trade payables</i>	356
<i>Current financial liabilities</i>	502
<i>Current tax liabilities</i>	126
<i>Other current liabilities</i>	812
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,796</b>
<b>TOTAL LIABILITIES</b>	<b>2,376</b>
<i>Fair value of net assets</i>	463
<i>Minorities</i>	0
<i>Goodwill</i>	16,037
<b>Purchase Price</b>	<b>16,500</b>
<i>Cash and cash equivalents acquired</i>	739
<i>Consideration paid</i>	(4,000)
<b>Net acquired cash flow</b>	<b>(3,261)</b>

Regarding this M&A transaction, the PPA was defined on a non-definitive basis as it was based on provisional fair value valuations. Furthermore, there are no uncertainties regarding the full collectability of trade receivables. As regards the nature of intangible, these refer to costs incurred for the purchase of Internet domains and costs for the implementation and development of the web platform and website, whose useful life is aligned with the Group Amaviva's intangible. Furthermore, there are no uncertainties regarding the full collectability of trade receivables.

From acquisition date, The Data Appeal Company contributed with Euro 762 thousand to Group revenues and a positive value of Euro 80 thousand to the Group's pre-tax profit.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

The accounting values of identifiable assets and liabilities of Sistemi Territoriali Srl as at the acquisition date were:

<b>ASSETS</b>	<b>Accounting value on the acquisition date</b>
<i>(Euro/000)</i>	
<b>NON-CURRENT ASSETS</b>	
<i>Property, plant and equipment</i>	1
<i>Intangible assets</i>	43
<i>Investments</i>	0
<i>Non-current financial assets</i>	0
<i>Deferred tax assets</i>	0
<i>Other non-current assets</i>	302
<b>TOTAL NON-CURRENT ASSETS</b>	<b>346</b>
<b>CURRENT ASSETS</b>	
<i>Inventories and amount due from customers</i>	0
<i>Trade receivables</i>	673
<i>Current financial assets</i>	0
<i>Other current assets</i>	159
<i>Cash and cash equivalents</i>	2,247
<b>TOTAL CURRENT ASSETS</b>	<b>3,079</b>
<b>TOTAL ASSETS</b>	<b>3,425</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Non-current liabilities for employee benefits</i>	429
<i>Non-current financial liabilities</i>	0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>429</b>
<b>CURRENT LIABILITIES</b>	
<i>Trade payables</i>	306
<i>Current financial liabilities</i>	331
<i>Current tax liabilities</i>	266
<i>Other current liabilities</i>	370
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,273</b>
<b>TOTAL LIABILITIES</b>	<b>1,702</b>
<i>Fair value of net assets</i>	1,723
<i>Minorities</i>	0
<i>Goodwill</i>	2,677
<b>Purchase Price</b>	<b>4,400</b>
<i>Cash and cash equivalents acquired</i>	2,247
<i>Consideration paid</i>	(4,020)
<b>Net acquired cash flow</b>	<b>(1,773)</b>

Regarding this M&A transaction, the PPA was defined on a non-definitive basis as it was based on provisional fair value valuations. Furthermore, there are no uncertainties regarding the full collectability of trade receivables.

From acquisition date, Sistemi Territoriali contributed with Euro 566 thousand to Group revenues and a positive value of Euro 319 thousand to the Group's pre-tax profit.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**7. INTANGIBLE ASSETS**

The intangible assets of the Group amount to Euro 159,077 thousand (Euro 118,496 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	<b>Goodwill</b>	<b>Industrial patent and intellectual property rights</b>	<b>Concessions, licences, trademarks and similar rights</b>	<b>Other intangible assets</b>	<b>Assets under construction</b>	<b>Total</b>
<b>At January 1, 2022</b>	<b>39,179</b>	<b>30,323</b>	<b>1,342</b>	<b>28,976</b>	<b>18,676</b>	<b>118,496</b>
Investments and new acquisition	33,664	2,066	500	10	854	37,094
Capitalisation for internal projects	0	616	0	377	8,122	9,115
Amortization	0	(4,481)	(133)	(4,612)	0	(9,226)
Disposals	0	(10)	(11)	0	0	(21)
Reclassifications and other	0	5,128	0	9,790	(14,918)	0
Change in consolidation area	0	126	1	613	0	740
Foreign exchange differences	1,348	1,269	223	(1)	39	2,878
<b>At June 30, 2022</b>	<b>74,191</b>	<b>35,037</b>	<b>1,922</b>	<b>35,153</b>	<b>12,774</b>	<b>159,077</b>

The Group's investments as at June 30, 2022 amounted to Euro 37,094 thousand and mainly refer to (i) goodwill recognized on a non-definitive basis following business combinations completed over the period and (ii) "Industrial patent rights and use of intellectual property" and concessions, licenses and trademarks; these increases relate to costs for the acquisition of user and property licenses and costs for software development carried out mainly by the CRM International, IT Services and Almaxwave - New Technology segments.

The Group also made further investments in the reference period, through capitalization for internal work, for a total of Euro 9,115 thousand referring to costs incurred mainly in the context of the creation and internal development of assets (software, IT applications) also used in the creation and management of the services offered in the operating segments in which the Group operates. The aforementioned capitalizations refer to the IT Services and Almaxwave - New Technology segments.

During the period, part of the investments made in previous years was completed and was therefore reclassified, in the respective categories of reference, including - for an amount of Euro 5,128 thousand - under the item "Industrial patent rights and use of works by 'ingenuity' which at the end of the period was equal to a total of Euro 35,037 thousand and which highlights the Group's endowment of software tools and IT applications developed internally and for evolutionary maintenance carried out on them. The Group, in relation to these assets, periodically carries out an analysis in correspondence with the closing of the financial statements aimed at finding their recoverable value with respect to that of recognition in the financial statements on the basis of the expected future economic benefits associated with them (active contracts of planned acquisition). Moreover, the economic performance of 2022 did not highlight any impairment indicators such as to formulate specific reflections on the recoverability of the aforementioned values.

The amortization of the period on intangible assets amounts to Euro 9,226 thousand. The main depreciation ratios adopted as at June 30, 2022 are included in the following ranges:

	<b>Rates %</b>
Industrial patent and intellectual property rights	10~33
Concessions, licences, trademarks and similar rights	25
Other intangible assets	≈ 20



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

The exchange differences equal to Euros 2,878 thousand are due to the translation of the financial statements of companies operating in areas other than the Euro and mainly concern companies that prepare financial statements in Brazilian reais.

Goodwill recognized following business combinations completed over the years is detailed as shown below.

<i>(in thousands of Euro)</i>	<b>At January 1, 2022</b>	<b>Exchange differences</b>	<b>Additions</b>	<b>Disposals</b>	<b>At June 30, 2022</b>
Alicos	<b>2,007</b>				<b>2,007</b>
Almaviva Contact	<b>26,533</b>				<b>26,533</b>
Almaviva do Brasil	<b>1,748</b>				<b>1,748</b>
Almaviva Finance	<b>745</b>				<b>745</b>
Atesia	<b>0</b>				<b>0</b>
Gempliss	<b>198</b>				<b>198</b>
In Action	<b>0</b>				<b>0</b>
Pervoice	<b>314</b>				<b>314</b>
Wave	<b>5,121</b>				<b>5,121</b>
Wedoo	<b>630</b>				<b>630</b>
Kline	<b>784</b>				<b>784</b>
CRC Central de Recup de creditos	<b>0</b>	1,266	14,950		<b>16,216</b>
The Data Appeal Company	<b>0</b>		16,037		<b>16,037</b>
Sistemi Territoriali	<b>0</b>		2,677		<b>2,677</b>
Third	<b>1,099</b>	82			<b>1,181</b>
<b>Total</b>	<b>39,179</b>	<b>1,348</b>	<b>33,664</b>	<b>0</b>	<b>74,191</b>

The goodwill recognized as a result of business combinations is attributed to the cash generating units ("CGU") that benefit from the synergies that emerged as a result of the acquisition. The estimate of the recoverable value of the goodwill recorded in the financial statements was made by determining the value in use of the CGUs in question through the use of discounted cash flow models, which provide for the estimate of expected cash flows and the application of an appropriate rate discounting, determined using market inputs such as risk-free rates, beta and market risk premium. Cash flows are determined on the basis of the best information available at the time of the estimate, which can be inferred: (i) for the first five years of the estimate, from the business plan approved by the Company Management containing the forecasts regarding volumes, investments, costs operational and industrial and commercial margins and structures; (ii) for the years following the fifth, cash flow projections based on the perpetuity method of the last year of the plan are assumed.

The Almaviva Group verifies the recoverability of Goodwill at least once a year at the end of the financial year, or more frequently if there were impairment indicators.

Regarding to the recoverability of the value of the Intangible Assets recognized as at June 30, 2022, as better indicated in the previous Note 1.1, in the first six months of the current financial year, as there are no impairment indicators, the Directors did not consider necessary proceed with the preparation of specific impairment tests. This is also considered valid due to the resilience demonstrated in the current pejorative macroeconomic context; thanks to the existing headroom, based on the assessments carried out as at December 31, 2021 with reference to the 2021-2025 Group Plan and considering the renewed market variables (i.e. inflation rate), it is believed that there is no impact on the recoverable value of the Intangible Assets.

The "Third" intangible assets mainly include the costs relative to software products, incurred to make changes to the products used as part of contract under way.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**8. PROPERTY, PLANT AND EQUIPMENT**

The tangible assets of the AlmagivA Group, owned and leased, amount to Euro 97,033 thousand (Euro 86,094 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	Land and buildings	Plant and machinery owned and leased	Industrial and commercial equipment owned and leased	Other assets owned and leased	ROU Asset	Assets under construction and payments on account	Total
<b>At January 01, 2022</b>	<b>6,753</b>	<b>11,349</b>	<b>435</b>	<b>24,957</b>	<b>41,070</b>	<b>1,531</b>	<b>86,094</b>
Additions	0	2,091	101	3,529	13,018	65	18,804
Capitalisation for internal project	0	0	0	0	0	0	0
Depreciation	(393)	(1,657)	(80)	(3,836)	(6,364)	0	(12,330)
Disposals	0	0	0	(87)	(7,328)	0	(7,415)
Reclassifications and other	0	0	0	179	0	(179)	0
Change in consolidation area	0	1,525	1	1,613	3,598	0	6,737
Foreign exchange differences	0	1,657	0	2,046	1,439	0	5,142
Historical cost	19,257	223,925	3,957	177,259	70,459	1,417	<b>496,274</b>
Accumulated amortization	(12,897)	(208,960)	(3,500)	(148,858)	(25,026)	0	<b>(399,241)</b>
<b>At June 30, 2022</b>	<b>6,360</b>	<b>14,965</b>	<b>457</b>	<b>28,401</b>	<b>45,433</b>	<b>1,417</b>	<b>97,033</b>

Investments are equal to Euro 18,804 thousand as at June 30, 2022, of which those not relating to the application of IFRS 16 amounted to Euro 13,018 thousand; they mainly refer to the items "other assets" and "plant and machinery" for the acquisition of hardware, network and plant upgrades of the IT Services, CRM International operating segments and, to a lesser extent, the other sectors.

Depreciation amounts to Euros 12,330 thousand, the main depreciation coefficients adopted at June 30, 2022, with the exclusion of the rights of use deriving from the application of IFRS 16, are included in the following ranges:

	<b>Rates %</b>
Buildings	3
Plants and machinery	15~40
Industrial and commercial equipment	15~30
Other assets	12~30

The depreciation rates adopted on the ROU Assets are related to the effective residual duration of the lease contracts.

The disposals of Euros 7,415 thousand mainly refer to the early termination of some rental contracts held by IT Services and CRM Europe falling within the application of IFRS 16.

The exchange differences from the translation of the financial statements of companies operating with functional currencies other than the Euro of positive Euro 5,142 thousand mainly concern companies that prepare financial statements in Brazilian reais.

The Group presents a balance of the item "Land and buildings" equal to Euro 6,360 thousand relating to the building located in Rome, in Via dello Scalo Prenestino, owned by AlmagivA and used by the IT Services Sector.

The item of Rights of use on assets, i.e. the ROU (Right Of Use) recorded in application of IFRS 16 and whose value at June 30, 2022 amounts to Euro 45,433 thousand, includes the rights of use on assets pursuant to contracts subject to the application of the IFRS 16 "Leasing" standard.

Fixed assets in progress show an increase equal to Euro 65 thousand, mainly referring to the IT Services operating sector and to a lesser extent to the CRM Europe.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

Regarding the risk of recoverability of the value of Tangible Assets as at June 30, 2022, as better indicated in the previous Paragraph 1.1, during this period, as there were no indicators of permanent impairment in value, the Directors did not deem to proceed with the preparation of specific impairment tests.

As at June 30, 2022 there are no commitments to purchase fixed assets.

