Almaviva SpA and Subsidiaries Consolidated Financial Statements 2024

Almaviva
Group

Board of Directors' Meeting of 7 April 2025

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and Subsidiaries
Consolidated
Financial Statements
2024

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Group

Letter from the President

Alberto Tripi
President Almaviva

Dear Stakeholder,

We are pleased to present the financial statements for the year 2024, a document that not only represents the financial statement of our business but also reflects our ongoing commitment to responsible growth, sustainable and oriented to generate shared value.

2024 has been a year characterized by major macroeconomic challenges, market developments and product and service innovations, which we have addressed with determination and flexibility, with an agile business model and a long-term strategic vision. Thanks to the trust of our customers, the high level of competence of our employees and, in general, the solid cooperation with all of you, we have achieved great achievements.

The Almaviva Group achieved very positive results in 2024, up from the previous year, further confirming the trend that has characterized the last years. Consolidated sales and EBITDA and EBIT margins improved.

In general, the performance has enabled the Group to consolidate its leadership particularly in the areas of Mobility, Health, Welfare, Tourism, Central and Local Public Administration, Defence and Water Management, as well as to develop and strengthen its position in the field of Cybersecurity, all with a management increasingly oriented to actively build a more sustainable future and attentive to ESG issues.

The 2024 financial year was also marked by the continuation of project development activities aimed at strengthening and optimizing Product Assets solutions, Vendor Platform & Technology Innovation and Product Management Systems for the different target markets, from penetration in strategic markets, both traditional and emerging, such as Environment and Sustainability, Water Supply Systems, Smart City/Smart PA, Defense and Digital Health & Safety and the important expansion of the international presence.

During the year, in line with the Group's direction in a rapidly changing global environment, Almawave's strategic shift towards proprietary technologies was marked by an increase in investments mainly aimed at supporting the development of Velvet, the Italian open-source and multilingual Large Language Model, then released in January 2025, which integrates artificial intelligence solutions into vertical sectors. An initiative that positions Almawave as the only true Italian market leader in the AI landscape and reaffirms our role as a reference European player in innovation.

The 2024 financial year, in addition to its brilliant results, has been marked by a significant growth and a strong international projection of the Group which, during the year, completed two important and strategic acquisitions.

First, in April 2024, the integration of Magna Sistemas (now Almaviva Solutions), a Brazilian digital services company that operates nationally and provides innovative solutions based on different technologies for public and private customers.

The transaction was also completed with the intervention of SIMEST, the company of the Cassa Depositi e Prestiti Group to support the internationalization of Italian companies.

The other significant transaction, in November 2024, was the acquisition of Iteris, an American law company listed on the Nasdaq, active in digital solutions for the management of intelligent mobility infrastructures for both the public and private sectors, with clients both in the United States and internationally.

The financial transaction was carried out by issuing a new Euro 725 million bond aimed at fully covering the acquisition and repaying of the existing bond loan of Euro 350 million with maturity in 2026.

The targeted acquisitions of Almaviva Solutions and Iteris are part of the Group's growth plan, with a further geographical diversification of its business, allowing on the one hand the penetration in the Brazilian IT market, On the other hand, the opportunity to establish in the US transport market, the largest in the world, know-how made in Italy and offer proprietary solutions, including the Moova platform for sustainable mobility integrated with the technological expertise of Iteris.

These two corporate transactions, together with the establishment of the Sagitta Consortium, created by Almaviva and Gruppo Ferrovie dello Stato Italiane for the promotion of digital solutions in the transport and logistics sector at international and national level, are designed to support the Group's strategy of strengthening and expanding into high-growth, high-technology markets, consolidating the positioning of Almaviva as the only Italian company in the IT sector that implements an industrial strategy at a global level.

In parallel with the development of our industrial strategy, we have continued to strengthen our commitment to environmental and social sustainability by integrating ESG criteria into strategic decisions, operational processes and internal initiatives. A commitment that is consistent with the value system at the basis of our corporate culture, which has permanently guided our choices, and which has led to the recognition of Almaviva, according to the analysis conducted by Statista and Financial Times, as a leading Diversity & Inclusion company for 2025. And also, the certification for gender equality of Almaviva and Almawave by the independent DNV, attesting to the level reached by companies in adopting concrete measures to close the gender gap and ensure a more inclusive work environment.

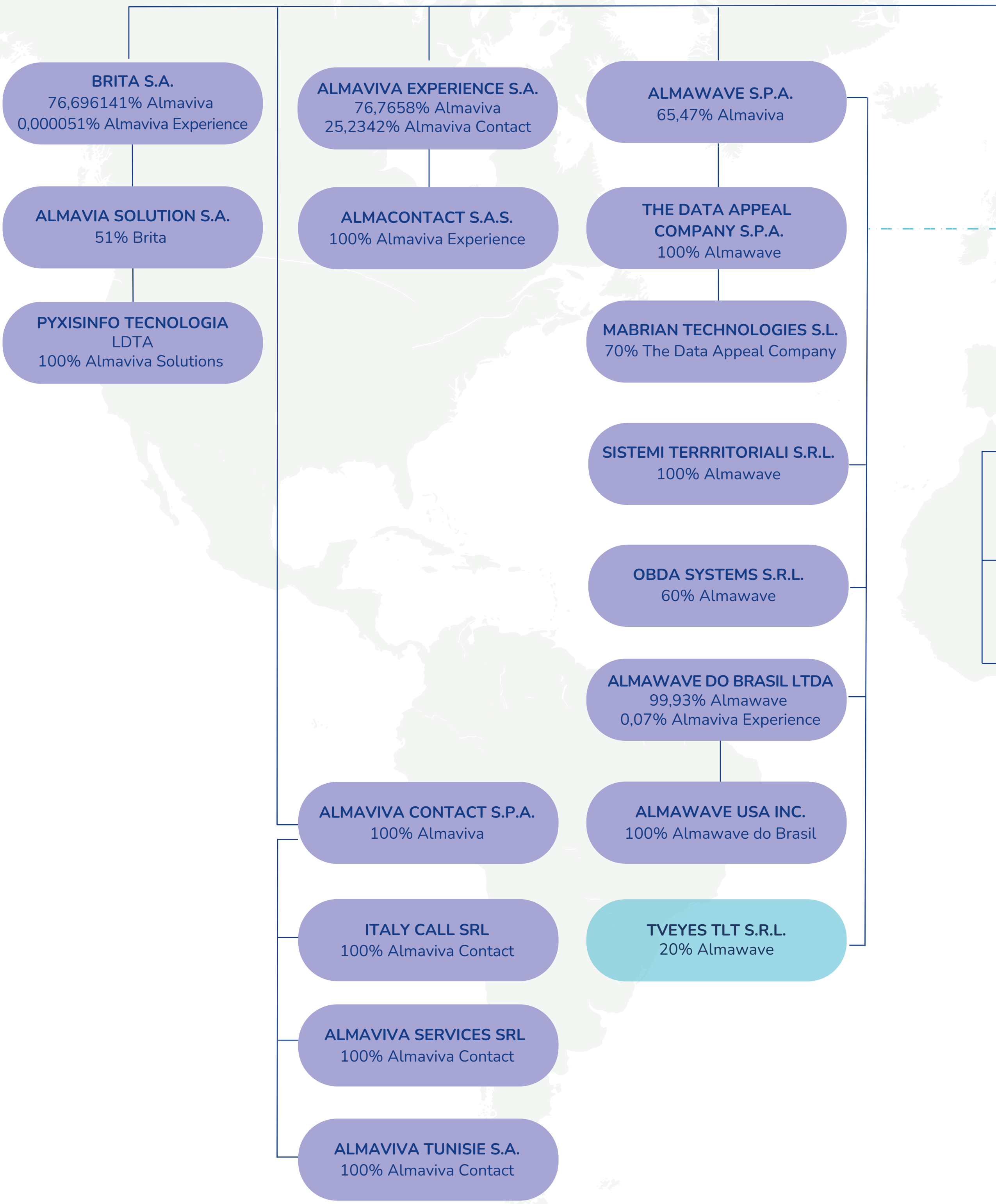
We are aware that the achievements of the Almaviva Group would not have been possible without the trust and support of all our stakeholders. For this, we would like to express our sincere thanks to you, with the hope that you will continue to accompany the challenges and opportunities that await us and that we will face them with the same spirit of innovation, responsibility and collaboration.

Summary

General information

Considering that the company prepares the consolidated financial statements, the Directors - as defined and permitted by the Articles of Association and in line with the provisions of art. 2364 of the Italian Civil Code - have availed themselves of the longer deadline for the preparation of these Financial Statements.

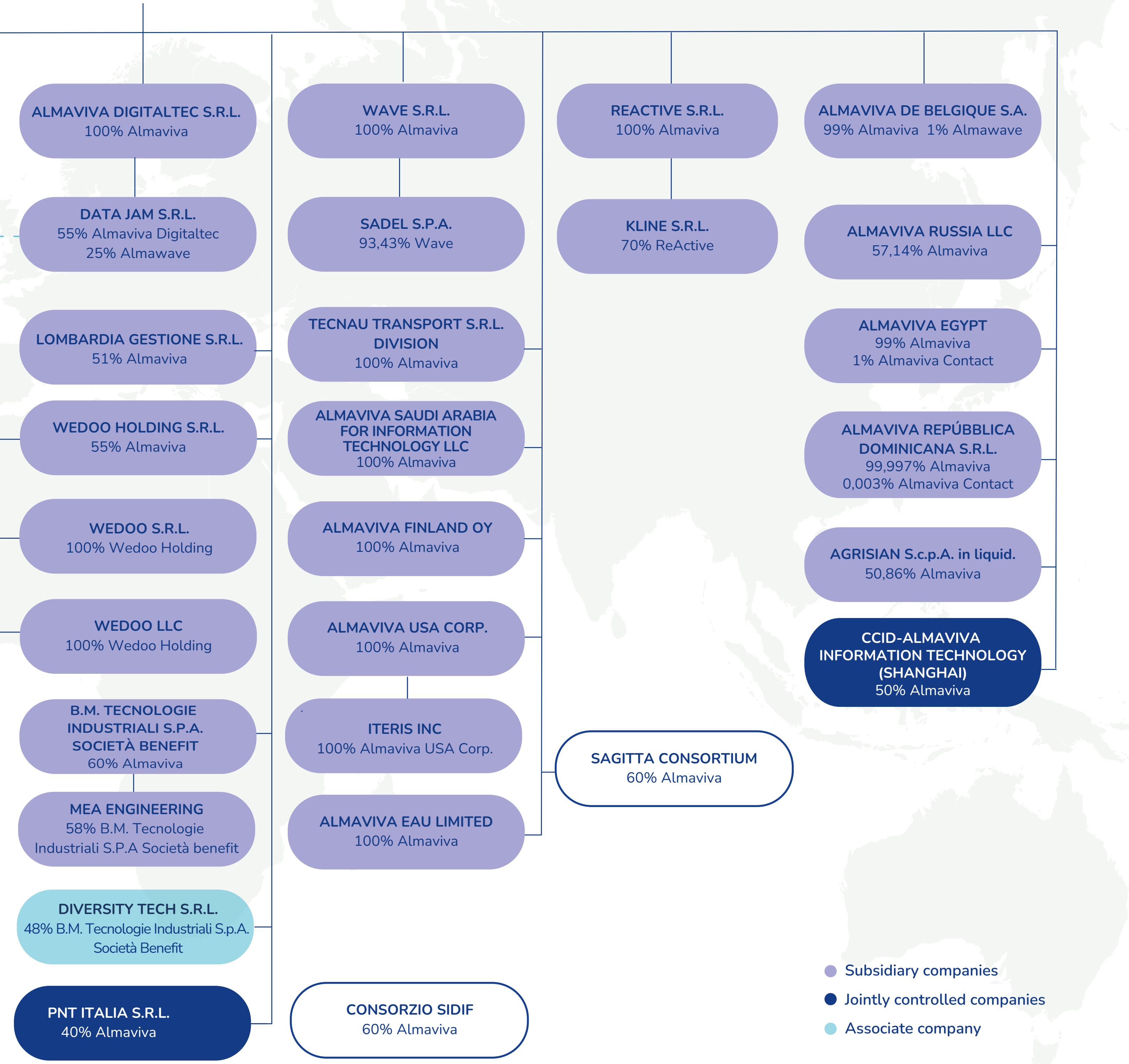
Corporate chart of the Group



ALMAVIVA S.P.A.

95,11 %

Almaviva Technologies S.r.l.



Operating segments and business areas

The Almaviva Group is a global network that is a protagonist of digital transformation, born from solid Made in Italy skills, combined with the ability to integrate different cultures, intelligences and experiences.

It is synonymous with digital innovation and has always accompanied the growth processes of the Country System by taking up the new challenges that companies must face to remain competitive in the digital age, innovating their business model, their organization, corporate culture and Information and Communication Technologies.

Consolidated experience, unique skills, continuous research and a deep knowledge of the various market sectors, public and private, make the Almaviva Group the Italian leader, 100% Italian-led, in Information & Communication Technology. The Almaviva Group operates globally, with 79 offices worldwide, with an important presence in Latin America and important orders in various EU and non-EU countries.

SEGMENT IT SERVICES

The Almaviva Group, the Italian leader in Information Technology, is the leading company in the IT sector for the national Central Public Administration and Transportation markets and one of the most significant companies in the areas of Local Public Administration, Financial Services, Defense and Security, Healthcare, Water Management and Manufacturing. Through its **IT Services** operating segment, in a context where digital transformation is accelerating more and more, the Group develops and integrates customized industry-specific applications, designed to enable its customers, public and private, to improve their processes, performance and, consequently, create value. The segment provides both specific services and complete solution packages with the ultimate goal of efficiently transforming needs or ideas into effective applications.

The parent company Almaviva creates solutions to support the processes of 4.0 companies and "digital first" administrations, in an ecosystem logic, supporting its customers towards a sustainable and progressive transformation.

The segment includes the activities of the following Almaviva Group companies:

IT Division of the IT Services segment

- IT Division of Almaviva S.p.A.
- Lombardia Gestione S.r.l.
- Almaviva de Belgique S.A.
- Agrisian S.C.p.A. in liquidation
- Almaviva Digitaltec S.r.l.
- Data Jam S.r.l.
- Wedoo Holding S.r.l.
- Wedoo S.r.l.
- Wedoo LLC
- Kline S.r.l.
- Almaviva Egypt
- Almaviva Russia LLC
- Almaviva Repùblica Dominicana S.r.l.
- Reactive S.r.l.
- AlmavivA Bluebit S.p.A. Società Benefit (formerly BM Tecnologie Industriali S.p.A.)
- Mea Engineering S.r.l.
- Brita S.A.
- Almaviva Solutions S.A. (formerly Magna Sistemas)
- Pyxisinfo Technology Ltd
- SIDIF Consortium

Transportation & Logistics Division of the IT Services segment

- Divisione Transportation & Logistic di Almaviva S.p.A.
- Wave S.r.l.
- Sadel S.p.A.
- Almaviva Saudi Arabia LLC
- Tecnau S.r.l.
- Almaviva Finland OY
- Almaviva USA
- Almaviva UAE
- Iteris Inc.
- SAGITTA Consortium

SEGMENT **DRM INTERNATIONAL (DIGITAL RELATIONSHIP MANAGEMENT)**

The Digital Relationship Management International (formerly CRM International) business area is now the cornerstone of the company-customer relationship: the collection and analysis of large volumes of data, with ever-increasing use of digital, make it possible to extract valuable information on customers, to be transformed into knowledge, competitive advantage and the offer of personalized services.

A customer who is increasingly connected, demanding and attentive to the offer of operators for whom it becomes essential to know how to listen, understand and interpret the voice of the customer.

Liberalization, globalization and increased competitiveness have forced operators in the sector to review the times and methods of engagement and relationship with the customer, who becomes a source of wealth and a point of reference.

Through the **DRM** (Digital Relationship Management) segment, a wide range of customer relationship management services and solutions are therefore offered, also through the use of proprietary platforms, aimed at supporting customers in the development and growth of their activities. This is done through the increasing use of proprietary digital technology and constant monitoring of selected operational KPIs
The segment includes the activities of the following Almaviva Group companies:

- Almaviva Experience (formerly Almaviva do Brasil)
- Almacontact S.A.S.
- Almaviva Tunisie S.A.

SEGMENT **ALMAWAVE – NEW TECHNOLOGY**

The **Almawave – New Technology** segment makes the digital transformation of its customers concrete, through a model of natural experience in human-machine interaction. Proprietary technological assets allow you to interpret text and voice in over 30 languages, interact in a multi-channel and multimodal way, analyze data and information, to enhance knowledge and improve automation. The segment offers the market products and services that impact social and environmental aspects by exploiting the potential of technologies.

The integrated approach makes it possible to generate positive impacts thanks to the use of technologies, such as Artificial Intelligence, Machine Learning and Conversational Platforms. In addition, Natural Language Processing, Machine Translation and Spoken Language Translation promote the overcoming of linguistic, logistical and architectural barriers by making all functional and operational processes of society accessible and inclusive.

The segment also introduced the Velvet product, a family of open source multilingual generative Artificial Intelligence models designed and built entirely in Italy.

Almawave S.p.A., listed on the Euronext Growth Milan (AIW.MI) market, is the Almaviva Group company dedicated to technological innovation in the Data & Artificial Intelligence (AI) sector, natural language analysis and Data Strategy and Management services, with offices in Italy, Brazil and the United States, over 300 customers in 15 countries around the world, including Tanzania, Zambia, Colombia and several European and Asian countries, with an important international pipeline.

The segment includes the activities of the following Almaviva Group companies:

- Almawave S.p.A.
- Almawave do Brasil Ltda
- Almawave USA Inc.
- Obda Systems S.r.l.
- The Data Appeal Company S.p.A.
- Sistemi Territoriali S.r.l.
- Mabrian Technologies S.L.

RESIDUAL BUSINESS AREAS **OTHERS**

As already highlighted last year, given the continuous trend of the reference market and the final volumes, the management does not believe that the CRM Europe segment can be identified as an operating segment subject to information, also taking into account the Group's strategies undertaken for a long time. There were no sector aggregations in order to determine the operating segments subject to disclosure; however, information relating to non-disclosed business segments has been aggregated and presented in the 'Others' category. This category included the activities relating to Almaviva Contact S.p.A., Italy Call S.r.l. and Almaviva Services S.r.l.

Report on operations of the Almaviva Group

1.

The reference market, the solutions proposed and risk management

The reference market

The global digital Market

According to the most recent analyst forecasts, worldwide IT spending is expected to reach $5.61 trillion in 2025, an increase of 9.8% compared to 2024, thus close to a double-digit footprint [1].

According to Gartner's forecast, in 2025 sales of data center systems (on-premise and cloud) will grow by 23.2% over 2024, while for devices the increase will be 10.4% (vs. 6% in 2024), for software at 14.2% (vs. 12%), for IT services at 9% (vs. 5.6%), for communication services at 3.8% (vs. 2.3%).

The table shows the forecast values for worldwide IT spending (millions of US dollars):

Market sector	2024	%	2025	%
Data Center	329	3.9	405	23.2
Device	734	6.0	810	10.4
Software	1,092	12.0	1,247	14.2
IT Services	1,588	5.6	1,731	9.0
Services Communication	1,372	2.3	1,424	3.8
Total	**5,115**	**7.7%**	**5,618**	**9.8%**

1 Gartner, cited in Companies more disillusioned with GenAI, but IT spending will grow by 9.8% (ictbusiness.it), January 24, 2025

The Global Digital Market

The analysis of the Italian market trend that will be developed in the following paragraphs is based on the concept of Global Digital Market (GDM), the enlarged market of digital products and services, which includes the area of the digital economy estimated above by Gartner and is composed as follows:

- **Devices and systems:** Personal & Mobile Devices, such as notebooks, tablets, smartphones, wearables; Home & Office Devices, such as desktop PCs, printers, smart TVs, routers, etc.; telecommunications network infrastructures; Internet of Things (IoT) products such as remote control equipment for home automation; business devices, such as servers, mainframes, etc.;
- **On-premise ICT software and solutions**: includes the area of software used only in on-premise mode (and therefore not as-a-service), distinguishing between basic software (operating systems), Middleware (management, development, governance and monitoring tools for applications and infrastructures), application software;
- **ICT services:** the set of digital services for the business market, divided into the components of Development and Systems Integration, Technical Assistance, Consulting, Training, outsourcing services (full outsourcing, application management, infrastructure management), Data Center services (housing, hosting, back-up...), public and hybrid Cloud computing services (solutions used in as-a-service mode and cloud-enablement services);
- **Digital content and advertising** (E-content & Digital Advertising), which includes advertising and editorial content distributed for digital platforms;
- **Telecommunications network services** (TLC), i.e. all non-editorial services distributed by telephone operators.

The performance of the digital market in Italy[3]

At the end of 2024, the digital market is estimated to stand at euro 81,360 million, with a growth of 3.4% compared to the previous year, an improvement compared to the +2.9% recorded in the first half of the year.

For the next three years, total spending on digital products, solutions and services is expected to increase, reaching a value of approximately euro 84,500 million at the end of 2025 (+3.8% compared to the previous year), growing by a further 4.1% in 2026, and finally reaching an estimated value of euro 91,700 million in 2027 (+4.2% vs. the previous year).