**9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

The table below shows the balance and composition of the non-current financial assets:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
CCID – Almoviva Inform. Technol. Co. Ltd	117	117
Consorzio Hypertix in liquidation	99	99
TVEyes L.T. S.r.l.	27	21
<b>Total</b>	<b>243</b>	<b>237</b>

The sole joint venture of the Group is the 50% equity investment in CCID-AlmovivA Inform. Technol. Co. Ltd. a Chinese company operating the local call centre segment. The changes applying Equity Method are shown below:

<i>(in thousands of Euro)</i>	<b>At January 1, 2022</b>	<b>Income Statement effect</b>	<b>Increases (Decreases)</b>	<b>At June 30, 2022</b>
CCID – Almoviva Inform. Technol. Co. Ltd	117	0	0	117
Consorzio Hypertix in liquidation	99	0	0	99
TVEyes L.T. S.r.l.	21	6	0	27
<b>Total</b>	<b>237</b>	<b>6</b>	<b>0</b>	<b>243</b>

The main data relating to both the joint venture and associated companies are summarized below, based on the latest available financial statements, prepared in accordance with IFRS, as well as the reconciliation with the book value of the equity investments in the Interim Condensed Consolidated Financial Statements.

	<b>Registered office</b>	<b>Share Capital</b>	<b>Shares held (%)</b>	<b>Investor</b>
CCID – Almoviva Inform. Technol. Co. Ltd	Shanghai, China	¥ 39,642,000.00	50.00	AlmovivA S.p.A.
Consorzio Hypertix in liquidation	Rome, Italy	€ 198,000.00	49.99	AlmovivA S.p.A.
TVEyes L.T. S.r.l.	Trento, Italy	€ 20,000.00	20.00	Pervoice S.p.A.

As of June 30, 2022, there are no impairment indicators regarding the risk of recoverability of the investment.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**10. NON-CURRENT FINANCIAL ASSETS**

Non-current financial assets of the AlmagivA Group amount to Euro 1,237 thousand (Euro 1,237 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Long-term loans	1,188	1,188
Others Equity investments	49	49
<b>Non-current financial assets</b>	<b>1,237</b>	<b>1,237</b>

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Amount failling due within 12 months	0	0
Amount failling due between 1-5 years	1,188	1,188
<b>Non-current financial receivables</b>	<b>1,188</b>	<b>1,188</b>

Non-current financial receivables, equal to Euro 1,188 thousand (Euro 1,188 thousand as at December 31, 2021) are all instrumental to operating activities and relate to loans to personnel for Euro 7 thousand and financial assets to Auselda for Euro 1,181 thousand.

The investments on equity instruments are equal to Euro 49 thousand (Euro 49 as at December 31, 2021), are classified in accordance with IAS 32, and are broken down as follows:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Conai	1	1
Calpark	5	5
Banca Brutia	5	5
Uirnet	5	5
Consorzio Namex	3	3
Other	30	30
<b>Total</b>	<b>49</b>	<b>49</b>

Due to irrelevance of the investments in question, the Directors have measured these investments at cost and therefore the fair value has not been determined as reported in drafting criteria to which reference is made.

At June 30, 2022, no impairment losses were recorded on the item in question. In this case, the impairment was determined following the analytical model described in the preparation criteria.

**11. DEFERRED TAX ASSETS**

Deferred tax assets amount to Euro 25,785 thousand (Euro 23,181 thousand as at December 31, 2021) and are shown net of deferred tax liabilities, if they can be offset under the Italian and/or foreign reference regime, and have been allocated, within the limits of the values that it is expected to recover in future years based on the capacity of the expected taxable income, mainly in relation to temporary deductible differences (provisions for risks and other deferred charges) and in part residual in relation to previous tax losses.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

At the end of the year, the Group generally assesses the presence of impairment indicators for prepaid taxes; in this sense, the recoverability of the same is carried out by considering the estimates of future taxable income based on the forecasts of the latest business plan approved by the Board of Directors. As at June 30, 2022, the management concluded that the capacity of taxable income will allow the use of the deferred tax assets recorded.

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Deferred Tax Assets</b>	<b>25,785</b>	<b>23,181</b>

Divided in:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Italian subsidiaries	19,407	17,843
Foreign subsidiaries	6,378	5,338
<b>Total Deferred Tax Assets</b>	<b>25,785</b>	<b>23,181</b>

Mainly, the deferred tax assets in question arise as a result of the actual tax losses also due to the significant negative exchange differences in the reference period.

As at June 30, 2022, Management believes that there are no indicators of impairment of deferred tax assets. In fact, as already illustrated in these explanatory notes, the forecasts included in the business plans appear reliable in light of the final results of the Group and reinforce the forecast of future taxable income sufficiently large to guarantee the recoverability of the amounts recorded, in continuity with the already recorded at December 31, 2021.

## **12. OTHER NON-CURRENT ASSETS**

Other non-current assets amount to Euro 1,314 thousand as at June 30, 2022 compared to an amount of Euro 1,573 thousand as at December 31, 2021, as illustrated in the table below:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Security deposits	1,092	1,162
Prepaid expenses	218	407
Other receivables	4	4
<b>Other non-current assets</b>	<b>1,314</b>	<b>1,573</b>

Prepayments mainly refer to the portion attributable to the training costs of AlmagivA Contact (Euro 77 thousand), AlmagivA Services (Euro 123 thousand) and AlmagivA Digitaltec (Euro 18 thousand) not pertaining to the period.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**13. INVENTORIES**

Inventories of the Group are equal to Euro 15,036 thousand (Euro 12,168 thousand as at December 31, 2021) and are composed as follows:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Raw materials (at cost)	4,592	3,873
Work in progress (at cost)	2,851	2,809
Finished goods (at lower of cost and net realizable value)	7,593	5,486
<b>Total inventories at the lower of cost and net realizable value</b>	<b>15,036</b>	<b>12,168</b>

During 2022 have not been accounted any expenses for inventories to carry them at net realizable value. The total amount is related to Sadel S.p.A. for Euro 12,362 thousand, to AlmavivA S.p.A. for Euro 2,669 thousand and Pervoice for Euro 5 thousand.

**14. CONTRACT ASSETS**

As at June 30, 2022, contract assets are equal to Euro 30,424 thousand (Euro 23,314 thousand as at December 31, 2021).

They increase overall by Euros 7,110 thousand and refer essentially to the activities generated by the IT Services sector not yet completed or not yet subjected to testing by the customers.

**15. TRADE RECEIVABLES**

As at June 30, 2022, trade receivables are equal to Euro 442,515 thousand (Euro 422,490 thousand as at December 31, 2021) with an increase equal to Euro 20,025 thousand:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Trade receivables, gross amount	462,618	442,640
Trade receivables, amount retained as a guar	3,196	2,816
Bad debt provision	(23,299)	(22,966)
<b>Trade receivables</b>	<b>442,515</b>	<b>422,490</b>

Trade receivables are exposed net of bad debt provision equal to Euro 23,299 thousand (Euro 22,966 thousand as at December 31, 2021). The bad debt provision increases, equal to Euro 333 thousand, is related to AlmavivA Tunisie, AlmavivA Services and to the change in consolidation area due to the acquisition of The Data Appeal Company and Sistemi Territoriali.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Balance at the beginning of the year</b>	<b>22,966</b>	<b>21,106</b>
Provisions	94	1,859
Uses	(23)	(9)
Change in consolidation area	34	0
Other	228	10
<b>Balance at the end of the year</b>	<b>23,299</b>	<b>22,966</b>

Starting from the 2018 financial year, the bad debt provision was determined by the practical expedient of the *Provision Matrix* for private customers. For customers in the public sector, the ECL was determined based on information obtained from external info-providers.

The following table show the ageing of the gross amount of trade receivables, excluding the portion retained by customers as a guarantee, as at June 30, 2022 compared with December 31, 2021:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Amount not yet due	386,170	372,187
Amount due by less than 30 days	9,753	10,562
Amount due between 30-60 days	9,131	9,614
Amount due between 61-90 days	6,711	3,696
Amount due between 91-120 days	5,606	4,400
Amount due by more than 120 days	45,247	42,181
<b>Trade receivables, gross amount</b>	<b>462,618</b>	<b>442,640</b>

Further, as mentioned in 2017 Financial Statements, on May 2, 2017 the Italian Ministry of Economic Development made an order that put into special administration under Decree-Law "Marzano", the company Alitalia – Società Aerea Italiana S.p.A.. With the same order a College of Commissioners has been appointed. The College consist of Luigi Gubitosi, Enrico Laghi and Stefano Paleari. On December 5, 2018, the latter was replaced by the lawyer Daniel Disciple. On December 12, 2019, the extraordinary commissioners left their position and the lawyer Giuseppe Leogrande was appointed in their place and joined, starting from March 5, 2021, by Prof. Daniele Santosuosso and by the lawyer Gabriele Fava.

The Group – supported by an internal and external legal opinion further substantiated by recent case-law – considers fully recoverable the net receivables from Alitalia Società Aerea Italiana S.p.A, (for an amount equal to Euro 5,999 thousand). It should also be noted that following the extraordinary administration of Alitalia - Società Aerea Italiana S.p.A. in A.S., the Group continued to provide services to it, confirming the strategic nature of its role for the aircraft operator even in the context of crisis. These services, during 2021, were only interrupted following the evolution of the matter in question which took place in the establishment of the new Italian flag carrier Italia Trasporto Aereo S.p.A. (better known as "ITA Airways"). The new company has chosen another supplier for the provision of CRM services and, as highlighted in paragraph 2.1 of these explanatory notes, an agreement was positively reached with the trade unions and with all the parties involved for the progressive transition to the new supplier of all the workforce of the AlmamivA Group used to carry out the previous contract with Alitalia - Società Aerea Italiana S.p.A. in A.S. The future developments of the insolvency procedure will be carefully monitored in order to assess any changes in the conditions that led the directors to assume the current position.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

At present day, the insolvency procedure is proceeding slowly and the forecast of the timing of collection of these receivables can only depend on the evolution of the extraordinary administration process.

It should be noted that Note 40 "Guarantees, commitments, risks and other information" provides additional information regarding the credit risk management policy adopted by the Group and the ageing of the receivables past due but not written down.

**16. CURRENT FINANCIAL ASSETS**

At June 30, 2022, current financial assets amounted to Euro 5,057 thousand (Euro 3,578 thousand as at December 31, 2021). They refer mainly to AlmagivA S.p.A. for Euro 3,279 thousand relating to financial receivables from one of the main customers linked to deferred payments with respect to the Company's services that have been granted to the aforementioned customer, and for the remaining Euro 1,778 thousand to AlmagivA S.p.A., to Wedoo Srl and to Wedoo LLC.

There are no financial assets either overdue or written down. The same are valued, as indicated above, at amortized cost having passed the SPPI test - Solely for Payments of Principal and Interests:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Current financial assets</b>	<b>5,057</b>	<b>3,578</b>

**17. OTHER CURRENT ASSETS**

Other current assets amount to Euro 171,194 thousand as at June 30, 2022, compared to Euro 139,405 thousand as at December 31, 2021. The amount is composed as follow:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Receivables due from personnel	5,122	3,787
Receivables due from social security institutions	3,314	1,572
Receivables due from tax authorities	56,008	45,019
Receivables related to tax consolidation	25,799	30,251
Prepaid expenses	23,679	11,519
Advances to suppliers	6,519	3,442
Sundry items	50,753	43,815
<b>Other current assets</b>	<b>171,194</b>	<b>139,405</b>

In particular, it should be noted that the item Receivables from social security institutions, equal to Euro 3,314 thousand, includes almost all receivables from INPS not yet collected mainly related to:

- To the receivable from the INPS treasury in AlmagivA S.p.A.;
- Cig credits in derogation and Fis Covid of AlmagivA Contact;



## **ALMAVIVA S.P.A. AND SUBSIDIARIES** **EXPLANATORY NOTES (continued)**

Tax consolidation credits for Euro 25,799 thousand derive from the transfer to the parent company AlmagivA Technologies S.r.l. of the tax positions of the companies adhering to the institution in question. Offsetting this credit, there is also a debt position for Euro 36,622 thousand, as reported in Note 29.

Prepayments for Euro 23,679 thousand include future costs mainly of AlmagivA S.p.A. (Euro 21,604 thousand), Reactive (Euro 751 thousand), AlmagivA Services (Euro 118 thousand), AlmagivA Contact (Euro 365 thousand), AlmagivAve (Euro 165 thousand), Kline (Euro 222 thousand) and to a lesser extent of the other Group companies.

Receivables from the tax authorities are divided into (i) credits for direct taxes Euro 6,019 thousand relating to AlmagivA S.p.A. for Euro 4,817 thousand, AlmagivA Contact for Euro 291 thousand, Agrisian for Euro 356 thousand, AlmagivAve Euro 217 thousand, Sistemi Territoriali Euro 138 thousand and to a lesser extent to the other companies of the Group; (ii) receivables for indirect taxes equal to Euro 49,989 thousand relating mainly to AlmagivA S.p.A., AlmagivA Services and the Brazilian companies. Regarding to the receivables of AlmagivA S.p.A. for indirect taxes they refer to the credit for the Group VAT (Euro 11,146 thousand) and the credit for VAT already requested as a refund (Euro 25,682 thousand). Regarding to the Group VAT receivables related to December 31, 2021 and already requested for reimbursement, it should be noted that in the first half of 2022, Euro 10,718 thousand was collected.

Advances to suppliers increased by Euro 3,077 thousand, passing from Euro 3,442 thousand as at December 31, 2021 to Euro 6,519 thousand as at June 30, 2022.

Sundry items equal to Euro 50,753 thousand are mainly included:

- CRM International receivables for judicial deposits on disputes pending with employees;
- Receivables due from the State and Public Authorities for projects financed and R&D projects equal to Euro 6,697 thousand;
- Receivables for reimbursements which refer:
  - the credit for the request for reimbursement, submitted to a well-known insurance company, of the legal costs incurred in the context of a dispute initiated in the United States by an American company (the "US Litigation") against some of the companies of the AlmagivA Group (collectively the "AlmagivA Companies"), as well as third parties. The US litigation ended - both at first and second instance - with the rejection, also confirmed by the Supreme Court of the United States of America, of all the claims made by the American company, with compensation of the expenses. In order to obtain reimbursement of the legal expenses incurred in the US Litigation, the AlmagivA Companies, by virtue of a policy called "Directors' Civil Liability Insurance" signed with a well-known insurance company, took action against the contracting insurance company. Currently, the request for reimbursement of legal costs and damages is pending an appeal judgment proposed by the AlmagivA Companies. The AlmagivA Companies currently believe - also on the basis of the assessments made by their defense board regarding the full traceability of the claim to a contractual right protected in the insurance policy - that they have valid arguments to be able to support their position, the instrumentality of the reserves and exceptions moved by the insurance company and, consequently, to be able to subvert the outcome of the first-degree sentence. In consideration of these aspects, the receivable from the insurance company continues to be considered deriving from a contractual right and, at present, fully recoverable.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**18. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents amounted to Euro 157,455 thousand (Euro 169,622 thousand as at December 31, 2021) refers to credit balances at banks in existence as at June 30, 2022 and the amounts held at the Group treasuries. These voices are not subject to any restriction and are not foresee disinvestment costs.

**19. NON-CURRENT ASSETS HELD FOR SALE**

Assets held for sale as at June 30, 2022 are equal to Euro 0 thousand (Euro 2.459 thousand as at December 31, 2021). In June 2022, in execution of the "*Deed amending the sale of shareholdings and pledging*", AGEA - Agency for Agricultural Disbursements paid the residual price and endorsement of the actions. This residual price, equal to Euro 2,459 thousand, represented the valuation of the equity investment adjusted to reflect its residual recoverable value, taking into account the valuation methods provided for into the transfer agreement.

**20. SHAREHOLDERS' EQUITY**

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Share capital	154,899	154,899
Share premium reserve	17,788	17,788
Legal reserve	15,139	12,465
Other reserves:		
<i>FTA reserve</i>	4,493	4,493
<i>OCI reserve</i>	7,592	2,529
<i>stock grant reserve</i>	6,391	4,670
<i>Translation reserve</i>	(39,756)	(53,448)
<i>Other reserves</i>	(82,330)	(121,503)
	<u>(103,610)</u>	<u>(163,259)</u>
Profit/(loss) for the year	31,538	57,908
<b>Total group shareholders' equity</b>	<b>115,757</b>	<b>79,804</b>
Reserves pertaining to NCIs:		
<i>Translation reserve</i>	(998)	(1,098)
<i>Other reserves</i>	29,876	19,596
	<u>28,879</u>	<u>18,499</u>
Profit/(loss) for the year pertaining to NCIs	1,020	1,990
<b>Total non-controlling interests</b>	<b>29,899</b>	<b>20,489</b>
<b>Total Shareholders' equity</b>	<b>145,656</b>	<b>100,292</b>

The total Shareholders' equity as at June 30, 2022 is equal to Euro 145,656 thousand (Euro 100,292 thousand as at December 31, 2021) showing an increase of Euro 45,364 thousand. This change in Equity of the Almagiva Group was affected by (i) the results for the period equal to Euro 32,558 thousand and (ii) the positive impact of about Euro 13,792 thousand relating to the improvement of the Euro / Reais exchange rate on the Translation Reserve and (iii) the dividends paid in the period for an amount equal to Euro 25,000 thousand.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**Share Capital**

The Share capital as at June 30, 2022 amounted to Euro 154,899 thousand and due to the collateral agreements signed concurrently with the conclusion of the loan agreement, in previous years, the amount was fully paid-in and consisted of:

- no. 107,567,301 ordinary shares;
- no. 32,331,764 special Class A shares;
- no. 15,000,000 special Class B shares.

<i>in number of shares</i>	<b>Ordinary shares</b>	<b>"Class A" special shares</b>	<b>"Class B" special shares</b>	<b>Total shares</b>	<b>% of Total shares</b>
Almaviva Technologies S.r.l.	100,000,000	32,331,764	15,000,000	147,331,764	95.11%
RAI S.p.A.	1,291,522			1,291,522	0.83%
Fintecna S.p.A.	1,119,894			1,119,894	0.72%
Confagricoltura	1,093,172			1,093,172	0.71%
Conf. Italiana Agricoltori	1,093,172			1,093,172	0.71%
Conf. Nazionale Coldiretti	1,093,172			1,093,172	0.71%
Assicurazioni Generali S.p.A.	1,056,490			1,056,490	0.68%
Visualnet S.r.l.	819,879			819,879	0.53%
<b>Share capital</b>	<b>107,567,301</b>	<b>32,331,764</b>	<b>15,000,000</b>	<b>154,899,065</b>	<b>100.00%</b>

The special Class A and Class B shares have the following differences compared to the ordinary shares:

- Class A shares allow holders to receive a profit increased by 10% when dividends are distributed; this is deferred in the case of losses; they are convertible into ordinary shares at a ratio of one to one upon the request of the shareholder in the event of the listing of the company or disposal to third parties, or they will acquire, upon the application of the shareholder, the right to vote in the Company's ordinary and extraordinary shareholders' meetings; in the event of the liquidation of the company, they are entitled to receive a percentage of the liquidation proceeds, increased by 10%;
- Class B shares allow holders to receive a profit increased by 10.1% when dividends are distributed; this is deferred in the case of losses; they are convertible into ordinary shares at a ratio of one to one upon the request of the shareholder in the event of the listing of the company or disposal to third parties, or they will acquire, upon the application of the shareholder, the right to vote in the Company's ordinary and extraordinary shareholders' meetings; in the event of the liquidation of the company, they are entitled to receive a percentage of the liquidation proceeds, increased by 10.1%.

For both of the share classes described above, there are no unconditional obligations to pay money. The shares mentioned comply with the definition of equity instrument pursuant to IAS 32.

**Legal reserve**

The Legal reserve amounted to Euro 15,139 thousand as at June 30, 2022 and is increased by the prior year's profit allocation.

**Share premium reserve**

The Share premium reserve amounted to Euro 17,788 thousand as at June 30, 2022 and remained unchanged compared to December 31, 2021.

**Stock Grant reserve**

The Stock Grant reserve equal to Euro 6,391 thousand as at June 30, 2022, includes the fair value valuation at the same date regarding the Stock Grant Plan introduced by Almawave S.p.A. and Almaviva S.p.A. during 2021. Please to refer to Note 33 for more details.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**FTA reserve**

The FTA reserve amounted to Euro 4,493 thousand as at June 30, 2022, as detailed below:

- AlmovivA for Euro 4,782 thousand;
- AlmovivA Contact for negative Euro 141 thousand;
- Almovave for negative Euro 270 thousand;
- AlmovivA do Brasil for Euro 122 thousand.

**OCI reserve**

The OCI reserve is equal to Euro 7,592 thousand as at June 30, 2022 (Euro 2,529 thousand as at December 31, 2021).

**Translation reserve**

The Translation reserve concerns the exchange differences from the translation to Euro of the financial statements of companies operating in non-Euro value.

As at June 30, 2022, it was a negative Euro 40,754 thousand (of which the Group's share was a negative Euro 39,756 thousand and the portion pertaining to non-controlling interests amounted to negative Euro 998 thousand).

**Other reserves**

The Other reserves is equal to negative Euro 82,330 and are represented by consolidation reserves and by undistributed profits or losses carried forward.

**Non-controlling interests**

The non-controlling interests are equal to Euro 29,899 thousand and refer to share capital, reserves, profit/loss of the year attributable to non-controlling interests, net of translation reserve.

**Capital management**

The Group's objectives in terms of capital management are the protection of business continuity, the creation of value for stakeholders and support for Group development. In particular, the Group aims to maintain an adequate level of capitalisation which makes it possible to achieve an economic return for shareholders, guarantee access to external sources of financing and satisfy investors. In this context, the Group manages its capital structure and makes adjustments to it, if rendered necessary by changes to economic conditions. Due to this, the Group constantly monitors the evolution of the level of indebtedness in relation to shareholders' equity, whose situation as at June 30, 2022 is summarised in the following table.

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Non current Net Financial Position	(397,208)	(395,982)
Current Net Financial Position	137,617	156,793
Non current financial receivables	1,237	1,237
<b>Financial indebtness ("Debt")</b>	<b>(258,354)</b>	<b>(237,952)</b>
Total Group Shareholder Equity	115,757	79,804
Non Controlling Interests	29,899	20,489
<b>Total Shareholders' Equity ("Equity")</b>	<b>145,656</b>	<b>100,292</b>
<b>Debt/Equity ratio</b>	<b>(1.77)</b>	<b>(2.37)</b>

Financial indebtness as at June 30, 2022, equal to Euro 258,354 thousand, includes the values deriving from the application of IFRS 16 for an amount equal to Euro 48,202 thousand (Euro 44,894 thousand as at December 31, 2021) of which Euro 34,382 thousand (Euro 35,697

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

thousand as at December 31, 2021) relating to non-current financial liabilities and Euro 13,820 thousand (Euro 9,197 as at December 31, 2021) relating to current financial liabilities. The value before application of IFRS 16 would have been equal to Euro 210,152 thousand (Euro 193,058 as at December 31, 2021).

**21. LIABILITIES FOR EMPLOYEE BENEFITS**

Liabilities for employee benefits equal to Euro 36,922 as at June 30, 2022 are reported below:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Liabilities for employee benefits</b>	<b>36,922</b>	<b>45,409</b>

The liability for employee severance indemnity, governed by Art. 2120 of the Italian Civil Code, includes the estimate of the obligation, determined on the basis of actuarial techniques, relating to the amount to be paid to the employees of Italian companies when their employment is terminated.

The indemnity, provided in the form of capital, is equal to the sum of the allocation amounts calculated on the salaries paid in relation to the employment contract and revalued until the termination of said employment. As a result of the legislative amendments introduced on January 1, 2007, employee severance indemnity accruing will be allocated to pension funds, to the treasury fund set up by INPS (National Social Security Institute) or, in the case of companies with less than 50 employees, may be retained in the company. This means that a significant portion of the employee severance indemnity accruing is classified as a defined contribution plan, given that the company's obligation is represented exclusively by the payment of contributions to the pension fund or to INPS. The liability related to employee severance indemnity prior to January 1, 2007 continues to represent a defined benefit plan to be evaluated according to actuarial techniques.

Liabilities for employee benefits valued on the basis of actuarial techniques are analysed as follows:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Balance at the beginning of the year</b>	<b>45,409</b>	<b>48,531</b>
Change of the consolidatement area	6,065	892
Service cost	520	911
Interest cost	733	1,288
Payments / Utilizations	(10,742)	(6,876)
Actuarial gains/(losses) recognized in OCI	(5,063)	663
<b>Balance at the end of the year</b>	<b>36,922</b>	<b>45,409</b>
of which:		
Non-current portion	36,265	37,945
Current portion	657	7,464

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**22. PROVISIONS**

Provisions are equal to Euro 14,808 as at June 30, 2022 (Euro 18,579 as at December 31, 2021) and are reported below:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Non-current portion of provisions for risks and charges	9,390	11,210
Current portion of provisions for risks and charges	5,418	7,369
<b>Provisions for risks and charges</b>	<b>14,808</b>	<b>18,579</b>

<i>(in thousands of Euro)</i>	<b>Provision for taxes</b>	<b>Provision for redundancy incentives</b>	<b>Provision for guarantees granted</b>	<b>Provisions for contractual and commercial risks</b>	<b>Provisions for legal disputes</b>	<b>Other provisions for risks and charges</b>	<b>Total</b>
<b>Balance as at January 1, 2022</b>	<b>66</b>	<b>1,712</b>	<b>134</b>	<b>180</b>	<b>2,004</b>	<b>14,483</b>	<b>18,579</b>
Accruals	0	2	0	0	239	2,595	2,836
Utilizations	0	0	0	0	0	(5,158)	(5,158)
Decreases	0	(1,332)	0	0	(382)	(18)	(1,732)
Other changes not recorded through income statement	0	0	0	0	255	28	283
<b>Balance as at June 30, 2022</b>	<b>66</b>	<b>382</b>	<b>134</b>	<b>180</b>	<b>2,116</b>	<b>11,930</b>	<b>14,808</b>
of which:							
Non-current portion	66	22	134	0	0	9,168	9,390
Current portion	0	360	0	180	2,116	2,762	5,418

Information and comments on the various provisions are provided below.