This growth will mainly be supported by the ICT Services sector, for which an average annual growth rate (TCMA) of 8.7% is expected, thanks to the continuous increase in Cloud Computing services and, secondarily, to the development of professional services (consulting, development and system integration).

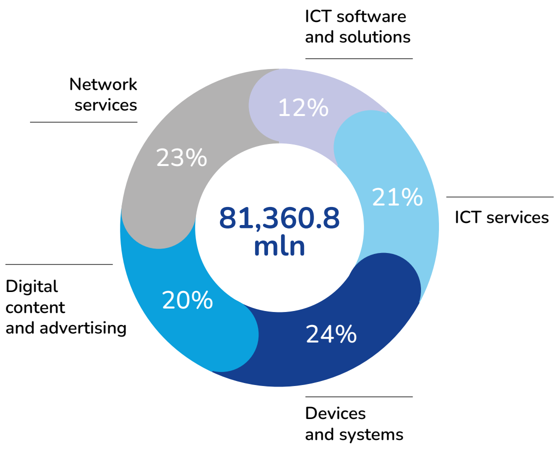
Expenditure on ICT Software and Solutions will have a TCMA of 4.5%, mainly attributable to the demand for middleware systems (whose growth is mainly due to the components of data management, systematization and protection, as well as to the components of governance and hybridization of infrastructures) and, to a lesser extent, of application solutions (including, in particular, Advanced Analytics, AI, IoT platforms, Web management platforms and finally vertical and technical applications).

Positive growth trend for the Digital Content and Advertising sector, while the Network Services sector will have an improving growth supported by the increase in fixed network services. Finally, the Devices and Systems segment will record a slower growth speed (+1.1%) between 2024 and 2027.

2 The data are taken from the report Digital in Italy 2024 - Forecasts 2024-2027, published by Anitec-Assinform in December 2024

3 Anitec-Assinform, Digital in Italy 2024 - Forecasts 2024-2027, cit.

Digital marketplace 2024E



The analysis in the report on **"Digital Enablers",** i.e. the main technological paradigms that enable the digital transformation of business models and offers conveyed by companies: Cloud, Security, Big Data, Mobility, Social and IoT, etc., highlights the overall growth that "continues to be very rapid and exponential", and identifies three technological clusters:

- that of the most consolidated technological areas, characterized on the one hand by particularly significant absolute values, on the other by not very high growth rates: this is the case of Mobile Business and the Internet of Things;
- technologies with more intense average growth but still in full development, starting with Cloud Computing – which is already worth 7.4 billion euros in 2024, but is expected to grow by +15.9% in the following three years – but also Cybersecurity and Big Data;
- emerging technologies, with very significant growth rates, but still limited in size, such as AI/Cognitive (TCMA 24/27 equal to +25.6%) and Blockchain (TCMA 24/27 equal to +20.7%).

Annual growth %

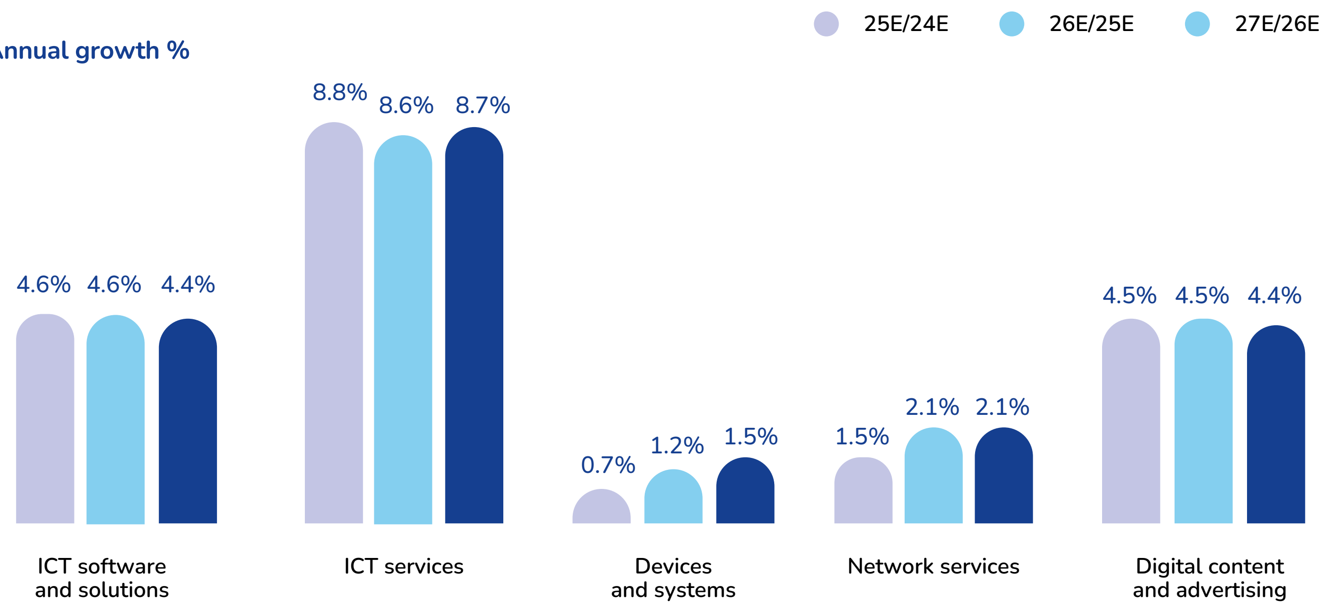
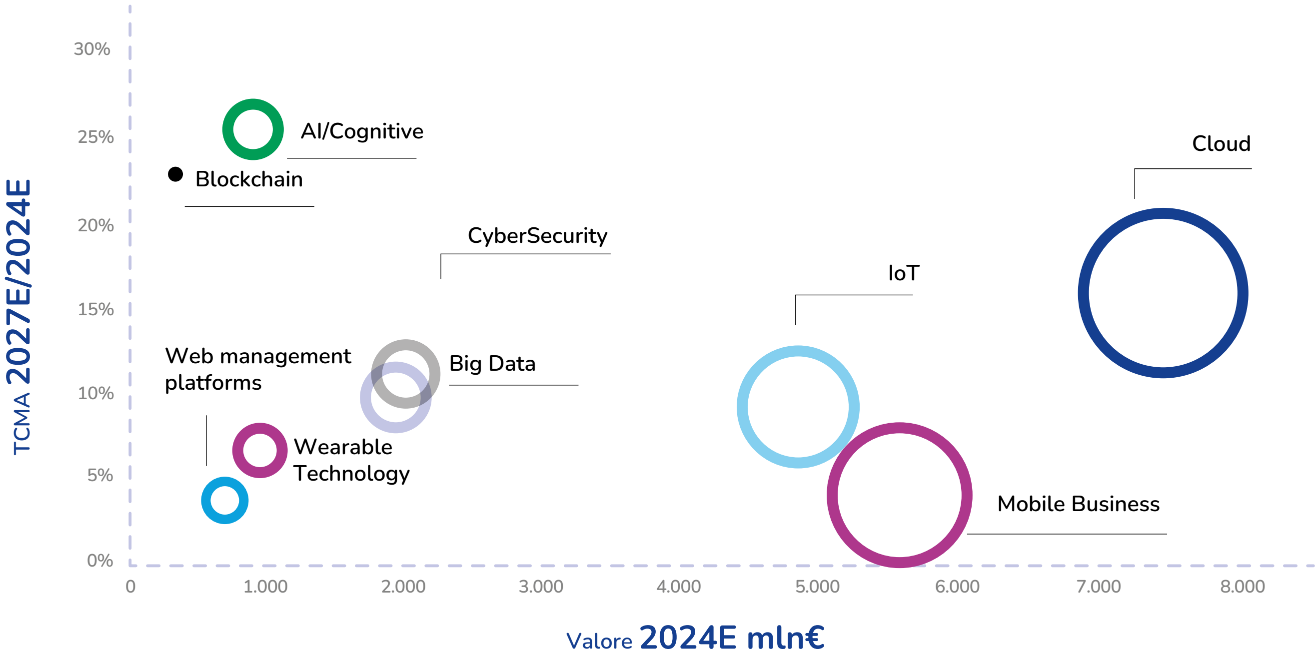


Figure 1. Digital market 2024E and annual % growth of digital spending in Italy in the three-year period 2025 - 2027 by technology sector, Assinform

Figure 2 - Digital Enabler Market Growth Forecast 2024E-2027E, Assinform



Finally, as regards the **public sector**, in 2024 Central and Local Public Administration spending on digital products, solutions and services will amount to €4,192 million and €2,084 million respectively, with average annual growth rates substantially in line, equal to 10.1% and 10.5% in order.

Investments in the two sectors are supported by the **PNRR** – and, specifically, by **Mission 1**, which includes the spending lines intended for the **digitization of PA processes and services** – and by the **Digital Italy 2026 Plan**. In this regard, according to the aforementioned Fifth Report to Parliament on the state of implementation, as of 30 June 2024 this Mission has already activated 91% of the planned interventions and has reached 50% of the Milestones & Targets (M&T), thus being among those with the best performance. Mission 1 is also the one with the highest percentage of expenditure incurred compared to the amount allocated, standing at 44% (i.e. €18.3 billion).

The state of implementation of Mission 6 - Health (relating to digitization in some of its components) is also very advanced, with 95% of the planned interventions activated.

Overall, it is estimated that the PNRR is worth 2.2 billion euros out of the total of 81.3 that make up the Italian digital market in 2024, and that its impact will continue to remain strong in 2025 (2.9 billion out of 84.4), 2026 (2.2 billion out of 87.9) and 2027 (1.7 billion out of 91.6), conditional, however, on the ability of institutions and local authorities not only to propose specific project areas, but also to carry out the funded projects in a short time.

Proposed solutions for each segment

SEGMENT IT SERVICES

IT Division of the IT Services segment

During the year, Almaviva consolidated its key role in the digitization of the country, spreading its digital vision within the Italian and foreign public and private production fabric.

In particular, for the Italian Public Administration, it has obtained significant awards in the field of software development and systems management. Among the main initiatives, the INPS tender for application development services for Pension Benefits, Intercenter Emilia-Romagna and two very significant framework agreements: one for Digital Health, concerning the management of Clinical-Assistance Information Systems, and the other, SAC3, which strengthens Almaviva's position as a strategic technological partner of the PA in application services at central and regional level.

Almaviva has also achieved important successes in strategic tenders, including two managed by ARIA (Regional Agency for Innovation and the Digital Agenda) and the System Management 4 tender, which is in the final award phase; further consolidation of Almaviva's key role in the digital services sector and in the management of advanced technological infrastructures of the Public Administration.

Almaviva reaffirms its leadership in technological innovation, focusing on the solidity of the GIOTTO Digital Ecosystem, a powerful proprietary digital ecosystem, constantly evolving and cross-industry, which combines products, solutions, innovative software production systems, technical and multidisciplinary skills, laboratories, observatories and solutions dedicated to specific markets.

The company's commitment to sustainability is growing, also confirmed by its membership of the Green Software Foundation. With this partnership, Almaviva aims to structure actions in concert with other organizations for the development of more sustainable IT and technologies, promoting and adopting standards and guidelines applicable in the software sector, aimed at reducing resource consumption, improving efficiency and accelerating the achievement of its own and its customers' ESG goals.

The digital ecosystem

Almaviva has evolved the Giotto Digital Ecosystem, a framework that leverages all components of the software value chain (technological, regulatory, domain and management) enhancing continuous evolution, but also sustainability and networking. During 2024, the Digital Ecosystem has strengthened its Digital & Domain Competence Centers in all strategic technological areas: AI, Cloud, Cybersecurity, Data, IoT, Quantum, GIS & Earth Observation, Regtech, UI/UX/DX & Accessibility, Blockchain, Web3, Networking and Robotics, to spread its digital vision and anticipate the needs coming from the markets (Smart City & Smart Land, Health, Environment, Agriculture, Tourism, Culture, Water, Defense and Security).

Hubs & Labs

In support of the Competence Centers, the value brought by the Insight Hubs - the strategic observatories - and the Innovation Labs - the advanced experimentation laboratories - is growing. Hubs & Labs guarantee continuous monitoring of the evolution of technologies and their experimentation to quickly transfer innovative solutions to products and services.
The Insight Hubs explore critical issues such as regulation, ethics and ESG impacts, supporting digital acceleration, producing analyses and reports on topics of strategic importance such as AI ACT, European Data Strategy, Italian legislation on crypto-assets and digital identity (EIDAS 2), Three-Year Plan for the PA, promoting the design of new digital solutions compliant by design.
The Innovation Labs develop solutions based on game changing technologies and disruptive technologies such

as AI, Blockchain and Quantum Tech, ensuring that the innovations coming from Almaviva's commitment in the main European research programs are transformed into marketable solutions and into R&D developments of the Group.
The Innovation Labs have obtained an important recognition on the integration of cutting-edge technologies, encryption techniques and Privacy Enhancing Technologies (PET): the IEEE (Institute of Electrical and Electronics Engineers) has published the paper "Building Trustworthy AI Systems", which illustrates how, by combining AI, Blockchain and Zero-Knowledge Proofs (ZKP), Almaviva is able to guarantee the certain and secure verification of AI-related processing processes.

Ape Lab

The Automation Platform Engineering Lab has successfully adopted a DevGenOps approach, which combines development, generative AI, and advanced operational practices to automate code writing and significantly improve software quality and process efficiency; An approach that has made the software lifecycle faster, more robust and more transparent, with a significant increase in compliance by design.

Quantum Lab

The Quantum Lab has successfully implemented POST-QUANTUM CRYPTOGRAPHY (PQC) in the protection of smart contracts on the Blockchain network, and more recently has developed a PQC system for the protection of communications based on the HTTPs protocol (the most widely used for secure online interactions).

Thanks to solutions such as ECC (Elliptic Curve Cryptography) encryption, Almaviva is already able to protect data transmitted over the Internet today, preventing it from being acquired and stored by third parties to be decrypted in the future, when the power of quantum computing will be sufficient to compromise the security of current encryption systems.

GIOTTO suite

It is the technological core of the ecosystem, capable of transforming data into value, supporting business decisions and enabling interoperability, device integration, data visualization and new models of identity and digital asset management.

The SUITE consists of five modules.

DATA: It is the backbone module around which all the features of the suite gravitate. A platform that simplifies the management of heterogeneous data from different sources and in different formats and comprehensively manages both structured and unstructured data.

PLANET: It is the GIS platform that combines artificial intelligence and geospatial analysis and integrates multi-channel data to track complex phenomena such as changes in the territory, create interactive maps and offer an innovative tool for decision support.

THINGS: It is the module for interacting with the world of devices, an IoT solution that supports edge computing, real-time monitoring and interoperability between devices on the main IoT protocols and networks. Things offers video management system solutions, environmental monitoring and defense, and solutions for critical infrastructures such as smart cities.

CHAIN: It is the module that opens up to the world of distributed digital and that makes available Web3 services, solutions and tools for decentralization and interoperability with a high degree of transparency, privacy, security and control of data, both on public and private networks. It includes services for the notarization of digital assets, smart contracts and smart legal contracts, electronic signature solutions and secure key management or their distribution through infrastructures such as DPKI (Decentralized Public Key Infrastructure).

CONNECT: It is the module capable of managing complex protocols and interoperability models, ideal for different environments (e.g. public administration), ensuring compatibility and security in the exchange of data between heterogeneous systems. A modular engagement platform that manages multi-channel notifications and communications to different applications.

Qualification of GIOTTO services for the PA

In 2024, Almaviva successfully qualified four solutions from the GIOTTO Suite at ACN (the National Cybersecurity Agency), with QC2 level: **Data, Planet, Things and Chain**. The QC2 is an advanced level that certifies the compliance of the proposed services with the security, reliability and data protection standards required by the Single Regulation for Cloud Infrastructures and Services for the PA.

It is a further step by the Group towards strengthening its role as a technological partner of reference for the Italian Public Administration, able to respond to the new needs of digitization and innovation in the public sector.

Solutions for markets by GIOTTO

During 2024, Almaviva launched vertical products within the GIOTTO Ecosystem, to meet the needs of digitization and optimization in specific domains, such as Healthcare, Smart City, Tourism and other strategic sectors.

These include **HELIOS**, a cloud platform for digital health designed to support the different actors of the health system in the management of the processes of taking charge, prevention, assistance and treatment. HELIOS facilitates the connection between the various stakeholders of complex healthcare ecosystems, enabling access to real-time data to support timely decisions, based on always up-to-date information, transforming health management into a more collaborative, patient-oriented and human-centered process.

In addition to **HELIOS, CITIZY** was launched, a platform designed for the provision of services to citizens, monitoring and safeguarding the urban territory. CITIZY has been designed to increase collaboration between administrations, citizens, professionals, businesses and communities thanks to tools in favor of inclusion, sustainability and interoperability. CITIZY ensures the orchestration of the complex and constantly evolving services of Smart Land, Smart City, Smart Region and Smart PA and promotes the development of an integrated, active and participatory community.

Domains and Markets – Strategic Projects 2024

Digital Health: Almaviva has expanded its customer portfolio in the Healthcare sector, winning numerous contracts, including the regional health prevention system (SRPS) for the Veneto Region, the redesign of the FSE Portal for the Calabria Region and the creation of the Pathological Anatomy platform for the Lombardy Region. It has also updated the system for accessing AIFA's online services to comply with new security and regulatory criteria.

After the conclusion of the development and testing of the PNT at the end of 2023, the dissemination and consolidation phase of the platform was launched in 2024 with the onboarding of the Valle d'Aosta region and the Autonomous Province of Bolzano. The onboarding of the other regions is planned during 2025.

Within the PNT PPP in 2024, new projects were activated (Notification Management System and Telemedicine Interoperability Node) which increased the general value of the initiative.

Defense & Security: Almaviva has developed SEAREN, a C4 geostationary platform for monitoring maritime traffic, in particular for Oil Spill Detection (OSD), and for the management of the entire life cycle of operations and interventions at sea. SEAREN detects spills early through forecasting models and interfacing with sensors, radars and optronic devices on board vessels.

The platform, operating in the field of information superiority, is equipped with a GIS module and navigation maps, and allows interoperability with external systems and platforms, ensuring compliance with international standards.

Cybersecurity: in continuity with the initiatives undertaken in the previous year, Almaviva has intensified its commitment in the cybersecurity sector, continuing its specialization on the offer of Threat Intelligence services and products. This effort is part of a broader strategy aimed at building an extensive and integrated offer of end-to-end cybersecurity services capable of qualifying the Company as one of the main players in the national market and at the same time enhancing the other proprietary solutions.

The company strategy has been consolidated thanks to the entry of new dedicated professionals and the development of cross-selling between the different intra and intercompany units.

In parallel and in coherence, working groups have been launched for the redesign of the offer, to enhance the proposal in the cybersec field, leveraging Almaviva's technological skills (e.g. quantum computing, RegTech, AI, Data governance, etc.); Cyber Vision and Digital Vision create a harmonious approach to the construction of a constantly evolving offering.

The company's recognition in the sector has been strengthened by multiple attestations of success, including the qualification of several proprietary products in the cybersec field according to ACN standards. In addition, the Company has been included in Forrester's global list of leaders in Threat Intelligence.

Environment & Sustainability: Almaviva has strengthened its activities in the field of environmental and territorial management, with a particular focus on the governance of water resources and the mitigation of hydrogeological instability. The company has consolidated existing solutions and expanded its range of action, assuming, for example, the management of river contracts for Sogei/MASE and the management of the application park of the Civil Protection of the Emilia-Romagna Region, with crucial systems for emergency management. During the year it launched new projects within some Geographic Information Systems (GIS), contributing to territorial planning and monitoring. In addition, initiatives for the management of environmental data have been launched in collaboration with ARIA - Lombardy Region, enhancing the EDA (Digital Environment Ecosystem) platform, a strategic tool for monitoring the natural ecosystem.

Water management: Almaviva has strengthened its offer for the digital management of aqueduct and sewerage systems, with particular attention to medium-large operators such as Acquedotto Pugliese and ABC Napoli. A further step towards leadership in the water sector was taken with the creation of Almaviva Bluebit, a company focused on digital transformation in water management. Thanks to the integration of the skills of BM Tecnologie Industriali and 2f Water Venture, Almaviva Bluebit develops integrated solutions ranging from the design of water and sewerage districts to leak management and smart metering.

Finally, Almaviva continues to develop innovative solutions for Smart Cities, Smart PA and Smart Land, with the creation of digital twins of digitized territories, cities, buildings and museums, to increase citizen engagement and raise awareness of sustainability and the value of the territory, contributing to the construction of smarter and more resilient cities.

Culture and tourism: in the Tourism segment, Almaviva has created the new platform for the Database of Accommodation Facilities (BDSR) for the Ministry of Tourism, also dealing with regional onboarding, located on PSN, and the National Tourist Guides Portal. In addition, developments have been started for the new tourist portal of the Veneto Region and the Tourist Data Observatory for Friuli-Venezia Giulia. The projects will go into production in the first half of 2025.