"Non-current tax provision" equal to Euro 66 thousand relates to AlmagivA Contact S.p.A., set up following the risks associated with the deductions of costs considered non-deductible by the Tax Administration following a tax audit that took place in 2004.

"Redundancy fund" equal to Euro 382 thousand (Euro 1,712 thousand as at December 31, 2021) mainly relating to employees of AlmagivA S.p.A. who have accrued in 2021 the pension requirement through "quota 100", early retirement, woman option (in this last case, the requirements must be completed by 31 December 2021) and that they had voluntarily decided to join the exit from the company.

The Provision for guarantees granted of a non-commercial nature is related to provisions recorded by the parent company AlmagivA for Euro 134 thousand.

"Contractual and commercial risk fund" is related to provisions recorded by AlmagivA Contact for Euro 180 thousand.

Provision for legal disputes of Euro 2,116 thousand is related to IT Services segment for Euro 1,112 thousand, to CRM International segment for Euro 997 thousand and to AlmagivA - New Technology segment for Euro 7 thousand.

The line items, including non-current and current portion, for a total of Euro 11,930 thousand (Euro 14,483 thousand as at December 31, 2021) relating to prudential provisions on commercial risks relating to penalties for Euro 1,689 thousand of AlmagivA S.p.A. and for Euro 89 thousand of Lombardia Gestione; the Project Workers stabilization fund for Euro 494 thousand

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

of AlmovivA Contact, provisions for disputes both towards personnel and for other civil disputes for Euro 98 thousand of AlmovivA Contact, commercial guarantee funds for Euro 7,715 thousand of AlmovivA S.p.A. and for Euro 490 of Sadel and the liquidation costs provision recorded for Euro 1,355 thousand from Agrisian by virtue of current obligations under the law. The change in other provisions for risks refers to the provision for the emergence of new risks and charges.

**23. NON-CURRENT FINANCIAL LIABILITIES**

Non-current financial liabilities, equal to Euro 397,208 thousand (Euro 395,982 thousand as at December 31, 2021), refer to long-term payables as detailed below and include the non-current portion of financial liabilities for leasing deriving from the application of IFRS 16.

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Banks	5,682	6,442
Bond	338,994	337,943
Amounts due to other lenders	18,150	15,900
Financial liabilities associated with leasing	34,382	35,697
<b>Non-current financial liabilities</b>	<b>397,208</b>	<b>395,982</b>

<i>(in thousands of Euro)</i>	> 12 months	< 5 years	> 5 years
Banks	5,682	5,682	0
Bond	338,994	338,994	0
Amounts due to other lenders	18,150	18,150	0
Financial liabilities associated with leasing	34,382	26,647	7,735
	<b>397,208</b>	<b>389,473</b>	<b>7,735</b>

The fair value of the main financing component, relating to the bond issued on the Luxembourg market, was equal to Euro 297,223 thousand as at June 30, 2022. This assessment is affected by this period characterized by strong worldwide disturbance due to the Russian-Ukrainian conflict and the difficult political moment that Italy is facing, with a consequent impact in terms of the performance of the stock and bond markets.

Followings the tables of proceeds, repayments and reclassifications of borrowings occurred in the period:

<i>(in thousands of Euro)</i>	<b>At January 1, 2022</b>	<b>Proceeds from borrowings</b>	<b>Repayments of borrowings</b>	<b>Reclassification and other adjustments</b>	<b>At June 30, 2022</b>
AlmovivA S.p.A.	342,838	2,980	(938)	1,051	345,931
Sadel S.p.A.	2,356	0	(415)	0	1,941
AlmovivA do Brasil	4,063	0	0	(2,034)	2,029
SIMEST Operation	11,000	0	0	0	11,000
Wedoo S.r.l.	22	0	0	(22)	0
Obda Systems S.r.l.	6	0	0	(1)	5
CRC - Central de Recup. de Creditos	0	0	0	1,566	1,566
The Data Appeal Company S.p.A.	0	0	0	354	354
Financial liabilities associated with leasing	35,697	13,884	(5,438)	(9,761)	34,382
<b>Non-current financial liabilities</b>	<b>395,982</b>	<b>16,864</b>	<b>(6,791)</b>	<b>(8,847)</b>	<b>397,208</b>

## ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)

As regards the monetary movements of the period, it should be noted that as at June 30, 2022 the proceeds from borrowings amounted to Euro 2,980 thousand and the repayments of loans amounted to Euro 1,353 thousand.

Long-term financial liabilities of Euro 397,208 thousand refer primarily to the bond of Euro 350,000 thousand issued on November 3, 2021, 4.875% coupon with half-yearly payment on April 30 and October 30 of each year and maturity of 5 years. The bond was listed on the Luxembourg stock exchange on the Euro MTF Market (unregulated market).

For the placement of the Bond, Goldman Sachs and BNP operated by *Joint Global Coordinator*, supported by JP Morgan and Akros Bank.

The Bond is treated in the financial statements with the amortized cost method and has a value as of June 30, 2022, of Euro 338,994 thousand.

Liabilities to banks equal to Euro 5,682 thousand relate to AlmagivA do Brasil (Euro 2,030 thousand), The Data Appeal Company (Euro 145 thousand), Sadel (Euro 1,941 thousand), CRC (Euro 1,566) and AlmagivA S.p.A. (Euro 1 thousand).

Liabilities to other lenders equal to Euro 18,150 thousand mainly refer to subsidized loans received on projects financed by AlmagivA S.p.A. (Euro 6,936 thousand), to OBDA System for Euro 5 thousand, to The Data Appeal Company (Euro 209 thousand) and for Euro 11,000 thousand relating to the debt to Simest.

In particular, non-current financial liabilities to Simest, in the amount of Euro 11,000 thousand, relate to the portion of share capital and the share premium of AlmagivA do Brasil subscribed by SIMEST. This transaction makes provision, inter alia, for the irrevocable obligation of the subsidiary AlmagivA Contact to acquire from SIMEST (which has committed to sell) the shares subscribed by the latter by June 30, 2023. There are several conditions that can anticipate the date of exercise of the options, which in any case cannot fall before June 30, 2019. As the conditions laid out in IAS 32 "Financial instruments: presentation" were met, the entire amount subscribed by Simest was classified under financial liabilities and measured in accordance with the requirements laid out in IAS 39 "Financial instruments: recognition and measurement".

Non-current financial liabilities deriving from the adoption of IFRS 16 are equal to Euro 34,382 thousand, the reclassifications for Euro 9,761 thousand refer to the exchange difference of the companies with functional other than the Euro and the reclassification from non-current portions to current portions of the debt.

### 24. DEFERRED TAX LIABILITIES

Deferred tax liabilities are equal to Euro 81 thousand as at June 30, 2022 and increased in the period for Euro 79 thousand due to the transition to the International Accounting Standards IAS/IFRS carried out in 2022 by AlmagivA Digitaltec and by Sadel:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Deferred tax liabilities</b>	<b>81</b>	<b>2</b>



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Balance at the beginning of the year</b>	<b>2</b>	<b>2</b>
Increases	79	0
Decreases	0	0
<b>Balance at the end of the year</b>	<b>81</b>	<b>2</b>

**25. OTHER NON-CURRENT LIABILITIES**

Other non-current liabilities equal to Euro 794 thousand as at June 30, 2022 (Euro 552 thousand as at December 31, 2021) are reported below:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Other non-current liabilities	304	0
Deferred income on capital grants	490	552
<b>Other non-current liabilities</b>	<b>794</b>	<b>552</b>

The fully amount refers to deferred income on capital grants.

**26. TRADE PAYABLES**

Trade payables are equal to Euro 314,683 thousand as at June 30, 2022 and increased for Euro 41,780 thousand compared to the previous year. They mainly include payables for the supply of services, as well as those relating to various services for activities carried out during the year. Specifically, overdue trade payables amount to Euro 53,721 thousand (Euro 51,288 thousand as of December 31, 2021) while those not due and due within 12 months amount to Euro 260,962 thousand (Euro 221,616 thousand as of December 31, 2021).

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
<b>Trade payables</b>	<b>314,683</b>	<b>272,904</b>

Please note that the trade-related payables are regulated based on the contractual conditions and specific agreements with the Group's suppliers.

**27. CURRENT FINANCIAL LIABILITIES**

Current Financial liabilities analysis, that include current lease liabilities related to new standard IFRS 16 application, is reported below:

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Payables due to banks	7,183	3,103
Current portion bonds	2,844	2,686
Payables due to other lenders	389	716
Accrued liabilities from financial expenses	146	201
Other financial payables	513	504
Financial liabilities for leasing IFRS 16	13,820	9,197
<b>Current financial liabilities</b>	<b>24,895</b>	<b>16,407</b>

Short-term financial liabilities for Euro 24,895 thousand refer to payables for short-term loans contracted with credit institutions and to the portion of payables for interest accrued to bondholders whose payment is expected on October 30, 2022. Finally, the item includes current financial liabilities for leasing, financial accruals and short-term payables of a different nature.

As regards the monetary movements of the period, it should be noted that: (i) at June 30, 2022 they generated a cash absorption equal to Euro 3,044 thousand; (ii) at June 30, 2021 they generated a cash absorption equal to Euro 1,660 thousand.

## **28. TAX PAYABLES**

Tax payables as at June 30, 2022, equal to Euro 34,203 thousand (Euro 32,398 thousand as at December 31, 2021) are reported below:

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Income taxes	3,660	924
Other taxes	30,543	31,474
<b>Tax payables</b>	<b>34,203</b>	<b>32,398</b>

They mainly refer to payables for IRPEF to be paid, payables for direct IRAP taxes, payables for suspended VAT, as well as taxes of foreign companies, in particular of the AlmagivA do Brasil Group.

## **29. OTHER CURRENT LIABILITIES**

Other current liabilities as at June 30, 2022, equal to Euro 137,119 thousand (Euro 121,329 thousand as at December 31, 2021) are reported below:

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
Payables due to social security institutions	13,133	18,301
Payables due to personnel	55,844	35,560
Miscellaneous payables	48,573	41,943
Deferred income	19,569	25,525
<b>Other current liabilities</b>	<b>137,119</b>	<b>121,329</b>

The payables to social security institutions equal to Euro 13,133 thousand refer to compulsory contributions accrued and to be paid to the social security institutions in relation to the salaries and fees paid.

Payables to personnel mainly refer to the provision for holidays and leave accrued by the staff and not yet paid, as well as for the subsidiaries AlmavivA Contact S.p.A., AlmavivA Services and Sistemi Territoriali Srl to the monthly payment for the month of June, the payment of which took place in the first days of July 2022, as per the ordinary management of salary payments.

Miscellaneous payables equal to Euro 48,573 thousand mainly include payables to project workers, payables to insurance companies, payables for collections to be paid to partners, payables to the parent company AlmavivA Technologies for tax consolidation (equal to Euro 36,622 thousand which partially offset, as reported in Note 17, the existing credit position for the tax consolidation) and payables to corporate bodies.

Deferred income for Euro 19,569 thousand relates to economic components pertaining to future years.

### 30. REVENUE

Please consider that label "Revenue", reported below, has to be read as "Revenues from contracts with customers" as defined in IFRS 15.

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Revenues from sales and services	493,094	441,303
Revenues from sale of goods	12,658	6,062
Revenues from contract work in progress	9,258	4,059
<b>Revenues from contracts with customers</b>	<b>515,010</b>	<b>451,424</b>

The following is a breakdown of revenues deriving from contracts with customers based on the timing of recognition:

<b>Timing of revenue recognition</b>	<b>2022</b>	<b>2021</b>
Goods transferred at a point in time	12,658	6,062
Services transferred over time	502,352	445,362
<b>Total revenue from contracts with customers</b>	<b>515,010</b>	<b>451,424</b>

Revenues deriving from contracts with Group customers include estimated revenues based on the input and output method as indicated in the drafting criteria. Revenues from assets transferred at a point in time result from deliveries made by AlmavivA S.p.A. in the contracts relating to the Transportation sector.

The table below shows a breakdown of revenues by Operating segments for six months ended June 30, 2022 and 2021. Inter-segment elimination has not been considered and eliminated.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
IT Services	339,002	306,229
CRM Europe	27,037	41,350
CRM International	130,556	91,502
Almawave – New Technology	18,416	12,343
<b>Revenues from contracts with customers</b>	<b>515,010</b>	<b>451,424</b>

Revenues in the IT Services segment on June 30, 2022, increased by Euro 32,773 thousand, equal to 10.7% compared to the previous period. This increase is mainly due to the growth in demand for services from customers in the Transport, Banking Insurance, Welfare, Homeland Security e Local Government, Ministries, Health Treasury and Public Finance business areas. This growth was partially offset by a reduction in revenues attributable to the Agriculture, International, Utilities, and Other business area.

The revenues of the CRM Europe segment recorded a decrease of Euro 14,313 thousand (34.6%) compared to the previous period. The decrease concerned all business areas, mainly the Telco, Transport, Utilities and Other business area partially offset by a slight growth in Government business area.