In the Culture sector, in addition to the new ticketing platform for national museums, as part of the PNRR M1C3 1.1, Almaviva won tenders for the digitization of cultural heritage, winning 22 clusters for various materials (museum objects, paper documents, photographic archives and microfilms). In the library sector, the ICCU system of the SBN Index is being re-engineered, aiming to modernize and integrate the bibliographic databases owned by non-SBN Poles, while in the archival field, Almaviva has implemented the Study Room system for the consultation of archival documents and the management of physical access, to a Cloud Platform for the centralized management of archival entities, integrated with the Digital Library's Multimedia Library for digital content and the related web portal aimed at searching for archival heritage with access to digital resources.

Transportation & Logistics Division of the IT Services segment

The **T&L Division** strengthened its international presence in the Middle East and North Africa, USA & Canada, Europe and Latin America. Of particular importance was the launch of the Unified Ticketing project for the urban transport system in Cairo, which was followed by the creation of a local entity in Cairo that will guarantee the presence and expansion of the transport market in Egypt.

The plan to expand its presence in **Saudi Arabia**, considered strategic in the Middle East, in the area of IT systems for urban transport in Riyadh, continues for the FLOW Consortium, and participation in new infrastructure projects, including **NEOM's Giga-Project** in collaboration with WeBuild.

For the **USA & Canada area**, the progress of the Device Management project of the Fare Collection System for the Ontario Line in Canada and the continuation of the supply of on-board systems for the approximately 800 carriages that Hitachi will supply to Metro Washington (WMATA) should be noted. It is also worth mentioning the start of the technological integration of the Intelligent Transportation Systems (ITS) solutions of the newly acquired Iteris, with MoovA solutions, in order to integrate an innovative portfolio of offerings for the North American and international markets.

The **acquisition of Iteris** is part of the growth strategy adopted by Almaviva, which expands its development in Information Technology, ensuring a further geographical diversification of its business and the possibility of accelerating the export of its distinctive know-how, proprietary solutions and products, in particular in the transportation, logistics, smart water management, defense sectors, strengthening the positioning of the Almaviva Group as a global leader in the IT sector.
In Latin America, following the acquisition of the company Magna SISTEMAS (Almaviva Solutions), the integration of the MOOVA offer continued successfully.

In the European market, the RAMI projects for Fintraffic and Transports Lausannoise of the "Voyager" and "Loyalty" Apps are worth mentioning.

Also in Europe, 7 new partnerships were established with local distributors in the UK, Eastern Europe and Finland. The collaboration with the FSI Group continues, accompanying FS International's action in the Middle East and the USA and the development of Trenitalia's transport offer in the European market with the dissemination of the solutions created by Almaviva to homogenize the IT services of foreign companies. Also worth mentioning is the synergy that the Division is implementing with major international players to expand its activities in India, a market of primary interest for MOOVA solutions in the railway and local transport sectors.

The development of the domestic market was favoured by the evolution of AlmavivA's offer, which made it possible to explore new market areas previously not covered, in particular in the "Road", "Smart Mobility", Multi-utility and "Passenger Flow" segments, providing effective solutions to the needs of Public Bodies in the context of "Smart Cities". In the Local Public Transport sector, the Ticketing solution has been expanded, with the MOOVA AFC (Automated Fare Collection) product adopted in various initiatives, including Ferrovia CircumEtnea (FCE), AMTS Catania, Sispi Palermo, TUA Abruzzo, ACTV Venice and ARTS Sardinia. Of particular importance are the management of vaporettos and parking lots in Venice, the integration of the AVM system with the Information Hub for TUA Abruzzo, and the Supply Chain solution for Travel Tickets for the Milanese Transport Company (ATM).

In the field of **MaaS (Mobility as a Service)** experimentation, projects for Campania and Abruzzo continue, a contract has been signed with Bari for the creation of a MaaS ecosystem, and the "Green Belt" environmental ZTL project in Rome has been completed. In Veneto, a Digital Mobility Hub for "Smart Mobility" and a C-ITS infrastructure for Smart Roads have been developed. In the field of Traffic Systems, the initiative of the Intelligent Traffic System Platform continues with new experiments and new projects (Municipality of Rome, Municipality of Turin, Municipality of Trento and Municipality of Verona). Almaviva was also awarded the tender for the supply of an integrated control platform for 120 Ferrovienord stations, for which implementation and activation activities are being completed.

In the airport sector, the project is underway to install the **"Entry & Exit" system and the monitoring**, supervision and centralized asset management platform for Milan Malpensa and Linate airports. In the logistics field, the implementation of the Terminal Operating system for the Sapir Group, the management of the terminal systems of Terminali Italia, the completion of the computerization process of Hugo Trumpy's systems, and the collaboration with the Port Authority of Bari for the management of the environmental monitoring platform continued.

In the Multiutility area, the Waste Transport Monitoring project has been launched for Alia Spa, an integrated solution for the monitoring and management of infrastructure and mobility, which includes the monitoring of mechanical roadside collection services, street cleaning, smart containers, fleet and logistics management, waste life cycle and customer management.

Within the FSI Group, important initiatives are noted for an integrated and multimodal management of the services provided by the Group: **the collaboration of Trenitalia and BusItalia** for a new management of disrupted traffic and the Apulia programme for FSE, the main objective of which is to improve the management of multimodal transport services, particularly in the event of disruptive events. For Trenitalia, the "Optimization of logistics flows" program has been launched, for the management of the distribution of materials and components, and the program for overcoming the obsolescence of the systems to support Operations and the program for the creation of a centralized platform dedicated to Infomobility based on a solution with Moova products, while for Mercitalia Rail the final design for the construction of a new system of planning and management of crews to support shift scheduling processes; the project for the automatic acquisition of Waybills with Artificial Intelligence has also been developed and released into production.

For Rete Ferroviaria Italiana, the activation of **MOOVA SmartStation** in stations continues (in 2024 it reached coverage of 211 stations) and initiatives are underway to adapt the systems to support investments.

In particular, the **"EasyRailFreight"** project for the promotion and development of railway logistics services, which saw the creation of the platform's Content Management System site and the release of the "ATLAS" module (Asset and Services Logistics Atlas), in order to provide a geolocalized view of the plants used for freight transport and the related services offered. The TTR (Timetable Redesign) project, aimed at improving the railway timetable, has achieved the creation of the application components dedicated to Capacity Planning and Capacity Offering. In addition, the first design phase of the TPTM (Traffic Planning & Traffic Management) programme launched by RFI for the extension, improvement and re-platforming of ICT systems to support the core processes of planning and management of railway traffic has been completed, and the phases aimed at the final design and implementation of the new timetable system and new prescription system are being carried out. Finally, the on-boarding phase of the Business Divisions was launched for the implementation of the Minerva Programme, which involved AlmavivA in the census and design of the processes of the Group's systems in both accounting and maintenance and logistics.

Also for the Group, the design phase of the new system for planning, scheduling and executing the interventions of the FS Security security teams in order to make the process of monitoring offences more effective has been completed.

Of great importance are the programs with "train builders" that see AlmavivA partner of large international groups for the supply of on-board systems both on national and European fleets. In the UK market, the trains supplied have started commercial service also thanks to the MOOVA ST&V (Smart Train & Vehicle) system, in the US market the initiative for the Washington DC metro continues, there are new projects in Italy for STA, Ferrotramviaria and NTV, the second national high-speed operator, and in Europe (Romania). At the same time, the service contract for the "on-board train" area was formalized, a contract that further consolidates Almaviva's market position in the sector, allowing an even more balanced balance between the national and international market, between the captive and non-captive markets.

Of note is the consolidation program of the offering launched by Tecnau aimed at extending the hardware/software products and adapting them to the new counterparts. In addition, the process of integrating device management, supervision and remote control solutions with the Global Monitoring solutions of the MOOVA integrated offer continues.

The **T&L Division** participates in major national and European research programs and innovative initiatives funded by the PNRR in which Universities, Research Centers, Public and Private Bodies are involved to create advanced and sustainable solutions for Mobility (MOST National Center) and Infrastructures (RETURN Extended Partnership). In addition, in 2024 the Flagship CCAM&MOD4Italy and HD-MOTION funded projects were launched to support the development of innovative enabling technological solutions to accelerate the transport digitization process.

The **MOOVA Academy**, born in 2020 as an e-learning for internals, partners and customers, from 2022 also enables the Talent Revolution program for the inclusion of new resources in the company. This program is now consolidated, very inclusive and saw the first class based in Egypt in 2024. To date, much content is available in Italian, English, Portuguese and Arabic.

SEGMENT **DRM INTERNATIONAL (DIGITAL RELATIONSHIP MANAGEMENT)**

In relation to the Digital Relationship Management segment, the global market continued to evolve rapidly during 2024, marked above all by the need to personalize the service offered to new consumers with increasingly digital and connected tools and processes.

In Brazil, the market was characterized by the introduction of new regulations, underlining the change in the mix of channels, mainly digital. The development of solutions to improve the journey of our customers and employees, the use of cutting-edge technologies to strengthen the security levels of our company, the operational and logistical reorganization, were in fact the main drivers for the achievement of the results of the year.

The solidity of the Almaviva Group's strategy was strengthened through the maintenance of the customer base, the launch of new partnerships and a strategy focused on Digital Transformation.
The portfolio includes a number of brands used in the Mobility, Aircraft, Healthcare, Industrial, Services, Financial and Multiservices markets. The success in the various markets reinforces the diversification position of the portfolio, already underway, with an emphasis on growth in the financial and sustainable energy segments.

As part of digital transformation, there are more than 20 tools that work in synergy to promote the complete management of the entire operating environment, from strategic governance to the relationship with the end customer, through:

- **Operational Productivity**, with automations (RPA and IPA), Single Sign-On, online monitoring of KPIs for self-management and intelligent Front-end integrated with Artificial Intelligence;
- **Operational Management**, with engagement campaign platforms, automation of governance of administrative routines and 360° governance dashboards;

- **Interaction with end customers**, with URA using Artificial Intelligence, Omnichannel Platform integrating all channels (chat, email, WhatsApp, etc.), virtual voice and text agents integrated with Artificial Intelligence, Trading Portals, scoring algorithms and strategic definition of profiles for travel billing.

At the same time, the initiative to create the new "Almaviva Digital Product" continued, to guide the evolution of the Customer Experience market (Omnichannel and Hiperpersonalizado) and which will be characterized by an ecosystem of proprietary digital solutions that will involve a new operating model (culture, solutions and people's profile).

In 2024, the new headquarters in São Paulo, Brazil, was inaugurated, which welcomed both the Almaviva Experience and the Almaviva Solution. This move represents not only a logistical improvement but also a strong synergy between the Group companies.

SEGMENT ALMAWAVE – NEW TECHNOLOGY

The Italian market

During 2024, the Almawave Group's strong innovation process continued through the evolution of proprietary products and platforms and through the introduction of new Vertical AI solutions.

On 29 April, Almawave signed an agreement with **Cineca, the Inter-University Consortium hosting entity for the Ministry of Research of the Leonardo supercomputer in the EuroHPC network,** for the development of "Velvet", an Italian model of Artificial Intelligence, Open Source, multilingual and multimodal. The goal of the Velvet project, whose first two versions 14B and 2B were released at the end of January 2025, is to create large sustainable language models (LLMs) with a strong focus on Italian language and content, also developed in a multilingual key, providing for the main European languages with the aim of encouraging the widespread adoption of Velvet also at an international level. Velvet will be trained on Cineca's supercomputing infrastructure also to manage multi-modality (text, audio, video, etc.), with an aim of increasingly extended applicability to different possible tasks and contexts, in multiple sectors. The model has been made available on Open Source software sharing platforms, thus enabling its use also on dedicated infrastructures. Starting from Velvet, it will be possible to create additional vertical models capable of responding to the different needs of specific contexts.

These complex developments and the necessary transversality are made possible by Almawave's more than ten years of experience in the development of Artificial Intelligence technologies, in particular those of language - with the Group's R&D laboratories in Italy that already have over 100 highly specialized resources - and consolidated in hundreds of projects carried out on data and domains from multiple sectors, such as Public Administration, Security, Transport, Tourism, Health, Education, Cultural Heritage, Green Transition, Finance.

The collaboration between Almawave and Cineca aims to grasp and direct them, promoting a solid development of these technologies, in order to make them increasingly efficient and applicable, in a manner consistent with regulatory compliance requirements deriving from the AI Act, Data Act and Privacy as well as specific to each individual domain.

Almawave's approach not only aims to keep Velvet relevant over time but aims to make it a dynamic tool, capable of guiding and adapting to the continuous transformation of different technological and market contexts. The flexibility and readiness to embrace the new frontiers of AI will allow the model to remain at the forefront, contributing significantly to efficiency and quality in adoption for various use cases. Particularly relevant, among others, will also be the issues of attention in the selection, management, quality and cleaning of data for their training, construction and use; compliance and correctness in the information processed; management of data processed by the models; privacy; oversight of ethical development issues. A further point of specific attention, always strongly linked to data, will be related to the cultural, social and linguistic issue.

In this regard, it is particularly relevant to point out, as part of the investments that Almawave is making in order to ensure the necessary additional capacity of the infrastructure for the production of vertical models that can be sold to customers, the entry into the Innovate group, an Italian consortium coordinated by Cineca which in December was awarded the first industry-grade supercomputer promoted by the EuroHPC joint undertaking. EuroHPC is an initiative born in 2018, with the aim of developing a leading ecosystem in supercomputing and quantum computing in the EU. After the installation of supercomputers such as Leonardo, Eni's HPC6, or Pitagora, which have brought Italy to third place in the world for overall computing power, the Innovate project will further strengthen the country's role in supercomputing.

In order to support the investments and growth plans of the Almawave group, and in particular the development of Velvet, in December an agreement was signed for a line of financing worth euro 20 million issued by **BNP Paribas and assisted by SACE's Archimede Guarantee**, a solution dedicated to supporting investments in innovation, infrastructure and sustainable transition, on 70% of the total value financed.

As far as the AIWave platform is concerned, the design and implementation of "Conversation Studio" has been finalized, a new application for Vertical AI, which exploits the models and algorithms already available in the platform, allows the creation of a conversational assistant capable of answering questions about the information that the customer makes available. During the year, a new application called "Discovery Experience" was also introduced, an application that, by leveraging the capabilities of the most modern and advanced techniques for the application of Generative AI in complex contexts, revolutionizes the way in which it is possible to interact with one's knowledge base, retrieving information and collecting new elements of knowledge. Also, in support of this new AI application, advanced RAG (Retrieval Augmented Generation) techniques have been refined and further evolved both on textual content and on audio/video content.

In the field of voice technologies, a new proprietary decoder has been created, the Segment-aware Speaker Identification, renewing the functionality of Spoken Language Identification.

From a commercial point of view, the Group has implemented a progressive market focus aimed at the growth of AI solutions and its international business as a priority line of action and positioning with the launch of new important initiatives launched in the first half of the year. In particular, in the AI area for the Intelligence and Destinations development location, in which the Group aims for international leadership, initiatives, partnerships and contracts in multiple contexts such as: South Africa, Big Bear in California, Lancaster in the United Kingdom, Coromandel in New Zealand, Australia. They are joined by the Spanish Secretariat of State for Tourism, the Government of El Salvador, Guatemala, Medellín in Colombia and Dubai Holding, joined by the company acquired in Spain. New projects have also taken shape with companies of global importance in the consumer goods area in various countries.

Also significant is the agreement signed in March with **Seed Group**, a company belonging to the **Private Office of His Highness Sheikh Saeed Bin Ahmed Al Maktoum**, aimed at the dissemination of AI solutions for digital innovation in Dubai and in the wider MENA region.

In July, important partnerships were also signed, including the one with **DITECFER, the District for Railway Technologies, High Speed and Network Security**, which currently brings together over fifty Italian companies and research organizations, a strategic agreement for the application of Artificial Intelligence in the railway industrial chain. This collaboration marks an important step forward towards innovation and modernization of the Italian railway ecosystem thanks to an increasingly effective use of data and information aimed at all operators in the sector, based on knowledge of its specific characteristics. In detail, the agreement between Almawave and DITECFER focuses on the development of innovative Use Cases, which aim to help transform the railway sector with Artificial Intelligence, introducing new levers of effectiveness, efficiency, safety and quality of processes.

The international market

During the year, numerous initiatives led to the consolidation of the Almawave Group's presence in the international market. The most important events of the period are reported below.

In line with the development and dissemination of Velvet also at an international level, in October a Memorandum was signed with the Information & Communication Technologies Commission of Tanzania, to develop and implement the Italian model of LLM Velvet, in Swahili. The agreement is aimed at supporting the development and implementation of Almawave's Italian LLM model, Velvet, in its version in Swahili, the official language of Tanzania together with English, through the exchange of data, experiences and technologies. The collaboration aims to provide an effective tool based on generative AI to be allocated to the Tanzanian Public Administration. According to the Memorandum, Almawave will provide Velvet in Open Source version to the ICTC, while the latter will provide local data and information for the training of the model in Swahili. The goal is to develop a "tailor-made" LLM model for the local context, free of bias, capable of optimizing administrative processes through digitization and improving the efficiency of structures as well as interactions with citizens.

In November, a Memorandum of Understanding (MoU) was signed between Almawave and Reach Digital, the digital transformation division of Reach Group, part of IHC (International Holding Company, Ticker ADX: IHC), headquartered in Abu Dhabi. The agreement between the parties aims to develop new commercial synergies, with a particular focus on the MENA (Middle East and North Africa) markets of the United Arab Emirates, Saudi Arabia, Morocco and Egypt, exploiting Almawave's technological expertise in AI on the one hand and Reach Digital's dense network of customers and market experience on the other. specialized in AI, IoT, data analysis, cognitive technologies and innovations for smart cities. The partnership will focus on the implementation of technologies based on Artificial Intelligence, creating innovative solutions capable of responding to the most complex business challenges, improving the operational efficiency of companies and advancing the technological sector of the countries in the area, also through the adoption of cutting-edge business models. Through this partnership, Almawave continues its internationalization path with conviction. The entire MENA area, but the United Arab Emirates in particular, represent a region where investments in Artificial Intelligence are multiplying more than elsewhere and this agreement, thanks to Reach Digital's in-depth knowledge of the market, aims to further strengthen Almawave's positioning in these highly strategic countries.

The Group is also increasingly consolidating its presence in South America through its subsidiary Almawave do Brasil. In particular, in the past year, the Brazilian subsidiary worked to consolidate its operational and organisational capabilities by focusing on orders and volumes and carrying out, in synergy with AlmavivA do Brasil, projects to optimise the customer experience in the customer care area based on the company's innovative solutions.

Also in Brazil, the development of the value proposition The Data Appeal Company continues, through the business unit focused on location intelligence solutions in the country.

Also worth mentioning is the agreement signed in September by The Data Appeal Company for an important partnership with Destination Think, a leading destination marketing company to support tourist destinations globally in improving sentiment and sustainable growth. The partnership aims to foster cutting-edge solutions in this area, using advanced semantic analysis to revolutionize the way destinations offer more sustainable experiences to their residents, both permanent and temporary. The partnership is allowing The Data Appeal Company and the Almawave Group to expand into North America and Oceania, offering a cutting-edge and innovative platform to analyze their Sentiment Score, market trends in real time and outperform competitors.

The Data Appeal Company also signed a strategic agreement in October with Visa, one of the global leaders in digital payments, with the aim of increasing the attractiveness of tourist destinations through a structured and comparable analysis of visitor spending habits in major international destinations. The agreement will allow the introduction of a new analysis feature, the Spending Module, in D/AI Destinations, a reference platform in the sector created to improve tourism promotion by optimizing investments and achieving marketing & management objectives. It is an innovative tool that can facilitate Destination Management Organization (DMO) activities in particular, providing a complete picture of the types of visitor spending items at different times and seasons of the year. The main categories examined are hospitality, food and dining, transport and retail, entertainment and attractions.

Co-financed projects

The Group has been strongly committed to Research and Development activities, both on the national and European fronts, ensuring the development of projects already started in previous years, launching those newly awarded and participating in new calls, with the award of a new European project.

At the same time, all activities relating to administrative and regulatory obligations were carried out, constantly monitoring all economic aspects.

European Projects

C-Roads Extended - Call"CEF-T-2023-SIMOBGEN-ITS-WORKS, lead partner AustriaTech GmbH, is a technical support project for the governance of the C-Roads Platform, the coordination table for the implementations of C-ITS services according to the European hybrid ITS-G5 system. Almaviva participates in continuity with the previous CEF project (C-Roads Italy 2) and in synergy with the SCALE project.

SCALE Project - Call "CEF-T-2023-SIMOBGEN-ITS-WORKS", lead partner MINISTERE DE LA TRANSITION ECOLOGIQUE, DE L'ENERGIE, DU CLIMAT ET DE LA PREVENTION DES RISQUES – MTEECPR, aims to increase the deployment of mature C-ITS services for autonomous and connected driving and to support the technical development and large-scale impact assessments of new C-ITS use cases in 10 different European pilot sites in Spain, France, Italy and Austria.

Foliage - Forest planning and earth observation for a well-grounded governance - Life Programme call, aims to improve forest governance, led by CREA (Council for Agricultural Research and Analysis of Agricultural Economics). In the reference year, AlmavivA coordinated and supported the consortium partners for the planning of the public use of the system. Among the issues addressed, those relating to the adherence of the entire FOLIAGE system to current regulations (including GDPR and AGID for Public Administration systems) for both partner regions were of important importance. Almaviva has also created the operating infrastructure of the systems for both regions and has put into operation the PAF v2 system (Forestry Administrative Platform for the management of forest cutting applications) for the Umbria Region, in compliance with current regulations. For the Lazio Region, formal agreements are being defined. The PRIF v2 mobile application (Forest Survey and Information Platform for carrying out field surveys), was completed in its final version and was delivered at the beginning of the year, in accordance with the project deadlines. Preparatory activities are underway for its implementation in the Umbria Region system in compliance with current regulations. For the PMF v3 (Forest Monitoring Platform) satellite monitoring system, the requirements have been finalized and its development is nearing completion.

TEADAL – Trustworthy, Energy-Aware federated DAta Lakes along the computing continuum
Call HORIZON-CL4-2021-DATA-01 WORLD LEADING DATA AND COMPUTING TECHNOLOGIES 2021, lead partner UBIWHERE (PT). Research Innovation Action Project, 100% funded by the Commission. The project objective is the development of new technologies to create extended data-lakes on cloud-edge continuum and multi-cloud, ensuring privacy, confidentiality and energy-efficient data management. During the exercise, Almaviva continued to test various Machine Learning models for the prediction of resource consumption and the detection of anomalies in the TEADAL platform, using different technologies, including LLM. A dedicated component (API) is being finalized and will be integrated within the platform. In the Blockchain field, various activities were carried out aimed at growing the solution already implemented and integrated into the project platform, specifically for the Trustworthy Federation Mechanism (DID, ZXRollup). A ZKP (Zero Knowledge Proof) trial applied to AI models is also being developed. Coordination activities continued for the testing and validation of the project results based on the KPIs defined in the DOA. Almaviva also continued to actively support the integration and deployment of the project pilots. In addition, AlmavivA coordinated the production of content for the project deliverable dedicated to the definition of the Exploitation Plan. The activities of the technology partners are being monitored to collect their activities for the exploitation of the project results.

AGRIDATAVALUE Smart Farm and Agri-environmental Big Data Space - Call HORIZON-CL6-2022-GOVERNANCE-01-11. Research Innovation Action Project, 100% funded by the Commission, lasting 72 months. The aim of the project is to position AGRIDATAVALUE as a "Game Changer" in the digital transformation and agri-environmental monitoring of Smart Farming, as well as to strengthen the capacity, competitiveness and fair income of Smart Farming by introducing an innovative, open source, intelligent and multi-technological, fully distributed Agri-Environment Data Space (ADS). In the reference year, AlmavivA actively collaborated with the project partners to define the architecture of the solution. In the Blockchain field, after the creation of a private BC last year, its own component for the tracing of an agri-food chain has been completed and integrated into the project infrastructure. In addition, this has been extended with notarization and certification capabilities for AI models registered in the platform. In the XAI (Explainable AI) field, Almaviva has updated its XAI Framework, created to give an explanation of the behavior of the various AI models that are developed within the project, increasing the multimedia nature of the results (text and graphic explanations). This module was integrated into the project platform and extended to the new AI models currently being developed by the European partners. Another area of activity in which AlmavivA is engaged is the creation of projections of climate impact indicators on agricultural activities, to produce an estimate of how these indicators are linked to the relevant indicators in agriculture and biodiversity. After defining a roadmap of activities, Almaviva coordinates the partners for the analysis of the data produced by the European partners.

DIONYSUS - Operational adaptation Nexus-based systems solutions in Mediterranean. From June 2024 AlmavivA will become part of the Dionysus research project as part of the PRIMA (Partnership for Research and Innovation in the Mediterranean Area) Program. The latter is a Euro-Mediterranean action pursuant to Article 185 of the TFEU, approved by the European Parliament and the Council with Decision (EU) 2017/1324 of 4 July 2017, with the aim of consolidating a long-term structured partnership in the field of research and innovation in the Mediterranean area, in accordance with the principles of co-ownership, mutual interest and benefit-sharing. In the reference year, the AlmavivA project group carried out coordination activities relating to the technical meetings, held on a bi-weekly basis, aimed at collecting the high-level functional and architectural requirements that will populate the first deliverable (D4.1). It carried out a preliminary study on the GAMS software (T3.1), produced documents and presentations, addressed to partners, including a template for the definition of the data model. These were made available, where necessary, in the shared project cloud. It also oversees meetings on data collection, anonymization and compliance. The AlmavivA working group has also started analyses aimed at drafting deliverable D4.1 "DIONYSUS-inov-Platform-High-Level-Requirements-and-Architecture" focusing mainly on the technological aspects necessary to ensure the workflow required by the platform (of which by way of example: framework evaluation, communication interfaces, development, testing and production environments).

ACSOC - Advanced Cooperative Security Operation Centres – call DIGITAL-ECCC-2024-DEPLOY-CYBER-06, lead partner Almaviva, aims to introduce new enabling technologies and process innovations to enhance the operational capacity of SOCs, including their ability to cooperate with CERTs and CSIRTs. The project, awarded in 2024, will start on January 1, 2025**.**

Project RAG4HFP "Retrieval Augmented Generation for Heart Failure Patients"
2024, 'Interconnected North-East Innovation Ecosystem' Spoke 2 "Health, Food & Lifestyle"' was awarded by INEST, with the aim of revolutionizing the way clinical and health information is managed, structuring Retrieval-Augmented Generation (RAG) techniques and using Large Language Models (LLMs), to extract and structure information and unstructured data regarding the treatment pathways for patients with heart failure.

VaMPiRE Project "Validation of a-synuclein Modifications in Parkinson's disoRder Evolution"
Awarded in 2024 by the European Commission, as part of the Horizon program, to the Consortium consisting of 14 members including companies, universities, and healthcare institutes operating nationally and internationally, including Almawave S.p.A.. The VaMPiRE project, aims to conduct a longitudinal study involving 600 patients with PD and 600 healthy subjects to explore a-Syn isoforms and related biomarkers in NDEVs for early detection of PD. The consortium aims to develop and validate an innovative in vitro diagnostic (IVD) test capable of detecting the early stages of PD and estimating prognosis and disease progression. Almawave will use artificial intelligence models to generate data analysis algorithms, collaborating with leading analytical laboratories and IVD manufacturers.

CDT - CarDio Twin PNRR Funds, M4C2 - investment 1.5. creation and strengthening of "Innovation Ecosystems for Sustainability", call for proposals for the I-NEST Cascade Consortium, Spoke 9 Mezzogiorno, the only ADT proposer.

- The macro-objectives of the project are:
- **Develop an artificial intelligence system** for the analysis of data from patients suffering from heart failure, improving the timeliness of intervention and the management of the disease.
- **Design and implement a Digital Twin** to support the personalized management of the heart failure treatment pathway.
- **Implement an AI-based decision support system**, with the aim of optimizing treatment plans, reducing healthcare costs and improving service planning at the territorial level.

NA VITA - Naples: Evaluation of the impact of Tourism in the City - PNRR Funds, M4C2 - investment 1.5. creation and strengthening of "Innovation Ecosystems for Sustainability", cascading call I-NEST Consortium, Spoke 6 Mezzogiorno - Tourism, Culture and Creative Industries, sole proponent ADT.

The project objective is the construction of an analytical model for the evaluation of the impacts of over-tourism in the city of Naples through the analysis of the available data on the city's tourist flows, with particular focus on the Historic Center (Decumani, Spanish Quarters, etc.) at times of greatest tourist turnout. Through advanced tools, and the creation of questionnaires, the project aims to identify KPIs and study models that explore the reference domain and create a solid knowledge of merit as a Group asset. In the reference year, the activities of bibliographic study and methodological approach, study of models for the evaluation of the contribution of tourism to the local economy and identification of a first basic model were carried out. Through a relationship consolidated over the years with the Fondazione Quartieri Spagnoli ETS (FoQus), a non-profit organization present in the main areas of reference of the project, it will be possible to involve and interact with the inhabitants interested in the project.

National Projects

MUSA - "Multilayered Urban Sustainability Action" Directorial Decree no. 3277 of 30 December 2021, proponent of the University of Milan Bicocca – 24 participating entities including 17 companies. In 2024, AlmavivA continued the development and implementation of the project's Cloud Platform, the MUSA Data Hub, thanks to which MUSA users and customers can access services, exchange resources and perform different types of data processing in the field of Life Sciences. The Platform has been equipped with a solution dedicated to decentralized identity management via blockchain, with a mobile application for secure authentication and consent management. Two further pilots were supported: 1.2.2, to automate cell analysis in mouse models, and 1.2.3, focused on federated learning mechanisms for the early detection of prostate cancer.

CNMS – National Center for Sustainable Mobility Directorial Decree no. 3138 of 16 December 2021, proponent Politecnico di Milano

In 2024, all activities were launched, in line with the objectives of the individual Spokes:

- **Spoke 4**: System, integrated in the MOST Control Room, for real-time Train Monitoring (via submetric localization);
- **Spoke 7:** Integration Layer for the integration of advanced sensors and traffic and evolutionary simulators of the MOOVA C-ITS Platform;
- **Spoke 9:** solutions, integrated in the MOST Control Room, for the prediction of traffic in urban contexts and the management of Smart Parking with video analysis system;
- **soluzioni, integrate nella Control Room MOST**, for the Intermodal Appointment System (Truck Appointment System) and Monitoring and Simulation System of Goods Flows in Italy.

In addition, as part of the "FLAGSHIP - CCAM4Italy and Model4Italy as Digital Twins - CCAM&MOD4Italy" Almaviva contributes to the creation of a digital ecosystem (Research

Infrastructures, National Platforms and Laboratories) for the development and testing of CCAM solutions.

RETURN - multi-Risk sciEnce for resilienT commUnities undeR a chaNging climate
Directorial Decree no. 341 of 15 March 2022 - proponent Federico II University. In 2024, all initiatives were launched and, in synergy with partners, design and development activities were carried out for prototype solutions in line with the objectives of the individual spokes:

- **Spoke TS1:** Hazard monitoring system, multi-risk related to climate change and for the management of impact chains in urban and metropolitan contexts - evolutionary MOOVA SHM;
- **Spoke TS2**: Monitoring system for exceptional transport and evaluation of transit impacts on bridges and viaducts - evolutionary MOOVA SHM.

HD MOTION – HUB FOR THE DIGITAL MOBILITY TRANSFORMATION lead partner CIM4.0, the aim is to support SMEs and PAs in facing the new technological challenges imposed by sustainable mobility and freight transport, dealing daily with the needs of the territory. In 2024, Almaviva carried out the first collaboration activities with the Project Partners for the analysis and development of the service charter and the engagement of users.

SITSEE - INEST 2 Spoke 6 Triveneto cascading call, which began in December 2024, aims to assess the tourist and cultural impacts related to the organization of some events in the wine world of the North East through the collection, analysis of visitor mobility (also including data on credit card transactions) and the development of a model for calculating the tourist and cultural impacts of events.

ENERGISE (Energy Growth and Innovation for Sustainable Efficiency) - INEST 2 Spoke 3 Triveneto cascading call, which began in November 2024, the aim is to develop a platform to manage Renewable Energy Communities (RECs) with real-time monitoring, predictive models and automated decisions to reduce consumption. It uses IoT, digital twins and incentives to optimize resources, and blockchain for transparent transaction management.

OncologIA Project – ERDF funds 2014-2020 provided for by the Regional Operational Program (ROP) 2014-2020 of the Puglia Region, lead partner ADT.
Almaviva S.p.A. activities: Consultancy for industrial research and experimental development activities that Almaviva Digitaltec commissioned to Almaviva - the following activities were supported:

- Development of cloud-oriented processing infrastructure for the management of the entire life cycle of health data;
- Research on digital wallets and digital signatures, which led to the creation of a prototype compliant with regulatory requirements;
- Development of a prototype for the management of Decentralized Digital Identities, useful for creating Digital Twins of patients and improving therapeutic pathways;
- Development of a system for What-if analysis, with customized access to different information and decision-making levels.

Rome Technopole – Research and Innovation Ecosystem: the project is based on an innovation ecosystem that unites universities, research and industry to accelerate Lazio's digital and sustainable transition. Almaviva has chosen to contribute to the pillars of the digital and ecological transition. 5 research streams are currently underway under 2 Flagship Projects and 2 Spokes.

FP2 Task2.2 Rainwater capturing capabilities assessment in the context of green city: the working group developed an innovative solution to monitor and optimize the water resources management of a civil building, integrating historical data and advanced simulations. Thanks to XR technology, users can interactively visualize collection volumes, rainfall patterns and water quality. The integration of new virtual chart templates has improved the efficiency of analysis and the usability of data.

FP3 Task2.1 Automatic waste recognition through artificial intelligence algorithms: in 2024, Almaviva implemented an advanced AI-based solution to improve efficiency in waste sorting, with a focus on plastic and wet cardboard. The system increased the accuracy of the recognition, reducing errors and waste, and improving the quality of the recovered material. Extensive tests are confirming the reliability of the technology that aims to be ready for integration with the implementation component.

FP3 Task2.2 Voluntary plastic credits system based on blockchain technology: during the past year, Almaviva has developed a digital platform for the certification and exchange of plastic tokens via Blockchain technology, supporting companies in adopting more sustainable practices. The solution ensures the traceability of operations, while protecting the confidentiality of company data. Testing and optimizations have improved the performance and stability of the system, making it ready for large-scale deployment.

FP6 Task2.1 Building Information Modeling (BIM) and energy consumption management: nel 2024, in 2024, Almaviva developed a digital platform for the management of a residential building stock, improving operational efficiency, sustainability and energy monitoring. Thanks to the integration with OpenBIM and artificial intelligence tools, the solution optimizes consumption, facilitates maintenance and allows you to make informed decisions. The implementation of a virtual reality module, which is nearing completion, promotes immersive control, even in multiplayer mode, enabling multiple players on the platform to operate in synergy. Dashboards have also been implemented that make the analysis of the building's energy performance faster and more accurate.

FP6 Task2.2 Energy consumption optimization solution for Intelligent Public Lighting System in Smart City Context: in 2024, Almaviva has developed a prototype of a smart street lamp capable of detecting accidents and dangerous situations, such as assaults, fights, shootings, improving urban safety. The system uses audio-video sensors to identify critical events and trigger light signals and notifications to authorities. In collaboration with the University of Tuscia, the AI algorithm is being refined to make the detection and reporting of suspicious events more effective.

DIGIT project – Data Intelligence for the Management of Tourism Impacts the DIGIT project, part of the IRISS initiative, aims to create an integrated platform that uses spatial data, advanced models and Artificial Intelligence to support the management of tourism impacts. The platform, based on a data lake and customizable algorithms, will help in urban planning and in the management of tourist flows, both daily and during special events. Key innovations include aggregating data from different sources and advanced modelling to analyse tourism behaviour. These innovations will make it possible to track the movements of tourists, customize the tourist offer and improve the management of destinations. The activities of 2024 included the analysis and design of the project and the development of the platform framework.

PICS2 - “PUGLIA INNOVATION CENTER FOR SAFETY AND SECURITY”: the "PICS2 - PUGLIA INNOVATION CENTER FOR SAFETY AND SECURITY" project is part of the activities being disbursed for the European Digital Innovation Hub (EDIH) call, which has LUM Giuseppe DeGennaro (IT) as its lead company. The project objective is to promote the digital and green transition, through the intelligent integration of data and services, safety (people's health and well-being, environmental protection, prevention and protection from natural disasters) and security (protection of industrial, logistics, customs and energy infrastructures, both in the physical and digital spheres). Almaviva's activities focus on the ICT security services part. In October 2024, the Kick Off of the project was carried out and all the actions were developed that will allow, in 2025, to identify the companies using the services to propose them to join the project. The user companies will therefore be able to use the advanced ICT security services provided by the project at economically advantageous conditions, thanks to the use of PNNR funds provided by the Ministry of Enterprise and Made in IT (MIMIT).

Digital Twin for the search for water leaks in aqueducts: the project, funded by the SISSA Cascade Call, Spoke 9 aimed at the Southern Area as part of the ecosystem research program "i-NEST- Interconnected North-East Innovation Ecosystem", intends to develop a mathematical model, with consequent numerical resolution scheme, for the construction of a Digital Twin (DT) of a water distribution network. The approach is based on a new theory of physical and mathematical modelling of aqueduct systems developed within a PhD course in higher education that involved the company and the Department of Mathematics "Tullio Levi-Civita" of the University of Padua. The founding objective of the project is to advance in the realization of the DT prototype that was started during the doctoral course, bringing it from a TRL 4 to a TRL 7, through the combination of mathematical-numerical, computer science and validation developments in an operational environment.

As for the economics of the aforementioned projects, during 2024, the accrued funding amounted to KEuro 4,037, all as a contribution to expenditure, against a global cost report of KEuro 7,253. Below, the detail:

Project (in thousands of Euro)	Total Costs	Total funding allowed	Reported	No-repayable grant accrued	Loan accrued at a subsidised rate
C-Roads Extended	200	100	13	6	6
SCALE	1,600	800	62	31	31
Foliage	332	173	97	51	51
Teadal	843	843	301	301	301
AgridataValue	417	417	131	131	131
Dionysus	250	175	11	8	8
PNRR - MUSA	1,816	908	775	387	387
PNRR - CN MOST	3,767	1,883	1,418	709	709
PNRR - CN MOST - Flagship Linea B	871	435	161	80	80
PNRR - Return	2,606	1,288	671	336	336
HD-Motion	781	391	1	0	0
OncologIA - consulenza per ADT (Almaviva spa)	450	450	28	28	28
OncologIA (Almaviva Digitaltec)	4,441	2,459	2,168	1,156	1,156
PNRR - Rome Technopole	1,716	989	1,050	649	649
Digit	574	240	161	66	66
PICS2	180	90	5	2	2
NaVita	332	138	150	70	70
CDT	395	175	50	25	25
GIFTIV	219	127	0	0	0
Total	**21,787**	**12,080**	**7,253**	**4,037**	**4,037**

In 2024, a contribution to expenditure (non-repayable fund) of KEuro 1,658 was also collected. Below is the detail:

Research and Development Activities

During 2024, the Group incurred total costs, including costs related to the projects financed, for R&D activities for an amount of euro 44.8 million.

Project	Non-repayable Fund	Total
AgridataValue	65	65
C-Roads	209	209
Oncologla consulenza per Almawave	66	66
Return	77	77
Dionysus	53	53
CE	97	97
Rm Technopole	297	297
Musa	132	132
Acsoc	644	644
Foliage	19	19
TOTAL	1,658	1.658

Risk management

Main risks and uncertainties

The Group operates in sectors and in political-economic contexts exposed to risks that may have effects on its results and on its equity and financial position. For this reason, it puts in place actions and specific processes to prevent them.

The Parent Company and its subsidiaries are exposed to the risks described below.

The Almaviva Group and its subsidiaries have allocated specific funds in the financial statements, which are reported in several parts of this "Report on Operations", to cover both the normal risks relating to the recovery of trade receivables and other ordinary risks, such as judicial and extrajudicial litigation.

Risks related to general economic conditions

The persistence of a stagnant phase of the economy, especially at the domestic level, could further slow down the demand for the services provided, with particular reference to the "Others" business area, and with consequent negative economic and financial impacts on the Group. Thanks to recent operations aimed at rebalancing the economic and financial structure of the aforementioned operating segment, the diversification of operating sectors and its international presence, the Group distributes the weight of its business volumes, thus minimizing the risks associated with the crisis of a single market.

Risks associated with contractual liability towards customers

The contracts signed by the Group may provide for the application of penalties for compliance with the agreed times and quality standards.

Credit risk

Credit risk is related to the probable financial loss generated by the non-fulfilment by third parties of a payment obligation towards the Group. The Group also manages this risk through the assessment of the client and the constant monitoring of exposures to its customers. Furthermore, the Group does not have significant concentrations of credit risks except for activities carried out in the Public Administration sector for which the deferrals granted are related to the payment policy adopted by public bodies, but which do not represent risks of bad debts.

Exchange rate risk

The exposure to the risk of changes in exchange rates derives from the company's operations in currencies other than the Euro (mainly the Brazilian Real) and has an impact on the consolidated financial statements (income statement and equity) as a result of the translation of assets and liabilities of companies that prepare their financial statements with a functional currency other than the Euro. The risk deriving from the conversion of the assets and liabilities of companies that prepare the financial statements with functional currency other than the Euro is not normally hedged, unless otherwise specifically assessed. The Consolidated Financial Statements as at 31 December 2024 were impacted by the EUR/R$ exchange rate trend.

Interest rate risk

The Group is exposed to the risk that changes in the level of interest rates lead to increases in net financial expenses. Exposure to interest rate risk derives mainly from the variability of financing conditions in the event of new debt being taken out and from the variability of interest flows related to floating rate borrowing. It should be noted that the Almaviva Group's debt is mainly fixed-rate and refers to the KEuro 725,000 bond issue (ISIN Code XS2927492798), with a fixed rate coupon of 5.000%, maturing in October 2030 and listed on the Luxembourg Stock Exchange on the Euro MTF Market (non-regulated market). The risk management policy aims to maintain the risk profile defined in the context of formal Group risk governance procedures that provide for the constant monitoring of the trend of the aforementioned rates and the adoption of appropriate corrective actions in the presence of adverse forecasts related to their performance.