Revenues from contracts with customers in the CRM International segment as at June 30, 2022 show an increase of Euro 39,054 thousand, equal to 42.7% compared to the previous period. The increase is attributable to the Telco / Media, Finance and Other business areas. This trend is affected also both by the improvement in the Euro/Reais exchange rate and by the M&A transactions carried out during the period.

Revenues from contracts with customers in the Almawave-New Technology segment increased by Euro 6,073 thousand, up 49.2% compared to the previous period. This increase is mainly due to the increase in revenues from the sale of software technologies to customers in the Government, Transport, Telco / Media, Finance and Utilities and Other areas.

Revenues from contracts with AlmagivA Group customers are mainly generated in Italy. The revenues generated abroad mainly concern Brazil and, to a lesser extent, Tunisia and Colombia. For further details on the breakdown by geographical area, please refer to Note no. 5.

The fees for services to be provided as at June 30 2022, based on the contracts already acquired by the Group, amount to Euro 2,544,026 thousand, of which Euro 325,868 thousand to be absorbed within this year and Euro 2,218,158 thousand to be absorbed beyond the year.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**31. OTHER INCOME**

Other income are reported in the following table:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Recovery of personnel costs	520	618
Recovery of costs of service provision	3,089	1,789
Recovery of costs of use of assets	46	11
Reversal of provisions	5,158	1,833
Other income	3,663	3,768
Operating grants	956	745
Reversal of over-accruals of trade payables	61	954
<b>Other income</b>	<b>13,493</b>	<b>9,718</b>

Other income amount to Euro 13,493 thousand (Euro 9,718 thousand as at June 30, 2021) and the most significant items relate to the absorption of other ordinary funds for guarantees; to the recovery of personnel costs, provision of services and use of third-party assets; to contingencies from adjustments to items allocated in previous years.

**32. COST OF RAW MATERIALS AND SERVICES**

Cost of raw materials and services are reported in the following table:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Raw materials, consumables, supplies and goods	18,193	20,460
Costs for services	189,608	148,169
Costs of use of third party assets	2,775	2,562
Costs for services capitalised for assets created internally	(2,107)	(1,096)
Changes in inventories	(917)	(544)
<b>Cost of raw materials and services</b>	<b>207,552</b>	<b>169,551</b>

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
IT Services	166,018	139,890
CRM Europe	6,679	8,439
CRM International	35,114	22,422
Almawave New Technology	9,553	6,577
Adjustments eliminations and other	(9,812)	(7,776)
	<b>207,552</b>	<b>169,551</b>

The item increased during the period by Euro 38,001 thousand. The increase is generally attributable to higher revenues in the IT Services sector, with a consequent increase in costs (Euro 26,129 thousand), as well as in the Almawave-New Technology segment (increase in costs of Euro 2,976 thousand) and in the CRM International segment (increase in costs by Euro 12,693 thousand). This effect was partially offset in the CRM Europe segment where costs decreased by Euro 1,760 thousand in addition to the change in inter-sector matches and influenced by the trend of the Euro/Reais exchange rate and the M&A transactions carried out during the period.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

The table below shows, in more details, the disaggregation of *cost of services* as at June 30, 2022 and 2021:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Maintenance	20,202	18,693
Insurance	1,650	1,446
Consultancy and professional services	103,948	77,580
Advertising, promotion and entertainment	406	432
Telephone expenses	2,756	2,135
Travel and stays	1,513	709
Energy and fluids	4,390	3,498
Distribution and warehousing	207	1,344
Other costs for services	54,536	42,332
<b>Costs for services</b>	<b>189,608</b>	<b>148,169</b>

The item other costs for services includes operating expenses and various services such as canteen expenses and meal vouchers reserved for employees, legal and notary fees, commissions and expenses for banking services, expenses for training courses, costs for cleaning and costs incurred towards third parties essentially referring to expenses for insurance policies and expenses for travel and business trips, in the present half year the item in question also includes the expenses for corporate protection related to Covid 19 (costs for sanitization, cleaning, purchase of masks and gloves). The increase in costs is related to the increase in turnover volumes.

### **33. PERSONNEL EXPENSES**

Personnel expenses are broken down as follows:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Salaries and wages	194,428	173,900
Social security contributions	34,725	34,357
Employee benefit expenses	7,916	7,996
Other costs	1,286	1,435
Agency work	1,257	2,005
Personnel expenses capitalised for assets created internally	(7,008)	(5,314)
<b>Personnel expenses</b>	<b>232,604</b>	<b>214,379</b>

Personnel expenses increased by Euro 18,226 thousand, or 8.5%.

The cost of employee with share-based payment, is equal to Euro 1,719 thousand as at June 30, 2022; the costs just mentioned derive from the best estimate of the achievement of the objectives contained in the Stock Grant Plan. There are no cancellations or changes to the plan during the semester except for the assignment of objectives to a new strategic employee.

The number of employees as at June 30, 2022 is equal to 46,463 and the average number of employees of companies included in the consolidation area, broken down by category, is as follows:

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

	At June 30, 2022	At June 30, 2021
Executives	287.8	258.8
Middle managers	1,000.8	926.7
White-collar employees	44,369.2	42,975.0
<b>Total Group average employees</b>	<b>45,657.8</b>	<b>44,160.5</b>
Agency workers	70.3	111.0
<b>Total workforce</b>	<b>45,728.2</b>	<b>44,271.5</b>

**34. DEPRECIATION, AMORTIZATION and PROFIT (LOSS) FROM SALE OF NON-CURRENT ASSET**

Depreciation, amortization and profit (loss) for sale of non-current asset are broken down as follows:

<i>(in thousands of Euro)</i>	For the six months ended June 30,	
	2022	2021
Industrial patent and intellectual property rights	4,481	3,551
Concession, licence and trademarks	133	111
Other	4,612	3,936
<b>Total Intangible Depreciation and Amortization</b>	<b>9,226</b>	<b>7,598</b>
Civil and industrial buildings	393	392
Industrial and commercial equipment	80	65
Plants and machinery owned	1,657	1,212
Other assets owned and leased	3,836	3,336
ROU Asset - Civil and industrial buildings IFRS16	5,006	4,555
ROU Asset - Other assets owned and leased IFRS16	1,358	558
<b>Total Tangible Depreciation and Amortization</b>	<b>12,330</b>	<b>10,118</b>
<i>Impairment Loss of Intangible asset</i>	<i>0</i>	<i>0</i>
<b>Total Depreciation and Amortization</b>	<b>21,555</b>	<b>17,716</b>

**LOSSES FROM SALE ON NON-CURRENT ASSETS**

<i>(in thousands of Euro)</i>	For the six months ended June 30,	
	2022	2021
<i>Disposals of Intangible Assets</i>	<i>2</i>	<i>1</i>
<i>Disposals of Tangible Assets</i>	<i>201</i>	<i>89</i>
<i>Disposals of Financial Assets</i>	<i>0</i>	<i>0</i>
<b>Total profit (losses) from sale on non-current assets</b>	<b>203</b>	<b>90</b>

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**35. OTHER EXPENSES**

Other operating expenses are broken down as follows:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Write-down of receivables	94	26
Provisions for risks	2,595	2,129
Taxes and duties	489	118
Membership fees	475	370
Other expenses	838	2,645
Reversal of over-accruals of trade receivables	46	99
<b>Other operating expenses</b>	<b>4,537</b>	<b>5,387</b>

Net provisions for risks and charges are recorded for Euro 2,595 thousand by the IT Services sector. Information relating to provisions for risks and charges is indicated in Note no. 22 to which reference is made. The other non-recurring operating costs include almost exclusively the economic effect found for the closure of previous items.

**36. FINANCIAL INCOME/(EXPENSES) AND EXCHANGE GAINS/(LOSSES)**

Financial income (expenses) and exchange gains/(losses) are reported below:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Financial income	1,756	297
Financial expenses	(12,712)	(13,541)
Exchange gains/(losses)	(516)	(105)
Financial expenses for leasing IFRS 16	(2,516)	(1,891)
<b>Net financial result</b>	<b>(13,988)</b>	<b>(15,240)</b>

As shown in the previous table, the result is negative as at June 30, 2022 for Euro 13,988 thousand, against a negative result of Euro 15,240 thousand as at June 30, 2021, with a decrease of Euro 1,252 thousand.

**37. GAINS/(LOSSES) ON EQUITY INVESTMENTS INCLUDING THOSE RESULTING FROM VALUATION AT EQUITY METHOD**

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Gains/(losses) on equity investments	0	0
Profit/(loss) from investments accounted for using equity method	6	(869)
<b>Net result from equity investments</b>	<b>6</b>	<b>(869)</b>



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

As shown in the previous table, the valuation with the equity method shows an amount of 6 as of June 30, 2022, against a negative result of Euro 869 thousand as at June 30, 2021.

**38. INCOME TAXES**

Income taxes are broken down as follows:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Italian Companies		
<i>IRAP (Regional business tax)</i>	2,584	2,048
<i>IRES (Corporate income tax)</i>	9,927	6,704
<i>(Income) expenses from compliance with tax consolidation</i>	(129)	(432)
	<b>12,382</b>	<b>8,320</b>
Foreign companies		
<i>Other current taxes</i>	4,833	4,171
	<b>4,833</b>	<b>4,171</b>
<b>Current Taxes</b>	<b>17,215</b>	<b>12,491</b>
Italian Companies		
<i>IRAP (Regional business tax)</i>	(86)	(1)
<i>IRES (Corporate income tax)</i>	(1,232)	(8,899)
	<b>(1,318)</b>	<b>(8,900)</b>
Foreign companies		
<i>Other deferred taxes</i>	18	448
	<b>18</b>	<b>448</b>
<b>Deferred taxes</b>	<b>(1,300)</b>	<b>(8,452)</b>
<b>Income taxes for the year - Non recurring portion</b>	<b>1</b>	<b>5</b>
<b>Total Income taxes</b>	<b>15,917</b>	<b>4,044</b>

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

**39. INCOME TAXES RECONCILIATION**

Reconciliation of tax expense and the accounting profit multiplied by Group Almaviva's domestic tax rate:

<i>(in thousands of Euro)</i>	<b>For the six months ended June 30,</b>			
	<b>2022</b>		<b>2021</b>	
<b>Income before taxes</b>	<b>48,475</b>	<b>100.0%</b>	<b>38,091</b>	<b>100.0%</b>
<b>Theoretical taxes (*)</b>	<b>11,634</b>	<b>24.0%</b>	<b>9,142</b>	<b>24.0%</b>
<b>Effective tax charge</b>	<b>15,917</b>	<b>32.83%</b>	<b>4,044</b>	<b>10.62%</b>
<b>differences between theoretical and effective tax charge</b>	<b>4,283</b>	<b>8.83%</b>	<b>(5,098)</b>	<b>-13.38%</b>
<b>1) different foreign tax rates</b>				
<b>1a) Exchange rate differences</b>	2,677	5.52%	1,273	3.34%
<b>2) permanent differences:</b>				
<b>2a) IRAP and other italian regional taxes</b>	2,584	5.33%	2,048	5.38%
<b>2b) taxes of prior periods</b>	1	0.00%	5	0.01%
<b>2c) tax credit R&amp;D</b>	0	0.00%	0	0.00%
<b>2d) consolidation adjustments</b>	57	0.12%	98	0.26%
<b>2e) IAS 19</b>	0	0.00%	0	0.00%
<b>2f) other differences (**)</b>	(1,036)	-2.14%	(8,522)	-22.37%
<b>Total differences</b>	<b>4,283</b>	<b>8.83%</b>	<b>(5,098)</b>	<b>-13.38%</b>

(\*) Theoretical tax charge calculated by applying IRES (italian statutory tax rate)

(\*\*) Other differents are mainly related to these fiscal effects: IFRS 16 adoption, deduction for super-amortization, non-deductible occurrence

**40. GUARANTEES AND COMMITMENTS**

The Group granted the following guarantees as at June 30, 2022:

- personal guarantees of Euro 215,813 thousand (Euro 216,958 thousand as at December 31, 2021), which are "in favour of subsidiaries" recorded by Almaviva S.p.A. for co-obligations issued to various insurance companies in the interest of Agrisian S.C.p.A. in Liquidation amounting to Euro 206,583 thousand and relative to the contract with the Ministry of Agricultural and Forest Resources; "in favour of other parties" in the amount of Euro 9,230 thousand, guarantees recorded by Lombardia Gestione of Euro 89 thousand for the execution of the service agreement, by Kline for Euro 20 thousand, by Almaviva Contact S.p.A. in the amount of Euro 8,857 thousand; Sadel S.p.A. in the amount of Euro 284 thousand.
- real guarantees provided as part of the new High Yield bond issue of November 3, 2021 and the new Revolving credit line for Euro 149,777 thousand relate to: Euro 69,543 thousand pledges on the shares held by Almaviva S.p.A. in Almaviva do Brasil Telemarketing Informatica S.A. ; Euro 57,537 thousand pledges on the shares held by Almaviva Contact S.p.a. in Almaviva do Brasil Telemarketing Informatica S.A. ; Euro 26,410 thousand pledges on the shares held by Almaviva do Brasil and by his subsidiary Aquarius Participacoes in Chain Serviços e Contact Center S.A. In order to guarantee the fulfillment of the secured credits, the following have been established: a pledge agreement on the intra-group items between Almaviva do Brasil and Almacontact SaS related to the intercompany loan received from latter. As a further guarantee of this loan, the shares held by Almaviva Technologies S.r.l. have also been pledged equal to 95.11% of the share capital in Almaviva S.p.A.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

- guarantees provided through pledges on the shares held by by AlmavivA Contact in Simest S.p.A for Euro 1,545 thousand.

To date there are no risks of enforcement of the aforementioned guarantees and the Group also does not receive commissions related to the commitments made.

**Other guarantees, commitments and risks**

These amounted to Euro 8,478 thousand (Euro 8,478 thousand as at December 31, 2021) and refer to third party assets held by AlmavivA S.p.A.

**41. RISKS AND OTHER INFORMATION**

***Credit risk***

The maximum theoretical exposure to credit risk for the AlmavivA Group as at December 31, 2021 is represented by the carrying amount of financial assets reported in the financial statements, in addition to the nominal value of guarantees given on the payables or commitments of third parties.

Trade receivables due from customers represent the greatest exposure to credit risk. In respect of the risk of customer default, an appropriate write-down provision is recorded in the financial statements, the amount of which is periodically reviewed. The write-down process adopted by AlmavivA S.p.A. requires trade positions to be subject to an individual write-down based on the age of the receivable, the reliability of the individual debtor and the progress of debt management and collection procedures. Trade receivables are generated by the Group operations in different regions/countries (predominantly in Italy and Brazil) with diversified customers and counterparties from a geographical and sector point of view (industrial, energy, telephone firms, public administrations, commercial companies, etc.) and in terms of dimensions (large corporate, small and medium enterprises, residential customers).

The following table shows the overall exposure of AlmavivA Group's receivables, together with a breakdown by amounts falling due and past due. For more detailed information, please refer to Note 15 above.

<i>(in thousands of Euro)</i>	<b>At June 30, 2022</b>	<b>At December 31, 2021</b>
- Amount falling due	386,170	372,187
- Past due	53,149	47,487
<b>Trade receivables net of Bad debt provision</b>	<b>439,319</b>	<b>419,674</b>

***Liquidity risk***

Liquidity risk, according to generally accepted definition, represents the risk that available financial resources could be not sufficient to cover maturing financial liabilities. AlmavivA S.p.A. evaluated this risk as remote for the company and for the Group. During the assessment, the entity considered its own capability to generate cash flows from operating activities and from sources of financing that, after renewed financial structure, allow to get a significant saving on cost of borrowing. Liquidity risk has not suffered significant impacts from the Covid-19 pandemic.

***Exchange rate risk***

Exposure to the risk of exchange rates changing derives from the company's transactions in non-euro currencies (mainly the Brazilian Real) and affects the Interim Condensed Consolidated Financial Statements (economic result and shareholders' equity) due to translating assets and

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

liabilities of companies that draft their financial statements with functional currency other than the Euro. The risk arising from translating assets and liabilities of companies that draft their financial statements with non-euro functional currency is not usually subject to hedging, barring another specific assessment. The Interim Condensed Consolidated Financial Statements as at 31 December 2021 were impacted by the worsening of the EUR / R \$ exchange rates.

### **42. INFORMATION ON FAIR VALUE MEASUREMENT**

The Group uses the fair value within the Interim Condensed Consolidated Financial Statements for the valuation of the number of shares of Almax S.p.A. freely assigned to employees for the 2021-2023 Stock Grant Plan. In addition, the fair value is used for the information provided regarding the bond. In both circumstances, the input used is type 1.

### **43. LEGAL ISSUES AND LITIGATIONS**

Tax, administrative, civil and labour disputes are handled by the Almax Group's competent departments that provided, for the drafting of the financial statements, a comprehensive and exhaustive overview of the different proceedings in progress. In respect of these disputes, the company, also with the help of the opinions provided by the Group's external legal representatives, carried out an accurate assessment of the risk of being the losing party which determined the recognition of the appropriate provisions for disputes likely to have a negative outcome and, which could be reasonably quantified, as represented and commented on in these notes, under "Provisions for risks and charges" - Note 22. For those proceedings whose negative outcome, owing to the different case law positions, was only considered possible, no specific allocations were made in accordance with the regulations governing the drafting of the Interim Condensed Consolidated Financial Statements.

#### **Contingent liabilities**

The disputes for which, also based on the opinions provided by the Group's external legal representatives, it was only deemed possible that the legal proceedings would result in an unfavourable outcome are indicated below. Therefore, no specific allocations were made in accordance with the regulations governing the drafting of the Interim Condensed Consolidated Financial Statements.

Shown below are the main contingent liabilities as at December 31, 2021 not recorded in the financial statements owing to the absence of the necessary requirements set out in reference standard IAS 37.

#### **Almax S.p.A.**

*Aubay Research & Technologies S.p.A./Sogei S.p.A./Almax S.p.A. (RTI's agent with Bit Media S.p.A.)*

Aubay S.p.A. has requested the cancellation, after suspension of effectiveness, of the communication of its exclusion from the open procedure for the assignment of the support service for the use of the ETL product "*Informatica Power Center. Gara E 901*", banned by Sogei S.p.A. To the council chamber of the 14 October 2009, Aubay S.p.A. has requested the postponement of the processing of the precautionary application to propose additional reasons against the final award in the meantime intervened. On 20 November 2009, Aubay S.p.A. has notified RTI Almax of additional reasons. RTI Almax has concluded the activities referred to in the contract. The substantive hearing is not yet scheduled. The outcome of the risk assessment did not determine the need to enter risk funds.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

*Eustema S.p.A./FAPI-Fondo Formazione Piccole e Medie Imprese/Almaviva TSF S.p.A., now Almaviva S.p.A.*

Eustema S.p.A. has requested the cancellation, after suspension of effectiveness, of the Notice and of the resolution of the Board of Directors of FAPI of 9 November 2010 regarding the appointment of the Selection Board of the tender called by FAPI for the assignment of the service for the construction of the new IT system and the related support activities for the automation of flows relating to financing activities for training. The TAR of Lazio rejected the precautionary request. The substantive hearing has not yet been scheduled. The outcome of the risk assessment did not determine the need to enter risk funds.

*RTI Almaviva S.p.A. (agent of the RTI established with Telecom Italia S.p.A. and Agriconsulting S.r.l.) / Consip S.p.A./ Ministry of the Environment and Protection of Land and Sea ("MATTM")/ Presidency of the Council of Ministers*

The RTI Almaviva has requested, with an appeal before the Lazio Regional Administrative Court, the joint and several condemnation of the MATTM, Consip and the Presidency of the Council of Ministers to pay the compensation and the greater sums due as compensation for damages, as a result of the provision with which the MATTM revoked the tender for the concession of the Waste Traceability Control System (SISTR), announced by Consip and awarded to RTI Almaviva. By judgment of 22 February 2021, the Lazio Regional Administrative Court partially upheld the appeal, ruling positively on the claim for compensation. On 31 March 2021, RTI Almaviva notified the appeal before the Council of State. The hearing is pending.

*RTI Almaviva S.p.A. (agent of RTI with Engineering Ingegneria Informatica S.p.A./ Consip S.p.A./ RTI Leonardo Finmeccanica S.p.A. (RTI agent with HPE Services Italia S.r.l., e-GEOS S.p.A., Green Aus S.p.A., ABACO S.p.A.) / Ministry of Agricultural, Food and Forestry Policies/ Ministry of Economy and Finance/ Agency for Agricultural Disbursements/ National Anti-Corruption Authority*

The RTI Almaviva has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the final award measure in favor of the RTI Leonardo of lot 3 of the tender procedure for the assignment of the development and management services of the National Agricultural Information System (SIAN) for Agea. By judgment of 6 November 2019, the Lazio Regional Administrative Court upheld the appeal. RTI Leonardo notified the appeal before the Council of State. By judgment of 11 June 2020, the Council of State upheld the appeal of RTI Leonardo. RTI Almaviva notified the appeal for revocation on 8 September 2020. On March 4, 2021, the substantive hearing was held. By judgment of 8 April 2021, the Consiglio di Stato declared the appeal inadmissible.

*RTI Almaviva S.p.A. (agent of the RTI established with Engineering Ingegneria Informatica S.p.A. and Sistemi Informativi Geografici S.r.l.) /Consip S.p.A./ RTI Agriconsulting S.p.A. (RTI's agent with Consorzio Stabile Arcodrea Engineering Soc. Consortile a r.l., Consorzio Stabile Reply Public Sector, Agrifuturo Soc. Coop. a mutualità prevalente, CGR Compagnia Generale Ripreseeree S.p.A.) / Ministero delle politiche agricole alimentari e forestali/ Ministero dell'economia e finanze/ Agenzia per le erogazioni in agricoltura/ Autorità nazionale anticorruzione*

The RTI Almaviva has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the exclusion measure of Engineering - and therefore of the RTI Almaviva of which Engineering is part as principal - from lot 2 of the open procedure tender for the assignment of the development and management services of the National Agricultural Information System (SIAN) for Agea. Engineering brought an independent appeal. RTI Agriconsulting brought a cross-appeal. By judgment of 1 July 2021, the Lazio

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

Regional Administrative Court dismissed the appeals of RTI AlmagivA and Engineering. RTI AlmagivA has appealed to the Council of State. Engineering has appealed autonomously. The substantive hearing was held on 21 December 2021. By judgment of 23 December 2021, the Council of State rejected the appeals of RTI AlmagivA and Engineering.

*RTI AlmagivA S.p.A. (agent of the RTI established with Engineering Ingegneria Informatica S.p.A. and Sistemi Informativi Geografici S.r.l.) / Consip S.p.A./ RTI Agriconsulting S.p.A. (RTI's agent with Consorzio Stabile Arcodrea Engineering Soc. Consortile a r.l., Consorzio Stabile Reply Public Sector, Agrifuturo Soc. Coop. a mutualità prevalente, CGR Compagnia Generale RipreseAeree S.p.A.) / Ministero delle politiche agricole alimentari e forestali/ Agenzia per le erogazioni in agricoltura/ Autorità nazionale anticorruzione*

The RTI AlmagivA has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award of lot 2 of the open tender for the assignment of the development and management services of the National Agricultural Information System (SIAN) for Agea in favor of the RTI Agriconsulting, adopted by Consip. Engineering brought an independent appeal. The substantive hearing has been fixed at September 21, 2022.

*RTI AlmagivA S.p.A. (agent of the constituting RTI with Fastweb S.p.A. and Consorzio Reply Public Sector)/ Consip S.p.A./ Ministry of Education/ Ministry of University and Research/ Enterprise Services Italia S.r.l. (agent of the constituting RTI with Leonardo S.p.A.) / Engineering Ingegneria Informatica S.p.A. (agent of the constituting RTI with Accenture S.p.A.)*

The RTI AlmagivA has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the tender documents for the assignment of the support, development and management services of the education information system (SID) ID 1975 – lot 2 ("MIUR Tender") and of the award measure against the RTI Enterprise. RTI Engineering also requested, with an independent appeal, the annulment of the acts of the MIUR Tender. With a provision of 9 November 2020, Consip canceled the MIUR tender. The RTI Enterprise has requested, with an appeal before the Lazio Regional Administrative Court, the annulment of the measure with which Consip annulled the MIUR Tender. On 31 March 2021, the substantive hearing was held. By judgment of 9 April 2021, the Lazio Regional Administrative Court partially upheld the appeal of RTI Enterprise, annulling the annulment measure of the MIUR Tender, rejecting the appeal of RTI AlmagivA and upheld the appeal of RTI Engineering, annulling the award measure in favor of RTI Enterprise; the Tar Lazio has, consequently, ordered the renewal of the MIUR Tender starting from the phase of presentation of the offers by the competitors who were invited at the time. On 26 April 2021, the RTI Enterprise notified the appeal before the Council of State. The precautionary hearing in the council chamber was held on June 10, 2021. The substantive hearing was held on 30 September 2021. On May 10, 2021, Consip notified the compliance appeal for clarifications pursuant to art. 112, paragraph 5, c.p.a. The hearing in the council chamber was held on July 14, 2021. By order of 15 July 2021, the Lazio Regional Administrative Court formulated the requested clarifications, clarifying that "*the procedure will have to be repeated only in favour of the economic operators who have previously submitted such tenders*" and that in the renewal of the Consip race "*is required to reconvene the same Tender Commission*". By judgment of 8 October 2021, the Council of State dismissed RTI Enterprise's appeal.