Liquidity risk

Liquidity risk is the risk that the Group, despite being solvent, will not be able to meet its commitments in a timely manner, or that it will only be able to do so under unfavourable economic conditions due to situations of tension or systemic crisis. The risk management policy is aimed at maintaining sufficient cash and cash equivalents to meet the expected commitments for a given time horizon without resorting to additional sources of financing, as well as maintaining prudential liquidity "reserves", sufficient to meet any unexpected commitments. From this point of view, the Group adopts a centralised treasury management structure that guarantees efficient management of financial resources and coverage of requirements through credit lines connected to the Group's revenues. Liquidity risk has not been significantly impacted by the Covid-19 pandemic.

Performance & metrics

Definition of the main alternative performance indicators

In order to illustrate the Group's economic results by analysing its capital and financial structure, separate reclassified tables have been prepared that are different from the statements required by the IFRS-EU accounting standards adopted by the Almaviva Group and contained in the Consolidated Financial Statements. These reclassified formats contain performance indicators that are alternative to those resulting directly from the consolidated financial statements and that management considers useful for monitoring the Group's performance, as well as representative of the economic and financial results produced by the business.

With regard to these indicators, on 29 April 2021 CONSOB issued Warning no. 5/21 which makes applicable the Guidelines issued on 4 March 2021 by the European Securities and Markets, Authority (ESMA) on disclosure obligations pursuant to EU Regulation 2017/1129 (the so-called "Prospectus Regulation"), which apply from 5 May 2021 and replace the references to CESR recommendations and those in Communication no. DEM/6064293 of 28 July 2006 on the net financial position. These Guidelines, which update the previous Recommendation of the CESR - Committee of European Securities Regulators (ESMA/2013/319, in the revised version of 20 March 2013) are aimed at promoting the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses falling within the scope of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility.

In line with the above-mentioned communications, the criteria used for the construction of these indicators are provided below:

- **EBIT**: represents an indicator of core operations that coincides with the item "Operating result" in the income statement obtained as the algebraic sum of total operating revenues and income and total operating costs
- **EBITDA:** represents an indicator of operating operations determined as follows:

	Pre-tax profit (loss) from operating activities
+	Financial charges
-	Financial income
±	Foreign exchange gains (losses)
±	Share of profits from investments in associates and joint ventures accounted for using the equity method
±	Income (expenses) from equity investments
	Operating result
±	(Reversals of impairment)/Write-downs of non-current assets and non-recurring income/(expense)
±	(Capital gains)/Losses on disposal of non-current assets
+	Depreciation
	EBITDA

Adjusted Revenues this is another indicator of operating management that includes the share of revenues relating to newly acquired companies in the period, which runs from 1 January to the date of acquisition, and adjusted for the share of non-recurring revenues;

Adjusted EBITDA: this is another operating margin adjusted to take into account non-recurring charges;

Fixed capital: determined as the algebraic sum of "Tangible assets", "Other intangible assets", "Goodwill" and "Equity investments";

Net working capital: defined as the difference between "Short-term assets" which are made up of the balances relating to the items "Inventories", "Contractual assets", "Trade receivables" and "Assets held for sale", and "Short-term liabilities" consisting of the balances relating to the items "Trade payables", "Current tax liabilities", "Other current liabilities", "Liabilities held for sale" and the current portion of the item "Provisions for risks and charges";

Net invested capital: determined as the algebraic sum of fixed capital and net working capital, "Other non-current assets" and "Other non-current liabilities" as well as the "Employee severance indemnity" which is made up of "Provisions for current and non-current employee benefits";

Financial availability/indebtedness: this is an indicator of the financial structure and is determined by "Non-current financial liabilities", "Current financial liabilities" net of "Current financial assets" and "Cash and cash equivalents". The net financial debt of the Almaviva Group is determined in accordance with the provisions of paragraphs 175 et seq. of the ESMA32-382-1138 guideline of 4 March 2021 as indicated by Consob in the call for attention number 5/2021 of 29 April 2021 for the definition of Net financial debt;

Net financial availability/debt: this is an indicator of the financial structure and is determined by the Financial Income/Debt as defined above net of "Net non-current financial assets";

Leverage ratio: : means the ratio between "Net cash and cash equivalents" and "EBITDA".;

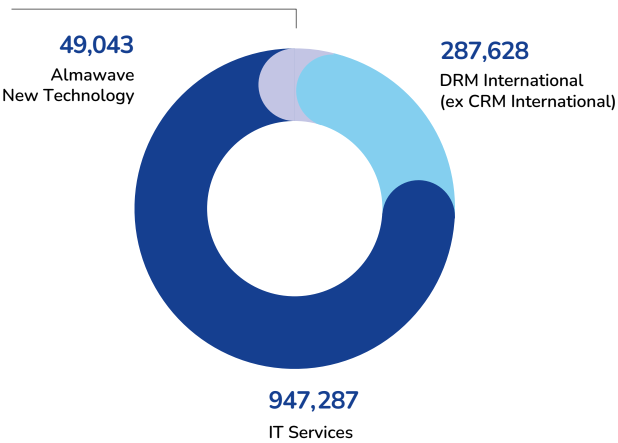
ROE (Return on Equity): means the ratio between "Profit (loss) for the year/period" and "Total equity" and provides a global and synthetic measure of the profitability of overall business management by expressing the net return that can be obtained from the equity invested.

ROI (Return on Investment): refers to the ratio between "EBIT (Operating Profit)" and "Net Invested Capital" and measures the profitability and efficiency of operating management regardless of the financing method.

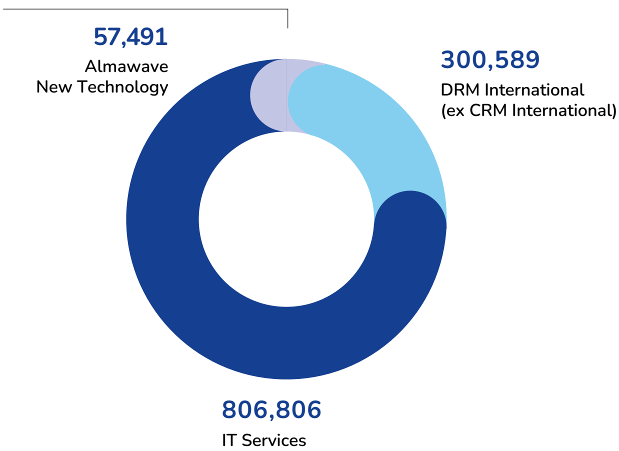
Principali indicatori del Gruppo

In thousand of Euro Description	Period 01.01.2024 12.31.2024 a	Period 01.01.2023 12.31.2023 a	Change absolute a-b	Change %
Revenues	1,266,198	1,156,115	110,083	9.5%
Other revenues	46,911	29,379	17,532	59.7%
EBITDA	237,610	190,287	47,323	24.9%
%of revenues	18.8%	16.5%		
EBIT	170,718	139,724		22.2%
% of revenues	13.5%	12.1%		
Profit (Loss) of the period	94,161	86,738		8.6%
% of revenues	7.4%	7.5%		
Total profit (loss) for the period	51,701	93,477		
Net investment capital	941,148	429,556	511,593	119.1%
Shareholders' Equity	291,255	259,424	31,831	12.3%
Cash and cash equivalents (Indebtness)	(649,893)	(170,132)	(479,761)	
ROE % (Profit (loss) for the period /SE)	32.3%	33.4%		
ROI % (EBIT/NIC)	18.1%	32.5%		
No. employees (including temporary)	41,546	44,729		

Revenues december 31, 2024



Revenues december 31, 2023



The table below shows the main economic indicators assuming the conversion of the items relating to the Group's foreign companies at the same exchange rates adopted as at 31 December 2023 (constant exchange rates). Deviations are also shown in absolute value and in percentage value.

Please refer to Note 2 in the Explanatory Notes for further details on punctual exchange rates and average exchange rates used.

In thousand of Euro Description	Period 01.01.2024 12.31.2024 at constant changes a	Period 01.01.2023 12.31.2023 b	Change absolut a-b	Change percentage a-b
Revenues	**1,290,583**	**1,156,115**	**134,468**	11.6%
Other revenues	**46,920**	**29,379**	**17,541**	59.7%
EBITDA	**243,156**	**190,287**	**52,869**	27.8%
% of revenues	18.8%	16.5%		
EBIT	**175,061**	**139,724**	**35,337**	25.3%
% of revenues	13.6%	12.1%		
Profit (Loss) of the period	**96,652**	**86,738**	**9,914**	11.4%
% of revenues	7.5%	7.5%		

Revenues Adjusted

In relation to the revenues of the Almaviva Group, as at 31 December 2024, it is considered appropriate to give, in the following table, a representation of the Adjusted Revenues integrated with the portion of revenues, relating to the newly acquired companies in the period, from 1 January to the date of acquisition and also adjusted for the portion of non-recurring revenues:

Amounts in thousand of Euro	2024	2023
Revenues	**1,266,198**	**1,156,115**
ADJUSTMENT - Others	(1,043)	(6,612)
M&A ADJUSTMENT – Integration of revenues of newly acquired companies for the period from 1 January to the date of acquisition	146,092	8,988
Total adjustments	145,049	2,376
Revenues Adjusted	**1,411,247**	**1,158,491**

Ebitda Adjusted

The Almaviva Group's EBITDA, as at 31 December 2024, was affected by some costs not typically related to the core business carried out by the Group. It is therefore considered appropriate to give a representation of Adjusted EBITDA net of the aforementioned costs in the following table:

Amounts in thousand of Euro	2024	2023
EBITDA	**237,610**	**190,287**
ADJUSTMENT Personnel cost - net costs incurred for Stock Grant allocation plans	-	1,598
ADJUSTMENT Personnel costs - charges incurred by employees for incentives and other non-recurring expenses	5,158	4,544
ADJUSTMENT Costs for services – costs incurred for consultancy new locations	321	-
ADJUSTMENT Purchases of materials and services – non-recurring costs relating to extraordinary transactions	1,551	80
ADJUSTMENT Other operating costs - costs related to DRM International for transfer/closure charges of certain sites	3,412	1,828
ADJUSTMENT - Others	8,652	9,995
M&A ADJUSTMENT - EBITDA integration of the newly acquired companies for the period from 1th January to the acquisition date	19,300	2,544
Total adjustments	**38,394**	**20,589**
EBITDA Adjusted	**276,004**	**210,876**
EBITDA Margin Adjusted	**19.6%**	**18.2%**

Economic results of the Group's segments

The economic results of the Group's segments are presented on the basis of the approach used by Management to monitor the Group's performance in the two years indicated. This analysis is the basis for the decisions taken by Management and is consistent with internal reporting and periodic communications made to investors. In addition, management conducts its own monitoring and evaluations based on this segmentation.

Denomination In thousand of Euro	IT Services		DRM International (ex CRM International)		Almawave - New Technology	
	12.31.2024	12.31.2023	**12.31.2024**	12.31.2023	**12.31.2024**	12.31.2023
Revenues	**947,287**	806,806	**287,628**	300,589	**49,043**	57,491
Ebitda	**183,623**	129,404	**53,808**	57,123	**8,830**	13,462
% of revenues	**19.4%**	16.0%	**18,7%**	19.0%	**18.0%**	23.4%
Ebit	**143,687**	103,302	**34,190**	37,927	**2,093**	8,822
% of revenues	**15.2%**	12.8%	**11,9%**	12.6%	**4.3%**	15.3%
Total Headcount	**7,096**	5,054	**33,498**	38,573	**439**	446

Eliminations		Total segments		Others and eliminations		Group AlmavivA	
12.31.2024	12.31.2023	12.31.2024	12.31.2023	**12.31.2024**	12.31.2023	**12.31.2024**	12.31.2023
(18,578)	(13,470)	**1,265,381**	1,151,416	**817**	4,699	**1,266,198**	**1,156,115**
(0)	293	**246,262**	200,282	**(8,652)**	(9,995)	**237,610**	**190,287**
n.a	n.a	19.5%	17.4%	**n.a**	n.a	18.8%	16.5%
(0)	293	**179,970**	150,345	**(9,251)**	(10,621)	**170,718**	**139,724**
n.a	n.a	14.2%	13.1%	**n.a**	n.a	13.5%	12.1%
0	0	**41,033**	44,073	**513**	656	**41,546**	**44,729**

Revenues by Geographical Area of destination

Details of the Group's revenues as at 31 December 2024, compared to the previous period, broken down by country of destination, are shown below:

2024

In thousand of Euro

822,100
ITALY
65%

444,098
FOREIGN
35%

→ of which Latam 353,461

→ of which Other Countries * 90,637

1,266,198
Total revenues
100%

2023

importi in €/000

816,937
ITALY
71%

339,178
FOREIGN
29%

→ of which Latam 296,770

→ of which Other Countries * 42,408

1,156,115
Total revenues
100%

(*) Belgium, United Kingdom, Luxembourg, USA, Saudi Arabia, France, Egypt, United Arab Emirates, Spain, Russia, Poland

Details of the Group's adjusted revenues as at 31 December 2024, compared to the previous period, broken down by country of destination, are also provided below:

2024

In thousand of Euro

821,057
ITALY 58%

590,190
FOREIGN 42%

→ of which Latam 368,820

→ of which Other Countries * 221,370

1,411,247
Total revenues adjusted 100%

2023

importi in €/000

819,313
ITALY 71%

339,178
FOREIGN 29%

→ of which Latam 296,770

→ of which Other Countries * 42,408

1,158,491
Total revenues adjusted 100%

(*) Belgium, United Kingdom, Luxembourg, USA, Saudi Arabia, France, Egypt, United Arab Emirates, Spain, Russia, Poland

Balance sheet results of the Group

The Group's main financial indicators are as follows:

In thousand of Euro	12.31.2024	12.31.2023
Property, plant and equipment	87,271	90,419
Other intangible assets	144,064	121,732
Goodwill	464,208	87,153
Equity investments	6,421	6,086
FIXED ASSETS	**701,964**	**305,390**
Current Assets	889,913	753,190
Current liabilities	(621,165)	(595,836)
NET WORKING CAPITAL	**268,748**	**157,354**
Other non-current assets	24,522	26,782
Employee severance indemnity	(39,899)	(39,285)
Other non-current assets	(14,186)	(20,684)
NET INVESTED CAPITAL	**941,148**	**429,556**
Shereholders' Equity	**291,255**	**259,424**
M/L (Availability)/Financial indebtedness	821,802	393,924
ST (Availability)/Financial indebtedness	(171,908)	(223,792)
(Availability)/Financial indebtedness	649,893	170,132
TOTAL SOURCES	**941,148**	**429,556**

For further details on the determination of "(Availability)/ Financial Debt", please refer to the provisions of the Net Financial Position in the Annexes to this document.

Statement of Financial Position of the Almaviva Group

(in thousands of Euro)	Notes	12.31.2024	Of which with related parties	12.31.2023	Of which with related parties
NON-CURRENT ASSETS					
Intangible assets	7	608,272		208,885	
Goodwill		464,208		87,153	
Other intangible assets		144,064		121,732	
Property, plant and equipment	8	87,271		90,419	
Investments accounted for using the equity method	9	6,421		6,086	
Non-current financial assets	10	10,680		2,016	
Deferred tax assets	11	21,727		24,591	
Other non-current assets	12	2,795		2,190	
TOTAL NON-CURRENT ASSETS		**737,165**		**334,187**	
Inventories	13	35,493		21,712	
Contract assets	14	71,470		28,694	
Trade receivables	15	613,097	5,607	522,067	32,866
Current financial assets	16	1,895		3,801	
Other current assets	17	169,853	32,139	180,717	27,877
Cash and cash equivalents	18	204,006		240,652	
Total current assets		**1,095,814**		**997,644**	
TOTAL ASSETS		**1,832,980**		**1,331,831**	
Total group shareholders' equity		**240,232**		**223,546**	
Share capital		154,899		154,899	
Share premium reserve		17,788		17,788	
Legal reserve		21,900		19,104	
Stock grant reserve		9,291		9,291	
Other reserves and accumulated Profit (Loss)		(47,630)		(59,525)	
Profit/(loss) for the period		83,984		81,989	
Non-controlling interests		**51,023**		**35,878**	
Share capital and reserve		40,846		31,129	
Profit/(loss) for the period		10,177		4,749	
Total shareholders' equity	19	**291,255**		**259,424**	
Non-current liabilities for employee benefits	20	39,899		39,285	
Non-current provisions	21	9,545		14,787	
Non-current financial liabilities	22	832,481		395,940	
Deferred tax liabilities	23	4,284		4,910	
Other non-current liabilities	24	357		987	
TOTAL NON-CURRENT LIABILITIES		**886,567**		**455,909**	
Current provisions	21	8,691		7,078	
Trade payables	25	364,729	116	379,925	78
Current financial liabilities	26	33,993		20,661	
Current tax liabilities	27	35,576		33,088	
Other current liabilities	28	212,169	29,231	175,746	33,593
Total current liabilities		**655,158**		**616,497**	
Total liabilities		**1,541,725**		**1,072,407**	
TOTAL EQUITY AND LIABILITIES		**1,832,980**		**1,331,831**	

Income Statement of the Almaviva Group

(in thousands of Euro)	Notes	01.01.2024 12.31.2024	of which with related parties	01.01.2023 12.31.2023	of which with related parties
Revenues from contracts with customers	**29**	1,266,198	6,310	1,156,115	42,016
Other Income	**30**	46,911	198	29,379	21
Total revenues and other income		**1,313,109**		**1,185,494**	
Cost of raw materials and services	**31**	(520,943)	(565)	(475,465)	(581)
Personnel expenses	**32**	(538,807)	-	(494,678)	(1,598)
Other expenses	**34**	(15,750)		(25,064)	
Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA)		**237,610**		**190,287**	
% on revenues		19%		16%	
Depreciation and amortization	33	(60,812)		(51,269)	
Depreciation and amortization of tangible		(28,088)		(26,678)	
Depreciation and amortization of intangible		(32,724)		(24,591)	
Profit/(Loss) for sale of non-current assets	**33**	2		660	
Revaluation/(Impairment) of non-current assets and non-recurring income/(expenses)	**33**	(6,081)		46	
Earnings before Interests and Taxes (EBIT)		**170,718**		**139,724**	
% on revenues		13%		12%	
Profit/(loss) from investments accounted for using equity method	**36**	335		2	
Financial income	**35**	6,934		5,533	
Financial expenses	**35**	(50,236)		(34,569)	
Exchange gains/(losses)	**35**	(3,800)		(244)	
Financial income (expenses)		**(46,767)**		**(29,278)**	
Profit/(Loss) before taxes		**123,951**		**110,446**	
% on revenues		10%		10%	
Income taxes	**37**	(29,790)		(23,707)	
Profit/(Loss) from continuing operations		**94,161**		**86,738**	
% on revenues		7%		8%	
Profit (Loss) deriving from asstes held for sale					
of which:					
Profit/(loss) pertaining to the group		83,984		81,989	
Profit/(loss) pertaining to non-controlling interests		10,177		4,749	

Consolidated statement of cash flows

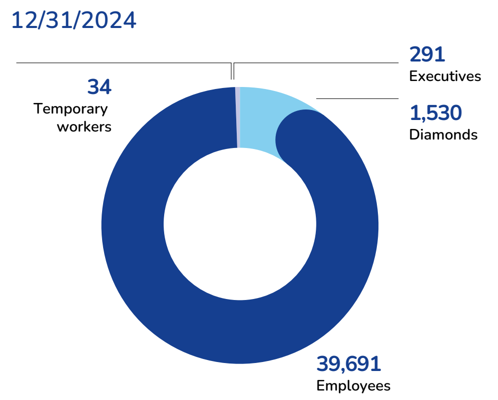
(in thousand of Euro)	Notes	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Profit/(loss) for the period		**94,161**	**86,738**
Adjustments to reconcile profit before tax to net cash flows:			
Income Taxes	37	29,790	23,707
Financial income	35	(6,934)	(5,533)
Financial expenses	35	50,236	34,569
Exchange (gains)/losses	35	3,800	244
Depreciation, amortization, write-downs and non-recurring income/(expenses)	33	66,894	51,269
Write-downs/(revaluations) of non-current financial assets and equity investments	36	(335)	(48)
Losses from sale of non-current assets	33	*(2)*	*(660)*
Interest received		6,901	5,532
Interest paid		*(31,743)*	*(25,720)*
Income taxes paid		*(23,144)*	*(16,903)*
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**189,625**	**153,197**
- Change in trade receivables excluding of the exchange rate effect and consolidation scope changes	15	(58,602)	4,267
- Change in inventories excluding of the exchange rate effect and consolidation scope changes	13	5,217	819
- Change in contract assets excluding of the exchange rate effect and consolidation scope changes	14	(42,776)	(9,630)
- Change in trade payables excluding of the exchange rate effect and consolidation scope changes	25	(46,659)	21,135
- Change in other assets excluding of the exchange rate effect and consolidation scope changes	12-17	10,156	(35,182)
- Change in other liabilities excluding of the exchange rate effect and consolidation scope changes	24-28	(15,077)	26,994
- Change in liabilities for employee benefits and provisions gross of exchange rate effect	20-21	(6,270)	4,411
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES CHANGES IN WORKING CAPITAL		(154,012)	12,815
CASH-FLOW GENERATED FROM/(ABSORBED BY) OPERATING ACTIVITIES (A)		35,613	166,011

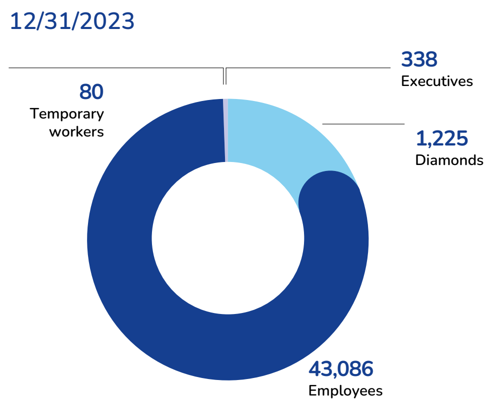
(in thousand of Euro)	Notes	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Investments in property, plant and equipment	8	(9,757)	(11,279)
Investments in intangible assets	7	(52,979)	(38,720)
Acquisition of investments accounted for using the equity method	9	(8,202)	(1,844)
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity mehod	9	360	1,198
Acquisition of subsidiaries net of cash and cash equivalents	6	(352,120)	(10,072)
Change in non-current financial asset	10	(9,085)	(410)
CASH-FLOW GENERATED FROM/(ABSORBED BY) INVESTING ACTIVITIES (B)		(431,783)	(61,127)
Dividens paid		(12,685)	(12,246)
Granting of medium/long-term loans and non-current financial liabilities	22	752,141	813
Repaymant of medium/long-term loans and non-current financial liabilities	22	(355,459)	(2,695)
Repayment of lease liabilities		(15,489)	(9,470)
Change in current financial liabilities	26	(3,939)	(18,029)
Change in current financial assets	16	2,363	10,731
CASH-FLOW GENERATED FROM/(ABSORBED BY) FINANCING ACTIVITIES (C)		366,932	(30,896)
NET CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES (A + B + C)		(29,237)	73,988
Effect of foreign exchange rates on cash and cash equivalents (D)		(7,410)	2,004
CASH FLOW OF THE YEAR (A+B+C+D)		(36,647)	75,992
Opening cash and cash equivalents		240,652	164,660
Closing cash and cash equivalents		204,006	240,652

The people of the Group

During 2024, the Almaviva Group – within which Almaviva Spa performs its function as operational group leader and action and coordination of the companies that make it up – consolidated its presence in the various market segments in which it operates.