*RTI S.E.T.I. S.n.c. (agent of the constituting RTI with Consorzio Nazionale Sicurezza S.c.ar.l.) / S.M.A. CAMPANIA S.p.A./ AlmagivA S.p.A. (agent of the constituting RTI with Servizi di Informazione Territoriale S.r.l. and New Technology Engineering Italia S.r.l.)*

The RTI SETI has brought an action before the Campania Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor of the

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

RTI Almoviva of the tender for "the assignment of the detailed design, supply, installation and management of an integrated technologically advanced surveillance system for the detection and recognition of people and vehicles in restricted areas of interest within the area known as "Land of Fires" – Action 2.1 – Video surveillance" adopted by S.M.A. CAMPANIA S.p.A.. At the outcome of the hearing in the council chamber on 24 March 2021, the Campania Regional Administrative Court rejected the precautionary application and set the substantive hearing for 26 May 2021. On 29 March 2021, RTI SETI notified the appeal against the precautionary order of the Campania Regional Administrative Court. The Council of State has set the precautionary hearing in the council chamber for May 6, 2021. On 23 April 2021, the RTI SETI waived the precautionary judgment on appeal. The Council of State, by order of 7 May 2021, took note of the renunciation. The substantive hearing was held on 26 May 2021. By judgment of 12 July 2021, the Campania Regional Administrative Court dismissed RTI SETI's appeal. RTI SETI has appealed to the Council of State. The hearing date was held on March 31, 2022. With a sentence of May 30, 2022, the Council of State rejected the appeal of the RTI SETI.

*Engineering Ingegneria Informatica S.p.A./ Regione Autonoma della Sardegna/ RTI Almoviva S.p.A. (principal of the constituting RTI with Accenture S.p.A. agent and Dedalus S.p.A.)*

Engineering has appealed to the Tar Sardegna for the annulment, after adoption of precautionary measures, of the award measure in favor of the RTI Almoviva of the tender for the award of the "Management, maintenance and re-engineering services of the architecture of the Regional Integrated Health Information System (SISaR) and acquisition of the SISaR 2.0 CIG integration infrastructure 7686214073", adopted by the Autonomous Region of Sardinia. The TAR Sardinia has set the hearing in the council chamber to April 7, 2021. On April 2, 2021, Engineering waived the appeal.

*RTI NTT DATA ITALIA S.p.A. (agent of the constituent RTI with PC CUBE S.r.l. and Agic Technology S.r.l.) / Consip S.p.A./ RTI Almoviva (agent of the RTI entity with Dedagroup Public Services S.r.l., Ecubit S.r.l. and GeoSystems S.r.l.)*

The RTI NTT DATA has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor of the RTI Almoviva of lot 1 of the tender for the acquisition of services related to the production and maintenance of software in Microsoft environment and PHP – ID 2225, adopted by Consip. By judgment of 19 July 2021, the Lazio Regional Administrative Court upheld the appeal of the RTI NTT DATA. RTI Almoviva has appealed to the Council of State. The substantive hearing was held on 27 January 2022. With a sentence of 25 May 2022, the Council of State accepted the appeal of the RTI Almoviva.

*TLS Group S.A./ Embassy of Italy in Cairo/ Ministry of Foreign Affairs and International Cooperation/ Almoviva S.p.A.*

TLS has appealed to the Lazio Regional Administrative Court for the annulment of the award order in favour of Almoviva of the tender for the outsourcing of services relating to the performance of activities auxiliary to the issuance of entry visas in Italy – CIG n. 84535787DB6, adopted by the Embassy of Italy in Cairo. The substantive hearing was held on 29 September 2021. By judgment of 16 November 2021, the Lazio Regional Administrative Court dismissed TLS' appeal.

*Telecom Italia S.p.A./ Consip S.p.A./ RTI Almoviva S.p.A. (agent of the RTI established with Engineering D.HUB S.p.A.)*

Telecom Italia has appealed to the Lazio Regional Administrative Court for the annulment, after adopting precautionary measures, of the award measure in favor of the RTI Almoviva of lot 1 of

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

the "open tender for the award of a framework agreement concerning the supply of Cloud IaaS and PaaS products in a public delivery model, related services, professional support services, technical professional services for Public Administrations – ID2213", adopted by Consip. The hearing on the merits was held on May 18, 2022. With a sentence of May 24, 2022, the Lazio TAR rejected Telecom Italia's appeal.

*Dedalus Italia S.p.A. (agent of RTI with Enterprise Service Italia Srl, Sinapsys Srl, Etna Hitech joint-stock consortium company, Ebit Srl, Consorzio Digisalus Scarl, Healthware Group Srl and Expleo Italia S.p.A.)/ Consip S.p.A./ GPI S.p.A. (agent of constituting RTI with VODAFONE ITALIA S.P.A., AGFA GEVAERT S.P.A., NUVYTA S.R.L., IQVIA SOLUTIONS ITALY S.R.L., KIRANET S.R.L., ABINTRAX S.R.L., ALMAVIVA - THE ITALIAN INNOVATION COMPANY S.P.A., B.C.S. BIOMEDICAL COMPUTING SYSTEMS S.R.L., ACCENTURE S.P.A.)*

The RTI Dedalus has proposed autonomous appeals to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measures in favor, among other things, of the RTI AlmagivA respectively of lots 1, 2, 3 and 4 of the open procedure tender divided into six lots pursuant to Legislative Decree. 50/2016, for the assignment of application services and the assignment of support services in the field of "Digital health – clinical-assistance information systems" for the public administrations of the NHS – ID 2202. The precautionary hearing has been set for January 12, 2022. The RTI Dedalus waived the appeals. By judgment of 1 February 2022, the Lazio Regional Administrative Court declared the appeals inadmissible.

*Leonardo S.p.A. / Ministry of Infrastructure and Sustainable Mobility - General Command of the Port Authority Corps / RTI AlmagivA S.p.A. (agent of the joint venture established with Fincantieri Nextech S.p.A.)*

Leonardo lodged an appeal with the Lazio TAR for the cancellation, after the adoption of precautionary measures, of the award provision in favor of the RTI AlmagivA of the tender "for the assignment of the management services of the VTS system for 36 months and an amount based on tender for 23,984,960.59 euros fully paid up excluded, with the option to provide additional services for a maximum amount of EUR 16,045,926.21 fully paid up excluded - CIG 8752782035 ". The precautionary hearing was held on May 18, 2022. The RTI AlmagivA filed a cross appeal. The hearing on the merits was set for October 12, 2022.

*RTI Leonardo S.p.A. (representative of the RTI with IBM Italia S.p.A., Sistemi Informativi S.r.l., Engineering Ingegneria Informatica S.p.A., Aruba PEC S.p.A., Sferanet S.r.l. and SMI Technologies and Consulting S.r.l.) / Consip S.p.A./ AlmagivA S.p.A. (principal of the joint venture established with Telecom Italia S.p.A., Netgroup S.r.l., Reevo S.p.A. and KPGM Advisory S.p.A.)*

The RTI Leonardo appealed to the Lazio TAR for the cancellation, after the adoption of precautionary measures, of the award provision in favor of the RTI of which AlmagivA is part of the tender for the conclusion of a Framework Agreement, with subject to the assignment of remote security, compliance and control services for Public Administrations ID Sigef 2296 (CIG Lot 1 88846293CA). The hearing on the merits was held on July 13, 2022 and the case was withheld for decision.

*Gerry's International Pvt. Ltd / Ministry of Foreign Affairs and International Cooperation / Embassy of Italy in Islamabad / BLS International Services Limited / AlmagivA S.p.A.*

Gerry (third classified) appealed to the Lazio TAR for the cancellation, subject to the adoption of precautionary measures, of the award order in favor of BLS International Services Limited, for the exclusion of the latter (first classified) and AlmagivA (second classified) from the tender for



## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

the "outsourcing of services relating to the performance of activities related to the issue of entry visas in Italy" and for the annulment of the refusal to access AlmagivA's technical offer. By order of 20 April 2022, the Lazio TAR granted the exhibition of the aforementioned technical offer. The hearing on the merits was held on July 19, 2022 and the case was withheld for decision.

*Kyndryl Italia S.p.A. (agent of RTI with Vodafone Italia S.p.A., Consorzio Reply Public Sector, Lutech S.p.A., Insirio S.p.A. and Itaware S.r.l.)/ Consip S.p.A./ AlmagivA S.p.A. (agent of RTI costituito with Eurolink S.r.l., Leonardo S.p.A., Net Service S.p.A., S.M.I. Technologies and Consulting S.r.l. and Telecom Italia S.p.A.)*

The Kyndryl RTI filed an appeal to the Lazio TAR for the cancellation, after the adoption of precautionary measures, of the award provision in favor of the RTI AlmagivA of the tender for the award of the Framework Agreement for the supply of System Management services for the Public Administrations - ID 2275. The hearing on the merits was set for September 21, 2022.

*AlmagivA S.p.A. + others/ Lloyd's Insurers (at Lloyd's General Representative for Italy)*

AlmagivA S.p.A. and other Group companies, as insured, by document notified on 13 July 2016, requested the Court of Milan to order Lloyd's insurers to reimburse the costs and legal costs of defence incurred in the context of an American litigation, in addition to compensation for damages. The Court rejected the plaintiff's claims by judgment of 18 June 2020, against which AlmagivA S.p.A. and the other Group companies appealed. Following the outcome of the first hearing, scheduled for 25 February 2021, the College postponed in a first moment the hearing on July 22, 2022, in a second moment anticipated at July 7, 2022, for the clarification of the form of order sought; the final defensive writings will be shortly provided. The outcome of the risk assessment did not determine the need to enter risk funds.

### **AlmagivA S.p.A.**

*RTI I.S.E.D. Ingegneria Dei Sistemi Elaborazione Dati S.p.A. (principal of the RTI with Telecom Italia S.p.A. agent and Intersistemi Italia S.p.A., Nike Web Consulting Srl, Telesio Sistemi Srl and SCS Azioinnova S.p.A.) / Agenzia delle Entrate - Riscossione/ Consip S.p.A./ AlmagivA S.p.A. (principal of the RTI entity with Reply S.p.A. agent and BIP Services S.r.l. and I.S.C. Information Sharing)*

The ISED RTI has proposed two appeals to the Lazio's TAR for the cancellation, after the adoption of precautionary measures, of the award measures, in favor of the RTI of which AlmagivA is the principal, of the specific contracts for the assignment of Software Development and Maintenance Services and Specialized Assistance (G13A and G13B) announced as part of the Framework Agreement "Application Services 2" - Lot no. 6. The substantive hearings were held on January 25, 2022. With judgments of February 11 and 14, 2022, the Lazio TAR rejected both appeals.

### **AlmagivA Digitaltec S.r.l.**

*RTI Exprivia S.p.A. (agent of RTI with Lutech S.p.A., ADS Automated Data Systems S.p.A., Data Processing S.p.A., Links Management and Technology S.p.A., SkyIT S.r.l. ed Etna Hitech S.c.P.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI with Consorzio Reply Public Sector agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Maggioli S.p.A.)*

*RTI Telecom Italia S.p.A. (agent of RTI with Deloitte Risk Advisory S.r.l., GPI S.p.A., Fincons S.p.A. e SIAV S.p.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI with Consorzio Reply Public Sector agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Maggioli S.p.A.)*

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

RTI Exprivia and Telecom Italia, with autonomous appeals, have appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor, among other things, of the RTI of which AlmagivA Digitaltec is the principal, of lot 3 of the "open tender divided into n. 9 lots pursuant to d.lgs. n. 50/2016 and s.m.i. for the conclusion of a Framework Agreement pursuant to Legislative Decree. n. 50/2015 concerning the assignment of application services in a cloud perspective and the assignment of PMO services for Public Administrations – ID 2212", adopted by Consip. The precautionary hearing in the council chamber was held on June 23, 2021. The substantive hearing was held on 17 November 2021. By judgments of 23 and 24 November 2021, the Lazio Regional Administrative Court dismissed the actions of RTI Telecom Italia and RTI Exprivia respectively. The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals took place on April 7, 2022. With a sentence of June 9, 2022, the Council of State rejected the appeal of the RTI Exprivia.

*RTI Exprivia S.p.A. (agent of RTI with Lutech S.p.A., ADS Automated Data Systems S.p.A., Data Processing S.p.A., Links Management and Technology S.p.A., SkyIT S.r.l. ed Etna Hitech S.c.P.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI with Maggioli S.p.A. agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Consorzio Reply Public Sector)*

*Rti Telecom Italia S.p.A. (agent of RTI with Deloitte Risk Advisory S.r.l., GPI S.p.A., Fincons S.p.A. e SIAV S.p.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI con Maggioli S.p.A. agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Consorzio Reply Public Sector)*

RTI Exprivia and Telecom Italia, with autonomous appeals, have appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor, among other things, of the RTI of which AlmagivA Digitaltec is the principal, of lot 4 of the "open tender divided into n. 9 lots pursuant to d.lgs. n. 50/2016 and s.m.i. for the conclusion of a Framework Agreement pursuant to Legislative Decree. n. 50/2015 concerning the assignment of application services in a cloud perspective and the assignment of PMO services for Public Administrations – ID 2212", adopted by Consip. The precautionary hearing in the council chamber was held on June 23, 2021. The substantive hearing was held on 17 November 2021. By judgments of 23 and 24 November 2021, the Lazio Regional Administrative Court dismissed the actions of RTI Telecom Italia and RTI Exprivia respectively. The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals took place on April 7, 2022. With a sentence of 9 June 2022, the Council of State rejected the appeal of the RTI Exprivia.

*RTI Exprivia S.p.A. (agent of RTI con Lutech S.p.A., ADS Automated Data Systems S.p.A., Data Processing S.p.A., Links Management and Technology S.p.A., SkyIT S.r.l. ed Etna Hitech S.c.P.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI con Maggioli S.p.A. agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Consorzio Reply Public Sector)*

*RTI Telecom Italia S.p.A. (agent of RTI con Deloitte Risk Advisory S.r.l., GPI S.p.A., Fincons S.p.A. e SIAV S.p.A.) / Consip S.p.A./ AlmagivA Digitaltec S.r.l. (principal of RTI con Maggioli S.p.A. agent and Onit Group S.r.l., Schema 31 S.r.l., P.A. Advice S.p.A., Geek Logica S.r.l., Sopra Steria Group S.p.A. e Consorzio Reply Public Sector)*

RTI Exprivia and Telecom Italia, with autonomous appeals, have appealed to the Lazio Regional Administrative Court for the annulment of the award measure in favor, among other things, of the RTI of which AlmagivA Digitaltec is the principal, of lot 5 of the "open procedure tender divided into n. 9 lots pursuant to Legislative Decree. n. 50/2016 and s.m.i. for the conclusion of

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

a Framework Agreement pursuant to Legislative Decree. n. 50/2015 concerning the assignment of application services in a cloud perspective and the assignment of PMO services for Public Administrations – ID 2212", adopted by Consip. The substantive hearing was held on 17 November 2021. By judgments of 23 and 24 November 2021, the Lazio Regional Administrative Court dismissed the actions of RTI Telecom Italia and RTI Exprivia respectively. The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals took place on April 7, 2022. With a sentence of 9 June 2022, the Council of State rejected the appeal of the RTI Exprivia.

### **Almaviva Contact S.p.A.**

*3G S.p.A. / Consip S.p.A. /Almaviva Contact S.p.A.*

3G S.p.A. has requested the annulment, after suspensive, of the measure with which Consip S.p.A. excluded it from the tender for the stipulation of the "*Framework Agreement with several economic operators on which to base the award of several specific contracts, pursuant to and for the purposes of art. 2, paragraph 225, Law n.191/2009 for the provision of Contact Center services*". The TAR of Lazio, in the council chamber of January 22 2014, ha the application for an injunction was rejected. With the decree of March 1, 2022, the Lazio TAR declared the appeal terminated

*Alicos S.p.A., now Almaviva Contact S.p.A./Alitalia Linee Aeree Italiane S.p.A. in A.S.*

Alicos S.p.A., in data 14 November 2008, has submitted an application for insinuation into the bankruptcy liabilities of Alitalia Linee Aeree Italiane S.p.A. in A.S., requesting the recognition in pre-deduction of the credits claimed for call center activities/services. Alicos S.p.A., admitted as unsecured, filed an appeal pursuant to art.111 bis L.F., then rejected. Almaviva Contact S.p.A. lodged an appeal against that rejection decision, which was then dismissed. With appeal in opposition pursuant to art. 98 L.F., Almaviva Contact S.p.A. challenged the passive status. This opposition was rejected and Almaviva Contact S.p.A. appealed to the Court of Cassation. The Court dismissed the appeal by order, against which Almaviva Contact appealed. In consideration of the valuation assessment of the risk carried out, it has been considered appropriate to proceed with the provision of a credit write-down fund related to the ongoing litigation.

*Alicos S.p.A., now Almaviva Contact S.p.A./Alitalia Servizi S.p.A. in A.S.*

Alicos S.p.A., in data 19 January 2009, has submitted an application for insinuation in the bankruptcy liabilities of Alitalia Servizi S.p.A. in A.S. asking for the recognition in pre-deduction of the credits claimed for call center activities/ services. Alicos S.p.A., whose credit was not admitted in pre-deduction, because according to the Commissioner it would be fully paid, filed an appeal pursuant to art.111 bis L.F., then rejected. Almaviva Contact S.p.A. lodged an appeal against that rejection decision, which was subsequently rejected. With appeal in opposition pursuant to art. 98 L.F., Almaviva Contact S.p.A. challenged the passive status. This opposition was rejected and Almaviva Contact S.p.A. appealed to the Court of Cassation. In consideration of the valuation assessment of the risk carried out, it has been considered appropriate to proceed with the provision of a credit write-down fund related to the ongoing litigation.

*Sogei S.p.A. / Almaviva Contact S.p.A.*

Sogei S.p.A. has requested the condemnation of Almaviva Contact S.p.A. to the restitution of sums paid as consideration for certain contracts between parties for the provision of telephone Help Desk services in the years 1998-2002. Almaviva Contact S.p.A. was defended in the

## **ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)**

judgment. The proceedings were postponed for clarification of the Form of Order Sought at the hearing on 18 October 2023.

*Alitalia in A.S. S.p.A. / Almaviva Contact S.p.A.*

Alitalia in A.S. S.p.A. has requested that the ineffectiveness (with consequent obligation to return) of the payments made by the same in favor of Almaviva Contact S.p.A. in the six months prior to the date of admission to the extraordinary administration procedure (2 May 2017) be declared ineffective, as allegedly carried out in "anomalous" ways and/or times. Almaviva Contact S.p.A. was defended in the judgment. The preliminary hearing, scheduled at first on March 31, 2022, it's been postponed on September 21, 2022.

### **Labour litigation**

During 2016, Almaviva Contact launched a collective redundancy procedure with the declaration of 2511 redundant workers, of which 1666 were employed at the Rome office (1063 full-time equivalent positions) and 845 employees at the Naples office (560 full-time equivalent positions). This procedure was concluded, at the Ministry of Economic Development, in the presence of the Ministry of Labor and Social Policies on December 22, 2016, with the signing of a Minutes of Agreement. This Agreement provided, as regards the Rome office, for the company's right to proceed with the dismissal of redundant workers and, as regards the Naples office, the continuation of the comparison; comparison at the end of which it was possible to enter into an agreement for the reduction of labor costs and for the application of the call center earnings layoff on February 28, 2017.

During 2017, the first appeals submitted by the dismissed workers were received. In this regard, we must point out that in April 2017 the Civil Court of Rome labor section (by decree of 22 April 2017, RG n. 2342/2017) rejected an appeal presented by the CGIL - Rome and Lazio district - with which the trade union organization had requested the conviction of the company for anti-union conduct deducing the illegality of the dismissal procedure. The Court of Rome has extensively argued noting the correctness of the company's work and the legitimacy of the procedure.

On the individual litigation front, it is confirmed that all the five panels of judges that make up the Court of Appeal of Rome (judge of second instance) have confirmed the absence of defects in the procedure and the legitimacy of the dismissals and have reformed the few judgments of a different sign that had been pronounced at first instance.

Some of the unsuccessful workers in the Court of Appeal filed separate appeals on a point of law. In all pending proceedings, the company resisted with a counter-appeal. During 2021, hearings were held to discuss more than two-thirds of the cases registered. The Attorney General at the Court of Cassation has concluded for the rejection of all the appeals discussed so far (for inadmissibility and / or unfoundedness).

During 2022, numerous judgments were filed by the Court of Cassation that rejected the appeals of over a thousand workers, confirming the appeal judgments.

In the last year, no out-of-court appeals have arrived from the company's coordinated and ongoing collaborators, but previous disputes remain.

With reference to the residual litigation activated by former collaborators of the company of the Catania and Palermo offices, we must point out that the Court of Appeal of Palermo has confirmed the line in favor of Almaviva Contact. The court of Catania continued to confirm its

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

line in favor of the Company's reasons by rejecting the merits all of the appeals filed by certain collaborators.

With regard to the project personnel subject to a stabilization offer during 2007-2008 by the company Atesia S.p.A. (later merged into Al mavivA Contact S.p.A.), in the reference period there was no notification of new judicial appeals concerning the qualification of the relationship. The company is also handling some individual disputes concerning the claim of higher duties: Also in this case, as for the further litigation, they were the risks of the individual positions have been assessed and, where necessary, provisions have been made on the balance sheet.

#### 44. TRANSACTIONS WITH RELATED PARTIES

The transactions carried out by the group with related parties basically concerned:

- (a) natural persons who directly or indirectly have voting power in the company preparing the financial statements that gives them a dominant influence over the company and their close family members;
- (b) executives with strategic responsibilities, that is, those who have the power and responsibility for planning, managing and controlling the activities of the company that draws up the financial statements, including directors and officers of the company and close family members of such persons;
- (c) companies in which significant voting power is held, directly or indirectly, by any natural person described in (a) or (b) or over which such natural person is able to exercise significant influence. This case includes companies owned by the directors or major shareholders of the company preparing the financial statements and companies that have a manager with strategic responsibilities in common with the company preparing the financial statements.

Jointly controlled companies, associated companies and subsidiaries excluded from the consolidation area are indicated in the annex "Companies and significant equity investments at June 30, 2022" which is considered an integral part of these notes.

The amounts of all the relationships initiated with the related parties are reported in the following tables, together with the nature of the most significant transactions.

#### Trade and other relations

Trade and other relations are analysed as follows:

(in thousands of Euro)	At June 30, 2022		For the six months ended June 30, 2022			
	Receivables	Payables	Costs of Services	Other Costs	Revenues from Services	Other Income
<b>Relationships with the controlling company of Al mavivA S.p.A.</b>						
Al mavivA Technologies Srl	25,940	36,780	168			1
<b>Relationships with the controlling companies valued at equity method</b>						
Consorzio Hypertix	68					
TVEyes L.T.	12	40				12
Al mavivA CCID	119					
Consorzio NameX			11			
<b>Strategic employees</b>						
Stock Grant Plan				1,719		
<b>Other</b>						
Elvit Consultoria e Participacoes LTDA			28			
<b>Total</b>	<b>26,139</b>	<b>36,820</b>	<b>207</b>	<b>1,719</b>	<b>0</b>	<b>13</b>

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**

(in thousands of Euro)	At December 31, 2021	
	Receivables	Payables
<b>Relationships with the controlling company of Al mavivA S.p.A.</b>		
Al mavivA Technologies Srl	30,393	31,552
<b>Relationships with the controlling companies valued at equity method</b>		
Consorzio Hypertix	68	
Sin Srl	6,189	167
TVEyes L.T.	8	71
Al maviva CCID	119	
Consorzio Namex		
<b>Strategic employees</b>		
Stock Grant Plan		
<b>Other</b>		
Elvit Consultoria e Partcipacoes LTDA		
<b>Totale</b>	<b>36,777</b>	<b>31,790</b>

(in thousands of Euro)	For the six months ended June 30, 2021			
	Costs of Services	Other Costs	Revenues from Services	Other Income
<b>Relationships with the controlling company of Al mavivA S.p.A.</b>				
Al mavivA Technologies Srl	150			2
<b>Relationships with the controlling companies valued at equity method</b>				
Consorzio Hypertix				
Sin Srl			21,794	382
TVEyes L.T.				8
Al maviva CCID				
Consorzio Namex	11			
<b>Other</b>				
Elvit Consultoria e Partcipacoes LTDA	21			
<b>Totale</b>	<b>182</b>	<b>0</b>	<b>21,794</b>	<b>392</b>

#### 45. SUBSEQUENT EVENTS

The use of so-called "smart working" agile work, which has affected most of the Group's employees, is still ongoing.

##### *THE DATA APPEAL COMPANY S.P.A.: STRENGTHENING THE LATIN AMERICA MARKET*

On July 25, 2022, the Data Appeal Company S.p.A. announces the strengthening of its activities in South America through the launch of an activity dedicated to the tourism, fintech and location intelligence sectors in Sao Paulo, Brazil

##### *ALMAVIVA S.P.A.: PRELIMINARY CONTRACT OF BUSINESS UNIT SALE*

On July 13, 2022, the preliminary contract for the sale of an Al maviva SpA business unit was signed between Al maviva SpA and Accenture Outsourcing Srl, which carries out activities related to the application and evolutionary management of HR systems with particular reference to the SAP Payroll platform; the personnel belonging to the business unit is equal to n. 24 units.

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**EXPLANATORY NOTES (continued)**



**AlmavivA The Italian Innovation  
Company S.p.A.**

Review report on the interim condensed consolidated  
financial statements as of June 30, 2022

(Translation from the original Italian text)

## ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES (continued)



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### Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of  
AlmavivA The Italian Innovation Company S.p.A.

#### Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows as of June 30, 2022 and for the six months then ended and the related explanatory notes of AlmavivA The Italian Innovation Company S.p.A. and its subsidiaries (the "AlmavivA Group"). The Directors of AlmavivA The Italian Innovation Company S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of AlmavivA Group as of June 30, 2022 and for the six months then ended are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Roma, August 5, 2022

EY S.p.A.  
Signed by: Paolo Pambuffetti, Auditor

*This report has been translated into the English language solely for the convenience of international readers*

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