As of December 31, 2024, the Almaviva Group had 41,512 employees, in addition to 34 temporary workers and 494 project, LAP, Co.Co.Co and internship workers. The following graphs illustrate the trend during the year:

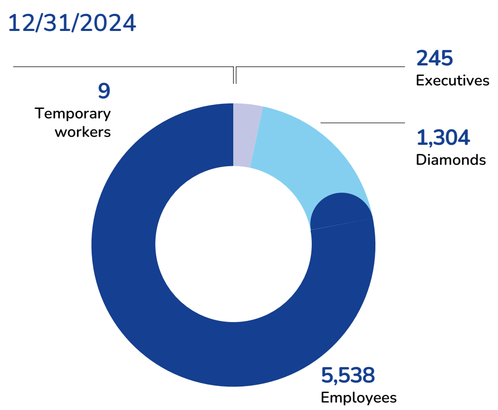


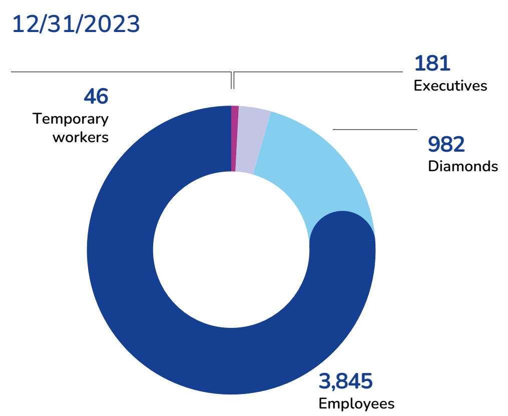


IT Services

The entire segment recorded a significant increase in employment (+40.84% at the end of the period); despite the growing complexity of the labor market relating to IT professionals, turnover decreased compared to the previous year and the incremental hiring balance at the end of the period recorded +2,055 resources compared to the end of 2023, the effect of organic expansion of companies already part of the segment and the acquisition of strategic assets such as Iteris.

As of December 31, 2024, the IT SERVICES workforce numbered 7,087 employees, in addition to 9 temporary workers and 47 between Internship Co.Co.Co and LAP. The trend is shown in the following graphs:





During the year, the companies in the IT SERVICE segment consolidated their organisational structures with the aim of fully seizing the opportunities offered by the reference market.

During 2024, all the companies in the segment involved in the Become-People Strategy project have consolidated a series of interventions aimed at enhancing the centrality of the person in the corporate ecosystem. These interventions include the Job Grading & Career Path System, and Talent Management (aimed at enhancing the specific experience and skills of high-potential personnel).

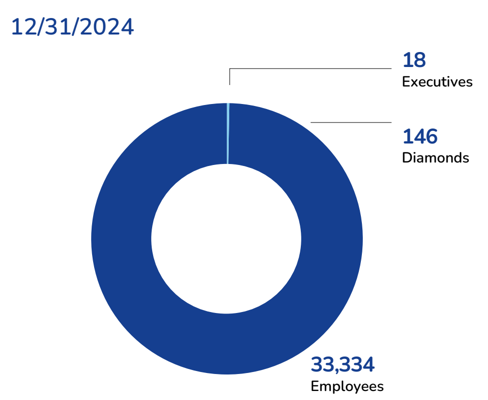
The Skills Management System was further developed through the mapping of new skills and competencies, while in the field of Performance Management, specific surveys were administered on the one hand and on the other hand, focus sessions were carried out between evaluators, evaluated and HR functions that identified areas for intervention and further improvement. The Compensation and Executive review processes were conducted in a clear and transparent manner and paid particular attention to the issue of gender policies and the pay gender gap.

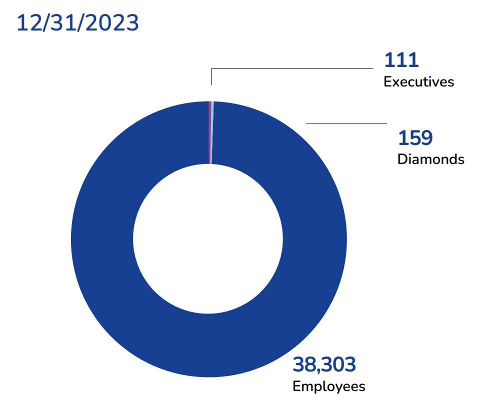
DRM International

The DRM International segment, which at the end of the period includes the companies Almaviva Experience S.A., Almacontact S.A.S. and AlmavivA Tunisie S.A., was the subject of corporate mergers in 2024 aimed at greater rationalization of production processes with the aim of fully seizing the opportunities that the reference markets offer.

The companies CRC Central Recup. De Creditos LTDA, CRC Digital LTD, Almaviva do Brasil SA, Almaviva Participações Ltda have merged into the new Almaviva Experience, while the companies Almacontact SAS and Almaviva Tunisie SA continue to operate within their respective reference markets. At the end of the period, the DRM segment employed 33,498 people against a total turnover of 177%.

The DRM International segment recorded a decrease in headcount of 13.16% in 2024 compared to the end of the previous year. The trend is shown in the following graphs:



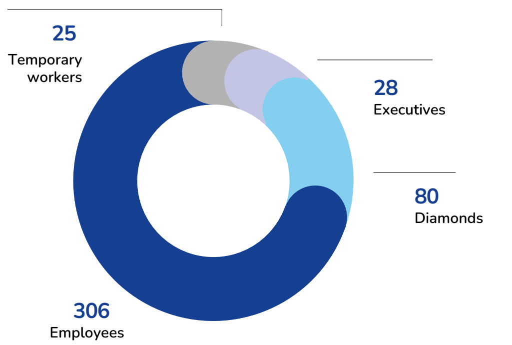


Almawave – New Technology

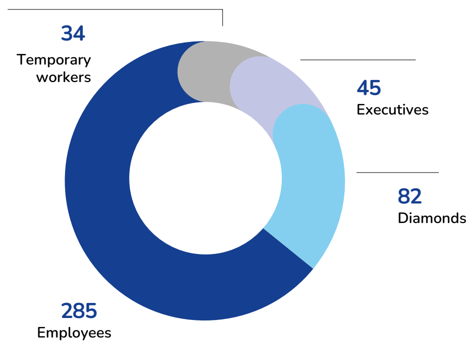
The ALMAWAVE - NEW TECNOLOGY segment, which already included the companies Almawave Srl, Almawave do Brasil Ltda, Pervoice SpA, OBDA System Srl, TDA e Sistemi Territoriali and Almawave USA Inc and which expanded its scope at the end of the previous year through the acquisition of Mabrian Technologies S.L., recorded a further increase in headcount (0.46%) compared to the end of the previous financial statements.

From an organisational point of view, the interventions focused on the Sales, Technology & Innovation and Knowledge & Operations Departments with the aim of increasing the efficiency of the services provided and supporting the company's strategy by strengthening its presence in the reference markets. As of December 31, 2024, the workforce of the entire Almawave group numbered 414 workers (in substantial continuity with the 2023 closure) in addition to 25 temporary workers for a total workforce of 439 people. The trend over the period is illustrated by the following graphs:

12/31/2024



12/31/2023



Others

They in turn recorded an overall reduction in employment, closing 2024 with 513 units. The overall balance of -143 employee resources involves a reduction of -21.80% compared to the end of 2023; Almaservices, which has ceased its production activities by selling them to other customers, has maintained an administrative headquarters in Bacau without, however, active personnel on order. The trend is shown in the following graphs:

31 dicembre 2024

513
Employess

31 dicembre 2023

653
Employess

1
Executives

2
Diamonds

Development and training

In the Group, in companies operating in Italy, a total of over 128,500 hours of training were provided during 2024 (divided between managerial, specialized, linguistic and transversal insertion, compliance and mandatory training) for a total number of participations of approximately 23,260 equal to an average per capita delivery of 5.5 hours.

Macroarea	Investments	Hours
Mandatory	1,934	9,736
Compliance	8,815	13,762
Managerial	2,850	13,317
Trasv Insertion	374	12,898
Specialist	9,106	76,196
Linguistic	135	2,584
Other	2	16
Total	**23,216**	**128,508**

Group governance

Corporate bodies

The Corporate Governance structure of the parent company Almaviva S.p.A. is structured according to the traditional Italian model, which – without prejudice to the tasks of the Shareholders' Meeting – assigns strategic management to the Board of Directors, the fulcrum of the organisational system, and supervisory functions to the Board of Statutory Auditors. The governance model also provides for the Supervisory Body, as defined by Legislative Decree no. 231 of 8 June 2001 ("Decree"), which is assigned the task of supervising the operation and compliance with the Organisational Model adopted for the prevention of the offences envisaged by the Decree and of ensuring that it is updated.

The consolidated financial statements as at 31 December 2024 are audited by EY S.p.A. which, as part of its mandate undertaken in compliance with the provisions of Article 14 of Legislative Decree no. No. 39 of January 27, 2010 carries out a limited audit of the consolidated financial statements as of June 30 of each year of the Company and its subsidiaries, prepared in accordance with the international accounting standard applicable to the preparation of interim financial statements (IAS 34 – Interim Financial Statements).

Board of Directors

The strategic management of Almaviva is entrusted to the Board of Directors (BoD), the body at the top of the corporate governance system with powers of ordinary and extraordinary management of the Company. The current Board of Directors was appointed on 7 May 2024, until the approval of the Financial Statements as at 31 December 2026, and consists of the following members:

President **Alberto Tripi**	CEO **Marco Tripi**	Councillor **Antonio Amati**	Councillor **Paolo Ciccarelli**
Councillor **Giuseppe Cuneo**	Councillor **Christian De Felice**	Councillor **Smeraldo Fiorentini**	Councillor **Francesca Mariotti**
Councillor **Mariantonietta Perri**	Councillor **Francesco Renzetti**	Councillor **Vittoria Tolotti**	Councillor **Valeria Tripi**

Board of Statutory Auditors

The Board of Statutory Auditors monitors the Company's compliance with the provisions of the law and the Articles of Association, compliance with the principles of proper administration and the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning. The Board of Statutory Auditors, appointed by the Shareholders' Meeting of 21 April 2022, until the approval of the Financial Statements as at 31 December 2024, is made up of the following members:

President
Marco Spadacini

Auditor
Francesco Martinelli

Auditor
Ermanno Zigiotti

Alternate Auditor
Roberto Fracassi

Alternate Auditor
Umile Sebastiano Iacovino

231 Model

The Boards of Directors of AlmavivA S.p.A. and its Italian subsidiaries have adopted the Group's Code of Ethics and Conduct and the organisational, management and control models ("231" Organisational Models) prepared pursuant to and for the purposes of Legislative Decree 231/2001 and have appointed the Supervisory Bodies (SBs) provided for by the same decree.

The Models ensure that the activities of the Group company are carried out in full compliance with current regulations, reflecting the companies' commitment to operate with integrity, responsibility and transparency.

The Anti-Corruption Policy is based on the principles and values of the Group's Code of Ethics and Conduct and on the "231" Organisational Models, which aims to provide a systematic framework of reference on the prohibition of corrupt practices to members of the Corporate Bodies of the Group companies, management, all personnel of the Group companies and all those who, permanently or temporarily, establish relationships with the Group.

During the year, the SBs carried out the tasks set out in the "231" Organisational Models and carried out supervision and control activities over their operation and compliance by the recipients.

Quality

During the year 2024, the Quality & Customer Satisfaction function was affected by substantial organisational changes that redefined its role within Almaviva and the entire Group.

In January 2024, the ESG and Quality & Customer Satisfaction area was established, reporting directly to Almaviva's CEO, which was assigned the responsibility of overseeing the entire ESG (Environmental, Social & Governance) issue with greater synergy through a centralized Governance capable of exploiting the points of contact between quality and sustainability activities. At the same time, the Quality & Customer Satisfaction function was merged into the newly established area.

The new organisation enhances the role of the Quality & Customer Satisfaction department, which is now called upon to carry out its typical function in a context that allows it to make a concrete contribution to the process of progressive affirmation, within the activities of the Almaviva Group companies, of the issue of sustainability, in line with the evolution of the regulatory framework on the subject.

With this in mind, the Quality & Customer Satisfaction function has been divided into three macro-sectors (Environment, Social Responsibility and IT) to adapt more effectively to the growing needs of Almaviva Group companies in the Quality and Sustainability sectors.

From the point of view of operational activities, during the year 2024, the Quality function consolidated and developed the scope of the Almaviva Group's Integrated Management System ("Integrated System"), in a qualitative and quantitative sense. To this end, a programme has been launched with the aim of:

- extend the number of certifications held by the individual Group companies in order to expand the coverage of certified activities;
- include within the Integrated System the companies recently or soon to be acquired by the Almaviva Group that are not yet part of it.

For the implementation of this programme, the tool of "Group certifications" was adopted, which certify the compliance with the individual standards of the elements of the Integrated System common to all companies (policies, processes and procedures, offices, functions, etc.).

The process has already started (the certifications on Social Responsibility – **SA8000, PdR125** and **ISO30415** –, on information security – **ISO27001** – and on business continuity – **ISO22301** are already Group's) and will be consolidated during the year 2025 during which all existing certifications will become "Group's".

Overall, throughout the Almaviva Group, 59 certifications, certificates and statements were managed in 2024. Especially:

- **9 new acquisitions**
- **9 renewals**
- **41 maintenance**

In more detail, in addition to the ordinary activity of maintaining/renewing the certifications held, it is worth mentioning:

- in January, SisTer, a recently acquired company, became part of the Integrated System;
- in April, Almawave and SisSter acquired ISO14001 environmental certification;
- **in April, Almaviva and Almawave obtained the ISO30415 certification in the field of Diversity, Equity and Inclusion;**
- in June, Almaviva Digitaltec achieved compliance with the **ISO27017** and **ISO27018** guidelines on information security;
- in July, Sadel started the activities for the transition to version 4 of the **ISO22163 standard** (products in the railway sector);
- in October, Almawave and Almaviva Digitaltec acquired the ISO45001 certification;
- in December Almawave acquired **the ISO2000** and **ISO22301 certifications**.

During 2025, the planning of activities is consistent with the objectives of the programme launched in 2024.

- Of importance, the acquisition of new types of certifications and in particular:
- **ISO37001** (Anti-corruption) for the companies Almaviva, Almawave, Reactive and Almaviva Digitaltec;
- **ISO42001** (Artificial Intelligence) for the companies Almaviva and Almawave;
- **ISO13485** (Medical Devices) for the Almaviva company;
- **CSA Star I** and **CSA Star I**I (cloud services security) for the Almaviva company.

The Almaviva Group and sustainability

Identity, business areas and services

The strategic growth of the Almaviva Group is supported by a mature corporate culture, based on shared principles, commitments and good practices of social responsibility and sustainability.

Almaviva bases its identity as a Group and operates in the market in the light of a digital transformation that contributes to the achievement of the United Nations Sustainable Development Goals, improving the quality of life, promoting equitable growth and protecting the environment, so that it can be defined as sustainable, also based on an ecosystem of shared values.

Innovation, Integrity, Integration, Internationalization, Italianness

The Almaviva Group stands out for its heterogeneous and dynamic nature, capable of evolving in response to the challenges and opportunities of a global context in continuous transformation. In recent years, the Group's identity has been changing its skin, increasingly taking on the connotation of a global player, able to continuously innovate and adapt to the needs of an increasingly interconnected international market. The internationalization process, which has been successfully undertaken by the Group for some time, is taking on a central and strategic role, not only for the virtuous elements it generates – such as the expansion of skills and access to new markets – but also for the complex challenges it entails. The Almaviva Group embraces these challenges responsibly, focusing on solid values that constitute its essence..

Sustainability vision and strategy

The Almaviva Group's approach to sustainability integrates social, environmental and governance aspects both in the offer of products and services to the market and in business operations. The synergy between these aspects allows the Group to **promote an ethical, inclusive and environmentally friendly digital transition capable of accompanying the country system towards a more conscious future.**

The Sustainability Plan

The integration of ESG criteria is therefore already a fundamental element in the overall management of the company, supporting its sustainable growth in the long term. In this context, the Sustainability Plan presented below stands as a fundamental document for charting the course towards a future in which technological innovation and social and environmental responsibility go hand in hand. The Plan outlines measurable objectives and targets aimed at rooting ESG principles in ever greater depth within the business model and corporate processes, based on a rigorous analysis of material issues, enriched by discussion with stakeholders and adherence to the highest industry best practices, while continuing to guarantee its structured and forward-looking approach to sustainability.

The following is the infrastructure of the Almaviva Group's Sustainability Plan, complete with the annual Objectives and Targets that operationally set out the four Guidelines of commitment Governance, People, Environment and Responsible Digital Transition for the three-year period 2024-2026; the right-hand side of the table also shows the long-term targets that Almaviva has defined to summarise its sustainability commitments. in the long term, as a further declination of the ESG areas on which the Group considers it particularly important to commit in a structured and lasting way.

Material Theme	Objective	Target 12/31/2024	Target 12/31/2025	Target 12/31/2026	Target long term
Governance					
Governance system	Ensure equal representation on the board, with regard to gender, age, independence, minorities and other categories	By 2024, increase in the presence of women on the Board to 33%	Maintaining stable fair and inclusive representation on the Board	Maintaining stable fair and inclusive representation on the Board	Maintaining stable fair and inclusive representation on the Board
Governance system	Top Management remuneration related to ESG objectives	Integration of ESG aspects into the remuneration policies of the Group's Top Management	Increase in the weight of the ESG component in the variable remuneration of Top Management	Increase in the weight of the ESG component in the variable remuneration of Top Management	
Governance system	Maintain high levels of ethics and compliance in conducting business	Achievement of 95% of employees who have completed at least one training course on Ethics & Compliance in 2024 (Italy perimeter of the Digital Change division)	Retention of 95% of employees who have completed at least one training course on Ethics & Compliance in 2025 (Italy perimeter of the Digital Change division)	Retention of 95% of employees who have completed at least one training course on Ethics & Compliance in 2026 (Italy perimeter of the Digital Change division)	
Governance system	Develop transparent and accountable sustainability governance	Carrying out of 1 training course on ESG issues for the Managerial and Board Committee	Carrying out 1 training course on ESG issues for the Board	Carrying out 1 training course on ESG issues for the Board	Provision of ESG courses to the entire Group population on an annual basis
Governance system	Develop transparent and accountable sustainability governance	Setting up the Management System in line with ISO 37001 requirements	In 2025 acquire ISO 37001 for Almaviva S.p.A.	Extend Policy, Procedures and Internal Audit on the subject of 37001 to all Group Companies	Total coverage of all Group legal entities
Governance system	Develop comprehensive and effective sustainability reporting	Implementation of a computerized reporting tool	Carrying out the EU Taxonomy eligibility analysis on a voluntary basis	Definition of an Internal Control System for Non-Financial Reporting	
Governance system	Digital Relationship Management	30% of customers covered by customer satisfaction processes	50% of services covered by customer satisfaction processes	60% of services covered by customer satisfaction processes	

Material Theme	Objective	Target 12/31/2024	Target 12/31/2025	Target 12/31/2026	Target long term
People					
Enhancement of human capital, attraction of talents	Support the professional development and involvement of people, monitoring and improving training			Increase in average per capita training hours by 8% by 2026 (2023 baseline) for the Italy perimeter of the Digital Change division	
Enhancement of human capital, attraction of talents	Supporting the professional development of new generations and young talents	Under-30 hires during the year equal to at least 38% of the category for the Italian perimeter of the Digital Change division	Maintenance of Under-30 hires during the year equal to at least 38% of the category for the Italian perimeter of the Digital Change division	Under-30 hires during the year equal to at least 40% of the category for the Italian perimeter of the Digital Change division	
Diversity and inclusion	Ensure fair corporate representation with regard to gender, age, minorities and other categories; Increase the presence of women in managerial positions	At least 10 initiatives during the year aimed at involving women in STEM training courses in order to increase their presence in the company for the Italian perimeter	At least 17 initiatives during the year aimed at involving women in STEM training courses in order to increase their presence in the company for the Italian perimeter	Maintenance of at least 17 initiatives during the year aimed at involving women in STEM training courses in order to increase their presence in the company for the Italian perimeter	
Responsible supply chain	Maintaining a solid presence in the Human rights field	Value chain analysis and mapping of sectors and geographies at risk HR	Definition of a periodic Due Diligence process	Carrying out DD activities on a sample of the Group companies	Inclusion of DD activities in the Group's Annual Audit Plan by 2028
Responsible supply chain	Increase the number of suppliers involved in the assessment process through ESG criteria	By 2025, harmonization of the supplier evaluation system through ESG criteria for the entire Group	Extension of the assessment of suppliers assessed according to ESG criteria to the other main companies of the Group	Definition of minimum threshold criteria and maintenance of 100% of suppliers assessed on ESG criteria for registration in the Register (main Group companies)	Request a subscription according to a third-party platform from all suppliers in the large Register by 2026

Material Theme	Objective	Target 12/31/2024	Target 12/31/2025	Target 12/31/2026	Target long term
Environment					
Energy consumption and the fight against climate change	Increase the purchase of renewable electricity	86% renewable electricity on the total energy purchased at Group level [4]	95% renewable electricity on the total energy purchased at Group level	98% renewable electricity on the total energy purchased (differentiated by country)	100% renewable electricity
Energy consumption and the fight against climate change	Reduce direct and indirect emissions	Definition of the methodology for calculating Scope 3 emissions for 2024 at Group level	Definition of a detailed model for the calculation of Scope 1, 2 and 3 emissions	Joining the SBTi initiative	Halve emissions (Scope 1 and Scope 2) compared to 2021 in 2029
Energy consumption and the fight against climate change	Contribute to raising awareness of climate change adaptation and mitigation issues	Participation of the Group in 3 initiatives and projects aimed at developing actions in the fight against climate change in 2024	Participation of the Group in 3 initiatives and projects aimed at developing actions in the fight against climate change in 2025	Participation of the Group in 3 initiatives and projects aimed at developing actions in the fight against climate change in 2026	
Circular waste management	Increase the percentage of waste destined for recovery	Achieve 100% of separate waste collection for Almaviva's Italian offices, the Group's Brazilian and Colombian offices	Maintain 100% separate waste collection for the entire Group in 2025	Maintain 100% separate waste collection for the entire Group in 2025	Definition of a WEEE donation system aimed at integrating the reduction of e-waste with charity initiatives
Responsible digital transition					
Digital solutions for customer sustainability and digitalization	To offer the market innovative solutions that contribute to the spread of clean tech products/services	Increase in clean tech services offered to the market in 2024	Increase in clean tech services offered to the market in 2025	Increase in clean tech services offered to the market in 2026	
Privacy and data protection	Minimize the risk of information privacy breaches and the number of complaints about them	Zero substantiated complaints received regarding breaches of customer privacy and maintaining ISO 27001 certification to all relevant Group Companies	Zero substantiated complaints received regarding breaches of customer privacy and extend the 27001 Policy, Procedures and Internal Audit to all Group Companies	Zero substantiated complaints received regarding breaches of customer privacy and extend the 27001 Policy, Procedures and Internal Audit to all Group Companies	Total coverage of all Group legal entities
Innovation, research and development	Maintain a high rate of innovation through collaboration with universities, research institutions and centers of excellence	Increase in projects carried out in collaboration with universities, research institutions and centers of excellence	Increase in projects carried out in collaboration with universities, research institutions and centers of excellence	Increase in projects carried out in collaboration with universities, research institutions and centers of excellence	

4 It should be noted that the target refers to the electricity purchased for the locations where the Group holds control of the assets and the direct relationship with the supplier.

Governance

Corporate and sustainability governance

The ordinary and extraordinary management of the company is entrusted to the Board of Directors (BoD), composed of 12 members, 4 of whom are women and 8 men. In 2024, the composition of the Board of Directors underwent an update with the entry of a female director, replacing a male director. This has allowed Almaviva to achieve the target "Increase in the presence of women on the Board to 33% by 2025" set out in the Sustainability Plan, one year ahead of schedule.

Also in 2024, the Almaviva Group confirmed its commitment to sustainable governance, integrating ESG criteria into the remuneration policies of Top Management, through the definition of a sustainability MBO (Management by Objectives) and carrying out 1 training course on ESG issues for the Sustainability Management and Board Committee. Among the objectives of the Sustainability Plan dedicated to the development of transparent and responsible sustainability governance in 2024, the Management System was set up in line with the requirements of ISO 37001 on Anti-corruption, functional to the acquisition of the certification itself for Almaviva S.p.A. in 2025.

Also starting in 2024, Almaviva has started a process of renewal of certifications, moving from a system of individual certifications to a Group certification model, with the aim of completing this transition by 2025. Overall, throughout the Almaviva Group, 59 certifications, certificates and statements were managed during the year 2024, in particular: 9 new acquisitions, 9 renewals and 41 maintenance.

During 2024, the Group made a significant effort to review and update its procedural assets, with the aim of consolidating a shared and homogeneous corporate policy framework. This activity concerned in particular the review of passive cycle procedures and the qualification of suppliers, through a more detailed classification and the introduction of ESG criteria in counterparty risk assessments.

At the same time, Almaviva has intensified its efforts to achieve Group Policies, strengthening the consistency and effectiveness of internal processes, demonstrating a global strategy increasingly oriented towards progress and sustainability. Specifically, during 2024, 6 new public Policies were introduced (Environment, Human Rights, Health and Safety, Anti-Corruption, Information Security, Supplier Code of Conduct) and 3 new Group Internal Policies (Auto, Travel, AI) for a total of 18 Group Policies (including Code of Ethics, Group Policy and Whistleblowing). At the same time, a section has been set up within the Almaviva website dedicated to Public Consultation Policies. 2025 will be dedicated to the review and monitoring of internal and external policies. Starting from 2024, in order to develop comprehensive and effective sustainability reporting, Almaviva has implemented a computerized reporting tool for the collection of ESG data from all Group companies. This platform will also be used for the preparation of the 2024 Sustainability Report.

Business Responsibility and Integrity

Almaviva's governance is based on and inspired by the core values of fairness, impartiality, loyalty and transparency, pillars that guide the daily activities of all Group companies. Corporate behaviour and relations are based on principles of integrity, honesty, confidentiality, diligence and mutual respect. With regard to the fight against corruption, the Group has consistently demonstrated its commitment through targeted training and communication activities. In line with the goal of maintaining high levels of ethics and compliance in the conduct of business, in 2024 more than 95% of employees of Italian companies in the Digital Change division have completed at least one training course on Ethics & Compliance.

Creation and distribution of economic value

The Almaviva Group has always paid great attention not only to its economic performance, but also to its environmental, social and governance (ESG) impact, enhancing the wealth generated and distributed among the different categories of stakeholders. In 2024, the Group generated significant economic value, in terms of revenues, resulting from financial investments and the sale of assets, 88% of which was mainly distributed to suppliers, employees, public administration and capital suppliers. The Group recognises the value of taxes as a form of fair and responsible redistribution, committing itself to acting, including in the tax field, according to the values of fairness, impartiality, loyalty and transparency, fulfilling tax obligations, in compliance with current regulatory provisions, generally accepted accounting practices and principles. In addition, the Group is committed to the well-being and development of the community through sponsorships and donations to the local community.

Privacy and data protection

Almaviva is continuing to update its internal policies, with particular attention to the evolution of sector regulations and the strengthening of security and privacy measures. This commitment is also reflected in the ISO/IEC 27001 certified Information Security Management System (ISMS), which guarantees information protection and data security, supporting the Group in maintaining high security standards and addressing the challenges related to the management of sensitive information in an international context. This certification, maintained in 2024 for all the relevant Group Companies, will be extended to the relevant Policy, Procedures and Internal Audit in 2025..

Intellectual property protection

The Almaviva Group is active in the Research & Development sector of proprietary software, considering intellectual property a crucial element to be preserved. The Group protects intellectual property through various tools such as patents, trademarks, copyrights, confidentiality agreements, the inclusion of specific clauses in contracts, as well as the protection of software languages and source codes. The Group's intellectual portfolio includes: 135 trademarks, 8 patents, 13 SIAE filings; 28 trademarks were filed in 2024.

Business continuity: efficiency and cybersecurity

At Almaviva, the correct management of IT tools for business processes is of fundamental importance: in addition to considering the integrity and continuity of the IT system as key factors for preserving the trust of customers and employees, the Group is committed to developing and maintaining a culture of Business Continuity, aiming to constantly improve management processes. Specifically, in 2024 there were no major events of disruption caused by problems on the infrastructure managed by Almaviva. The Group's cybersecurity measures include organizational, logical and physical security to safeguard IT assets and data. A sign of the Almaviva Group's constant attention to information security is represented by the acquisition and maintenance of ISO 27001 certification (Information Security Management System). In addition to what has already been achieved in 2023, with the acquisition by the Parent Company Almaviva of the ISO 29119 Statement (Software and Systems Engineering — Software Testing), the ISO 10005 Statement (Quality Plan Guidelines) and the ISO 27701 Statement (Management System Certificate), in 2024 the ISO 30415 certification (Human Resources Management – Diversity and Inclusion) was also obtained. further expanding the scope of technical certifications.

People

The Almaviva Group concretizes its social responsibility through a **constant commitment to the protection and enhancement of the people** with whom it collaborates. The Company promotes the development of skills, stimulates professional growth, safeguards physical and mental well-being, promotes inclusion and respect for diversity.

In recognising the fundamental importance of monitoring the indirect impacts deriving from its business relationships, since 2014 Almaviva has complied with the **SA 8000** Standard, repudiating any form of forced or child labour, condemning any form of exploitation of workers, as well as any type of abuse or psychological or physical constraint. It also guarantees freedom of association and collective bargaining. The Group also verifies that its suppliers also adhere to the detailed principles of the SA 8000 standard, in order to responsibly manage its supply chain. Adherence to the SA 8000 International Standard allows Almaviva to monitor and guarantee compliance with all social aspects that concern the company organization. The Group is committed, in fact, to promoting a corporate culture that values people, respects ethical principles and shared rules.

The People Strategy - Support for the growth and enhancement of people

Starting in 2021, the Almaviva Group, as part of its People Strategy, launched an organisational model that involved employees in an assessment process on the degree of appreciation of smart working. The project, called "Become", was launched as a pilot in the Digital Change and People Centered Technologies business areas, with the aim of implementing a hybrid work model, continuous over time and increasingly compliant with the needs of its people.

The Almaviva Group has financed the project in Italy in the pilot business areas with an investment of approximately €5.5 million in 2024, in addition to what has already been disbursed since 2020 for the launch of the Project, amounting to a value of €10.6 million. The organizational model, outlined according to the logic of hybrid smart working, provides for 50% presence on site and the remaining 50% remotely, in order to reconcile the needs of employees and improve company performance, also having a positive impact on the environment.

Diversity and inclusion

In the Diversity, Equity & Inclusion area, the Group holds the **UNI PdR 125:2022 certification** on gender equality[5] . This is a standard that supports organizations in promoting gender equality within the corporate culture and certifies the commitment of the two companies to take concrete steps to close the gender gap, ensuring a more inclusive work environment, capable of creating value through diversity.

In 2024, this path was enriched with the acquisition of **ISO 30415** (Diversity and Inclusion) certification, confirming Almaviva's commitment to promoting a culture of solidarity and respect for equal opportunities within every function and area of operation without distinction. The goal is to create an environment in which anyone is able to express their uniqueness, their potential and bring out their value.

5 Specifically, this certification has been acquired by the following companies: Almaviva S.p.A.; Almawave S.p.A.; Almaviva Bluebit

As part of the ESG Strategy, the Almaviva Group aims to increasingly increase initiatives aimed at involving women in STEM training courses, in order to increase their presence in the company. As evidence of this, numerous initiatives have been organized during 2024, 10 of which are of primary importance, aimed at involving women in STEM training courses in order to increase their presence in the company with particular reference to the Digital Change sector. The Group's commitment to **diversity and inclusion** has also been recognized internationally: Almaviva has been included among the **best companies in Europe for Diversity & Inclusion**, obtaining recognition as **Diversity Leader 2024** by the **Financial Times and Statista**. In addition, the Parent Company, as a member of the Disability Pride Network, has appointed a Disability Manager, a focal figure to further strengthen the policies of inclusion and facilitation of the working life of people with disabilities. Finally, Almaviva Contact SAS, Almaviva do Brasil and Almaviva Tunisie have also taken action to combat racial discrimination. In addition, Almaviva has always supported the professional development of new generations and young talents: for this reason, in 2024, it hired Under 30s equal to just under 40% of the category, with particular reference to the Italian perimeter of the Digital Change division.

The responsible supply chain

IThe Almaviva Group is committed to operating in an ethical and sustainable manner, respecting the laws and regulations of the countries in which it operates, applying the highest standards of fairness and rejecting all forms of corruption and conflicts of interest. These principles are in line with current legislation and the provisions of the Almaviva Group's Integrated Management System, in line with the highest quality standards and international certifications held by the Company.

In line with these values, the Almaviva Group recognises the importance of ensuring a transparent procurement cycle, carefully assessing social and environmental impacts to protect its stakeholders. For this reason, the Parent Company submits to the new suppliers during the pre-qualification phase: the completion of the Environmental, Social and Governance Questionnaire, the signing of the Environmental, Social and Governance Commitment; in addition to the administration of online questionnaires aimed at progressively improving the sustainability performance of the entire ecosystem and the request to adhere to the Group's Model 231, Code of Ethics and Code of Supplier Conduct. This procedure will also be extended to other countries.

In 2024, the Almaviva Group strengthened its supplier assessment and qualification system, integrating sustainability criteria and optimising risk analysis processes. In fact, as early as 2023, the company had started this transformation by preparing special questionnaires, and then adopted the Ecovadis platform in 2024, through which all suppliers were requalified on ESG criteria for registration in the Register (Italy perimeter) and which in 2025 will see the extension of the supplier assessment to all the main companies of the Group. At the same time, a compliance assessment process on the supply chain was implemented by means of the external provider, for the reputational verification of all suppliers.

Also in 2024, Almaviva introduced a new update to the Supplier Qualification Policy, which currently includes all third parties with whom the company has business relationships. For the first time, a qualification assessment has also been implemented for non-Italian companies operating for Group companies in Italy.

Environment

The Almaviva Group is continuously committed to improving its environmental performance and developing solutions that enable customers to sustainably manage their businesses and transform themselves into companies of the future. To this end, the main environmental and energy aspects - emissions, energy and water consumption, waste - are constantly monitored, promoting the use of energy from renewable sources and trying to reduce waste and negative externalities for the environment, with a view to circular economy. In 2024, for the first time, Almaviva expanded its commitment to measuring environmental impact by launching a Scope 3 emissions calculation project, which considers indirect emissions along the entire value chain. This step, which represents a significant evolution in the Group's sustainability strategy, will be preparatory to the definition of a detailed model for the calculation of Scope 1, 2 and 3 emissions by 2025, making it possible to improve the transparency and effectiveness of actions to reduce the environmental footprint.

Environmental impacts are managed through the Environmental and Energy Management System (EMS-EMS), certified according to ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) Standards. These certifications make it possible to identify the ways in which company activities impact the environment and to promptly implement targeted improvement interventions.

The Almaviva Group's commitment to sustainability issues is also reflected in the various initiatives to protect and safeguard the environment; among the initiatives carried out during 2024 are: the partnership between Almaviva and Ogyre to collect 1 and a half tons of waste from the sea; the collaboration, from September 2024, with piùblu as Main Partner of "We can blu it!" and the collaboration with Plastic Free from 2023 on the occasion of the national event "Sea & Rivers".

The Group's real estate assets and energy efficiency

Energy consumption is a central environmental aspect for the Almaviva Group which, in order to consciously direct the company's energy choices, undertakes to periodically quantify and report its energy consumption and greenhouse gas emissions. In this sense, a significant milestone is represented by the increase in renewable electricity in 2024 at Group level, equal to 86% of the total energy purchased [6].

The Group is therefore committed to:

- strengthening environmental and energy awareness;
- encourage dialogue on its environmental and energy policies;
- develop information systems for energy management;
- evaluate the energy variables in the design and development of supplies to choose the best solutions for environmental protection; and
- set periodic environmental improvement and energy efficiency objectives to be achieved.

In 2024, Almaviva selected the new offices in Milan and Padua, also in consideration of ESG criteria represented by low energy consumption, the gas-free setting and the characteristics of accessibility and proximity to the public transport network. The spaces, designed to promote the well-being of employees, respond to the new work culture with flexible and collaborative environments, optimized thanks to smart working. The focus on sustainability also extends to the choice of responsible suppliers, such as in catering, where unused food is donated.

6 This figure refers to the electricity purchased for the locations where the Group controls the assets and the direct relationship with the supplier.

Circular economy of electronic devices and water resource management

The Almaviva Group, despite the modest quantities of hazardous and non-hazardous special waste produced, adopts an approach aimed at minimizing the environmental impacts related to the generation and management of waste such that, also in 2024, the target of achieving 100% separate waste collection for Almaviva's Italian sites has been achieved, the Group's Brazilian and Colombian offices. The waste management process is regulated by a specific procedure, which provides for careful planning of operational activities and disposal of all excess substances and materials, with the aim of minimizing the impact on the environment. In addition, the waste component is also treated in the passive cycle procedure with a view to sustainability and circular economy.

In addition, the Group has appointed a Delegate for waste management and has defined a detailed inventory of the types of waste produced; A specific characterization sheet has been produced for each type, in order to ensure its correct management and disposal, favoring, wherever possible, circular economy initiatives.

Responsible digital transition

The Almaviva Group is a key player in the digital transformation in the key sectors of the economy of the countries in which it operates, contributing to the innovation of strategic areas such as finance, public administration, transport, defence and security, agriculture, telecommunications and media.

In 2024, Almaviva strengthened its commitment to digital sustainability through active participation in the Foundation for Digital Sustainability. In this context, he has contributed significantly to the definition of the **UNI/PdR 147:2023 Reference Practice**.

This standard, developed by UNI's "Digital Sustainability" Table, and the result of the work of experts from academic institutions, companies and organizations, is the first in Europe dedicated to measuring digital sustainability and provides a structured model based on 58 performance indicators to assess the digital impact of companies in relation to the Sustainable Development Goals of the 2030 Agenda.

Research and development for digital innovation

The Almaviva Group invests in Research and Development to offer sustainable products and improve the quality of life of users, focusing on technologies such as Cloud, Artificial Intelligence, Big Data, Cybersecurity, Augmented and Virtual Reality, IoT; In 2024, total investments exceeded 44 million euros. In the same year, numerous projects were carried out in collaboration with universities, research institutions and centers of excellence.

Customer satisfaction and the quality of products and services

The Almaviva Group places the emphasis on the customer, focusing on the degree of satisfaction, developing high-quality products and services and improving internal processes. Even in 2024, no complaints were recorded regarding the violation of privacy. These tools provide valuable information that guides the Group in the development of targeted improvements and in the creation of new strategies that raise the level of services offered. Customer satisfaction is not limited to reducing defects, but extends to exceeding expectations and strengthening the relationship between customer and company

The Almaviva Group and its future prospects

Business outlook

In 2024, the Almaviva Group consolidated the growth trends in revenues achieved during previous periods (reaching €1,266.2 million, +110 million compared to the previous year). 12.31.2024 shows a consolidated EBITDA of €237.6 million (+€47.3 million compared to the previous year) and a consolidated operating result up compared to the previous year and equal to €170.7 million (+€30.9 million with a percentage increase of 22.2% compared to 12.31.2023). Net Profit shows a positive result of euro 94.1 million.

The performance of operations in 2024, in line with operating estimates, was characterized by the consolidation of revenues in the areas related to the Central and Local Public Administration (PA) thanks also to the opportunities related to the PNRR in all the sectors that compose it. In general, in addition to the contribution deriving from the latest activities related to the SPC L3 and L4 contract and the production developed on the Regional Air – Cloud contracts and on the Consip QAs on Digital Transformation, a strong contribution on operating volumes is derived from the Consip QAs in the field of Remote Security, System Management ed. 3, Digital Health 2 relating to Health Information Systems and Citizen Services, Digital Health 3 Management Information Systems, SAC 2 - Application Services from a Cloud perspective ed. 2 PAC Lot 1, from the activities with SOGEI relating to the "INIT Balance Sheet" chapter, an ERP-type system that integrates financial, economic-asset accounting and analytical accounting by cost centers, from the Agenas Concession relating to the PNT-National Telemedicine Platform as well as from the awarding and launch of some tenders during the 2024 financial year. Among these, the following deserve special mention:

- **In the Local PA area, the award of the Intercenter TENDER** - Development, evolution and management services in support of PPs. AA. Local. The contract, signed on 28 May 2024 (duration 36 months plus extensions), covers activities for the provision of services for the development, evolution and management of information systems to support PPs. AA. local schools in Emilia-Romagna;
- **In the Welfare sector, the award of the tender for the assignment of the "INPS Application Development"** - SAI Lot 2 Services (Pension Benefits, Assistance and Income Support). The contract was signed in June 2024 (duration 36 months plus extensions) and the activities will focus on supporting the development of active and passive labour policies and pension benefits, assistance and income support;
- **Finally, in the Defence sector, the signing in June 2024 of the contract with the Maltese Armed Forces for the upgrade of the Integrated Communication System as well as the start of the activities of the SIDIF Consortium -** Defence Innovation Systems. The consortium, established in January 2024, sees Almaviva as the leader (with a 60% stake) together with Telecom Italia, Lutech Advanced Solution and Fincantieri Nextech and carries out the activities covered by the Framework Agreement for the Digitalization of the Ministry of Defense and the development, modernization, adaptation and maintenance in operation of the Ministry's online communication systems whose signature took place at the beginning of the year. With regard to the PNT platform, for which the operation phase began last December, some development activities related to the transitional chapters of the Concession Agreement are nearing completion.

As part of the Agenas Concession relating to the PNT-National Telemedicine Platform, during the year the contribution deriving from the activation of the activities for the implementation of the Data Reception, Control and Transmission function and from the request to proceed with the executive design and the preparation of the related technical documents relating to the Interregional Interoperability Requirements Project were recorded during the year. These projects are part of the optional services whose activation towards PNT Italia, within the scope of the Concession, is the right of the Authority and whose implementation is entrusted by PNT Italia to the company's Shareholders, namely Almaviva and Engineering, involving additional revenue streams both for the design and construction phase and then for the management phase.

In general, the performance of operations has made it possible to consolidate leadership in particular in the areas related to Health, Welfare, Tourism, Local and Central PA, Defence and Water Management, thanks also to the synergies with Almaviva Bluebit S.p.A., as well as to develop and strengthen the positioning in the Cybersercurity area, all with management increasingly oriented towards an active construction of a more sustainable future that is attentive to ESG parameters.

The 2024 financial year was also characterized by the continuation, also with the help of funded R&D projects, of project development activities aimed at strengthening and optimizing Product Assest, Vendor Platform & Technology Innovation and Product Management Systems solutions for traditional markets; to penetrate strategic markets, both traditional and emerging, such as Environment and Sustainability, Water Supply Systems, Smart City/Smart PA, Defense and Security and Digital Health; to expand international presence.

As far as the Transport sector is concerned, there is continuous growth at a global level, supported by innovation related to smart technologies and platforms that exploit IoT to enable the adoption of new mobility paradigms, improve the safety and resilience of infrastructures and optimize operational efficiency. In this context, the significant worldwide investments in ESG and, on the domestic market, the initiatives related to the PNRR emerge.

With regard to the provision of outsourcing activities for the Ferrovie dello Stato Group (FSI), following the transition activities following the awarding of Tenders 1, 2 and 5 to Almaviva (in RTI with other major players), the new contracts are fully operational, with an increase in "on demand" activities expected.

As far as the local market is concerned, commercial and partnership actions and investments aimed at fully exploiting the opportunities offered by the PNRR and the Complementary Funds continue, to which Almaviva's offer allows, thanks to its products, to give effective and rapid responses to problems in the field of Smart Cities, Smart Mobility and Monitoring of Critical Infrastructures (although institutional difficulties still emerge in arranging adequate contractual instruments).

In 2024, the process of consolidating its presence in international markets continued with the aim of developing new business, both through strategic partnerships and with its foreign subsidiaries.

On November 1, 2024, Almaviva acquired 100% of Iteris, Inc., a company incorporated under American law listed on the Nasdaq (ITI), active in digital solutions for the management of smart mobility infrastructures for both the public and private sectors.

The asset value of the transaction is approximately $337 million, with a purchase price of $7.20 per share. The acquisition is an important strategic transaction to diversify markets and customers, accelerate growth in the U.S. and expand the offer of proprietary solutions in the Mobility sector.

With the acquisition of Iteris, which follows the completion of the acquisition of 51% of Magna Sistemas Consultoria S.A. (renamed Almaviva Solutions) and its 100% subsidiary Pyxisinfo Tecnologia Ltda in April 2024, the Group's international presence in IT continues to strengthen and expand into high-growth, high-tech markets (in particular, in the case of Iteris, in the field of sustainable mobility, in which Almaviva already expresses its competitiveness by managing important orders in the Middle East, in the UK, in various European countries, throughout the American continent and in North Africa). The acquisition is part of the growth strategy adopted by Almaviva, which expands its development in Information Technology, ensuring further geographical diversification of its business and the possibility of accelerating the export of its distinctive know-how, proprietary solutions and products, particularly in the transportation, logistics, smart water management, defense sectors, strengthening the Almaviva Group's positioning as a global leader in the sector IT.

Iteris is a provider of software, digital platforms and professional and consulting services, a pioneer in the field of intelligent transport systems technology. Founded in 1969 in California, then incorporated in 1987 in Delaware, it has its headquarters in Austin, about 425 employees and an annual turnover of about 180 million dollars. Iteris has a full range of mobility infrastructure management solutions that cater to customers in the U.S. and internationally.

The potential of the operation lies in the strong synergistic integration of technology and business: Almaviva expands its skills, products and solutions and has the opportunity to establish its Made in Italy know-how, MoovA's proprietary platform for sustainable mobility and international expertise in the transport and logistics sector on the North American market.

In 2024, the WMATA Project continued through the passing of important Gate reviews of the Design phase, a project that will continue in 2025 with the completion of the design phase and the preparation of the production phase. Negotiations are underway for the award of contracts both in the USA and Canada, where the tender for the Ontario Metro was recently awarded, and Egypt where the tender for the Cairo Metro was awarded. This growth will be supported by the further strengthening of the commercial structure with direct coverage in the regions of greatest interest (north-east Europe, Middle East, Brazil, USA).

The development of the proprietary integrated MOOVA platform and the deployment of numerous innovation projects continued.

At the moment, Almaviva mobility systems and its solutions are present in the Foreign Market, in particular in Finland, UK, Greece, Saudi Arabia, Switzerland, the United States but also in Qatar, United Arab Emirates, Egypt, Oman, Bahrain.

In the Finance market, the consolidation process of the main banking groups continues, a process that leads to a greater concentration of investments on aggregating banks.

The study of the business plans of the main Italian banking groups has identified the common priority of investment in the transformation projects of Core Banking procedures. In order to strengthen its positioning, ReActive has launched an investment and training plan that would allow it to maintain a leading role in the development of transformation projects from the Host world to the new Cloud architectures.

Specifically, we have started the development of the Re#Axelerate platform which, by combining elements in the field of technology and consulting, is able to support companies in addressing two key problems of transformation projects: the recovery of knowledge and the reduction of the development costs of new applications.

The retrieval of process knowledge/documentation is the top priority of all transformation projects, and the quality and completeness of the documentation has a decisive influence on both the transformation strategy and the project risk.

The most innovative technologies are used in the development of Re#Axelarate, including the use of advanced generative AI solutions.

As far as international development is concerned, in addition to the above-mentioned initiatives in the transport sector, developments continue in the public administration of the European Union ("EU"), through the subsidiary Almaviva de Belgique. In this context, the recent award of the DIMOS VI contract (2024-2027), a 5-year framework agreement launched by the Directorate General for Budget for the supply of experts to all the DGs of the European Commission and the 50 related Agencies distributed throughout Europe, should be noted; the EXTRA contract launched by EULisa (2024-2028) for the provision of operational management and technical assistance services in the area of freedom, security and justice of the European Union (with Almaviva de Belgique as the lead partner of the winning consortium); EMA-European Medicines Agency for the provision of services for the development, implementation and maintenance of EMA systems, with particular reference to pharmacovigilance, clinical trials, business intelligence and data warehouses.

The above, after an initial phase of approach to the market mainly oriented towards the acquisition of opportunities related to the supply of specialized personnel, necessary to affirm the presence of the Almaviva Group in the market of the European Institutions and above all to create an initial critical mass of personnel and revenues capable of supporting the growth of the company, certifies a strategic orientation increasingly oriented towards increasing the presence of projects in the portfolio mainly "turnkey" with higher profitability.

The development of visa activities also continues, where in 2024 the launch of new visa services in collaboration with the Italian Embassy in Saudi Arabia is highlighted. In 2025, further expansion of activities is expected through participation in further calls for tenders proposed by the Ministry of Foreign Affairs. The goal for 2025 is to consolidate positioning and volumes in the markets covered (in the concession sector in particular, to date the Group is the second market player in terms of managed practices) and to pursue the development opportunities deriving from the requirements and expertise gained over the years to participate in tenders that allow it to penetrate new markets attractive in terms of volumes and prestige through the following guidelines:

- **maximising the opportunities deriving from the new tender management method to acquire a position in important areas such as China and North Africa;**
- **open opportunities in Schengen countries starting from the Embassies of the countries in which the Group is present;**
- **to become a leader in visa software.**

Important cross-border synergies are also expected from the promotion and development of business opportunities in the countries where the Group is present as Visa Centres.

As part of AlmavivA Contact, the 2024 financial statements saw the company's focus on Market Research activities. The workforce as at 31 December 2024 stood at 498 resources, a reduction of 19% compared to the workforce at 12.31.2023. Of the 115 resources, 82 left the company thanks to the incentive redundancy plan defined on the basis of the framework agreement signed on 19 December 2023.

New meetings, held between the end of 2024 and the beginning of 2025, between representatives of the Company, the Ministry of Labour and Social Policies, the Ministry of Enterprise and Made in Italy and OO.SS., led to the signing of a new agreement, signed on 7 January 2025, in which:

- The Sicilian Region has presented the project of the "116117 system" which could allow to employ a part of the workers on the regional territory, also committing itself to a useful verification to absorb as many workers as possible.
- The Ministry of Labour and Social Policies has ordered the use of a social safety net, starting from 1 January 2025 until 31 July 2025, which can be used in conjunction with the bilateral solidarity fund for the telecommunications sector even in the presence of a partial staff redeployment plan.
- The company, in the event of workers not profitably relocated, will proceed to start the procedures referred to in Law 223/91 within the time limits provided for by law.

Therefore, in the face of this reduction in staff, activities and offices, Almaviva Contact will definitively focus on Market Research activities.

As regards the subsidiary Almaviva Services, the workforce as at 31 December stood at 15 resources, with a reduction of 28 resources, equal to 65.1%, compared to the workforce at 12.31.2023 (43 resources). The liquidation of the company is being carried out.

As regards the DRM International sector, the evolution of the group's positioning with a view to differentiation and increase in value continues.

This path, enabled thanks to significant investments in technology (including the most recent proprietary Almawave platforms) and a high level of resource training, leverages a focus on more specialized activities and markets and on an evolution of the service that increasingly differs from commodity activities towards an offer of services and products with high added value for the customer and the end user.

This evolution of the positioning, also summarized by the change of name of the Almaviva do Brasil company to Almaviva Experience, allows the group to maintain a high level of differentiation and margins above the market.

As regards the Almawave New Technology segment, the 2024 financial year shows a decrease in operating revenues of 23% and an operating result of €2 million. This is due to the Group's strategic repositioning and the increasing focus on distinctive proprietary technologies.

On the technology and supply front, in fact, the Almawave Group continued to invest heavily in the year to increase and strengthen solutions that meet specific market needs ("Vertical AI" solutions) capable of fully satisfying customer demands and solving use cases characteristic of the various industries (e.g. Public Administration, Transport, Healthcare) by leveraging the "composite AI" approach.

During the year, the evolution of Velvet, a family of multilingual generative Artificial Intelligence models, will continue after the launch at the end of January 2025 of Velvet 14B and Velvet 2B, foundational Large Language Models (LLMs) and Instruct, developed entirely by the segment in Italy "from scratch" on its own architecture and designed for the reference context, trained on the Leonardo supercomputer managed by Cineca. The models have been released in Open Source mode, available in 6 languages.
The Velvet technology, aimed at Companies, is the expression of a wealth of solid skills, gained in over 15 years of activity, in the R&D field and through hundreds of projects related to the use of AI – in sectors such as Healthcare, Welfare, Justice, Security, Mobility, Finance and Public Administration. It is the result of careful AI design, in the European reference scenario, designed to be sustainable – therefore light in consumption – but at the same time effective in real use cases. Velvet is also not a systemic risk model according to the principles of the AI ACT, representing an element of fundamental importance for deployer companies and was created with the use of selected and clean data to minimize its toxicity, also with the support of SIpEIA "Italian Society for the Ethics of Artificial Intelligence" through verification assessments in the application of ethics and compliance criteria with OECD and WHO criteria. Furthermore, 23% of the training of the model was carried out in Italian in order to make it aware through distinctive techniques used with the aim of mitigating cultural bias, consequently favoring its specialization on the context and the connection to business processes.

In this regard, it is particularly relevant to point out, in the context of investments, that the segment is carrying out in order to ensure the necessary additional capacity in terms of infrastructure for the production of vertical models that can be sold to customers, the entry into Innovate, an Italian consortium coordinated by Cineca which in December was awarded the first industry-grade supercomputer promoted by the EuroHPC joint undertaking, initiative born in 2018, with the aim of developing a leading ecosystem in supercomputing and quantum computing in the EU. For this reason, in order to support future investments and growth plans in the segment and in particular the evolution of Velvet, in December an agreement was signed for a line of financing worth euro 20 million issued by BNP Paribas and assisted by SACE's Archimede Guarantee, a solution dedicated to supporting investments in innovation. infrastructure and sustainable transition, on 70% of the total value financed.

In line with the development and dissemination of Velvet also at an international level, in October 2024 a Memorandum was signed with the Information & Communication Technologies Commission of Tanzania, to develop and implement Velvet in Swahili, the official language of Tanzania together with English, through the exchange of data, experiences and technologies.

During the year, a strategic agreement was also signed with Visa, aimed at strengthening the attractiveness of tourist destinations through an in-depth analysis of visitors' spending habits. This project aims to better understand the preferences of tourists and improve the travel experiences offered. Also relevant is the Memorandum of Understanding with Reach Digital, the digital transformation division of Reach Group, part of the International Holding Company (IHC), based in Abu Dhabi. This agreement focuses on the development of new commercial synergies in the Middle East and North Africa markets, with a particular focus on the United Arab Emirates, Saudi Arabia, Morocco and Egypt. Finally, the partnership in North America with DestinationThink in the destination marketing sector to improve traveler sentiment and promote sustainable growth of tourist destinations globally and the one with DITECFER, the District for Railway Technologies, High Speed and Network Security, which currently brings together over fifty Italian companies and research organizations, a strategic agreement for the application of Artificial Intelligence in the railway industrial supply chain, reflect the continuous commitment to a strengthened international presence and the adoption of innovations aimed at the specific needs of different markets and sectors.

As part of the market expansion process, including through non-organic growth, the Almaviva Group is examining investment projects to accelerate growth both in the field of integrated products and solutions for transport and in the development of the market, products and services for the industry, public administration, finance, cybersecurity, smart utilities management, and AI sectors both in Italy and abroad.

From a financial point of view, on October 31, 2024, Almaviva issued a new senior secured bond, with a total value of euro 725 million at a fixed rate and a duration of six years (October 2030), reserved exclusively for institutional investors. At the same time, a revolving credit line of euro 160 million was also activated. Thanks to the new bond, the previous senior secured bond, worth euro 350 million, was repaid at the same time and the previous revolving line of euro 70 million was closed; With the new issue, the liquidity necessary to complete the acquisition of the American company Iteris, which was completed on November 1, 2024, was thus made available.

The fixed rate of the new bond is 5.0% and the remuneration is provided with a semi-annual coupon and repayment of the principal at maturity, with the possibility of conditional early repayment. The amount of the issue, the duration and the value of the coupon certainly highlight an increase in the creditworthiness of the company, a significant approval by investors (demand exceeded supply 2.3 times) and therefore a significant positioning on the financial markets.

As for the rating, both agencies have confirmed the current rating: BB for the S&P agency and BB for the Fitch agency. For 2025, the management, on a like-for-like basis, is expected to lead to a reduction in net financial debt.

Other information

Financial instruments and derivatives

The Almaviva Group is not subject to any particular risks related to the trend of interest rates and exchange rates with currencies other than the Euro. Since there is no need for it, it has therefore not been necessary to carry out transactions involving the use of derivative financial instruments.

Corporate transactions

ALMAVIVA S.p.A. – ESTABLISHMENT OF THE SIDIF CONSORTIUM

On **January 12, 2024**, the establishment of the SIDIF Consortium between Almaviva S.p.A. and Telecom Italia S.p.A., Lutech S.p.A. (formerly Lutech Advanced Solutions S.p.A.) and Fincantieri Next S.p.A. was finalized, for the coordination of the Ministry of Defense's digitization activities and the development, modernization, adaptation and maintenance in operation of the Ministry of Defense and Armed Forces' online communication systems.

Almaviva S.p.A. holds a 60% stake in the Consortium Fund.

ALMAVIVA DO BRASIL S.A. – SHARE CAPITAL INCREASE

On **February 22, 2024**, an increase in the share capital was completed, which stood at Reais 601,499,885.00. As a result of the above transaction, the share capital of the aforementioned company is divided as follows:

- Almaviva S.p.A.: 74.766%;
- Almaviva Contact S.p.A.: 25,234%.

BRITA S.A. – SHARE CAPITAL INCREASE AND ENTRY OF NEW SHAREHOLDER

On **February 26, 2024**, an increase in the share capital was completed, which stood at Reais 142,426,000.00. As a result of the previous transaction, the share capital of the aforementioned company was divided as follows:

- Almaviva S.p.A.: 74.470897%;
- Società Italiana per le Imprese all'estero – Simest S.p.A.: 25.529047%;
- Almaviva do Brasil S.A.: 0,000056%.

BRITA S.A. – CORPORATE ACQUISITION

On **April 10, 2024,** Brita S.A. completed the acquisition of 51% of the share capital of Magna Sistemas Consultoria S.A. (whose name was simultaneously changed to "Almaviva Solutions S.A."), a Brazilian service company based in São Paulo that provides innovative solutions based on different technologies and operates nationally providing customized solutions for public and private customers. Almaviva Solutions S.A., in turn, fully owns the share capital of Pyxisinfo Tecnologia LTDA.

ALMAVIVA DIGITAL ESPAÑA – LIQUIDATION AND DISSOLUTION

On **April 30, 2024**, the liquidation procedure was concluded with the dissolution of the company.

BRITA S.A. – SHARE CAPITAL INCREASE

On **May 20, 2024**, the Shareholders' Meeting approved an increase in the share capital, which stood at 156,026,000 Reais. As a result of the above transaction, the share capital of the aforementioned company is divided as follows:

- Almaviva S.p.A.: 76.696141%;
- Società Italiana per le Imprese all'estero – Simest S.p.A.: 23.303808%;
- Almaviva do Brasil S.A.: 0,000051%.

SADEL S.P.A. – CHANGE OF THE SHAREHOLDER STRUCTURE

On **June 25, 2024**, the majority shareholder Wave S.r.l. purchased the stake already held by the shareholder Fabio Galli in the share capital of Sadel S.p.A. equal to no. 59,449 shares. As a result of the above, the share capital is composed as follows:

- WAVE S.R.L. 93.43%;
- DAVIDE AMATO 6.57%.

ALMAWAVE S.p.A. – CHANGE IN SHARE CAPITAL

On **July 16, 2024**, following the ascertainment of the achievement of the objectives of the Third Tranche of the 2021-2023 Stock Grant Plan, the resolution to increase the share capital, free and divisible, adopted by the Shareholders' Meeting on 26 February 2021, through the issue of no. 293,149 new ordinary shares for a share capital increase of Euro 2,931.49, was partially implemented.

With the aforementioned capital increase, the 2021-2023 Stock Grant Plan was concluded, and, therefore, as a result of the above, the share capital of Almawave S.p.A. is: approved, subscribed and paid up for Euro 299,825.44, divided into no. 29,982,544 ordinary shares, with no par value.

B.M. TECNOLOGIE INDUSTRIALI S.P.A. BENEFIT COMPANY - CORPORATE ACQUISITION

On **July 12, 2024**, B.M. TECNOLOGIE INDUSTRIALI S.p.A. completed the acquisition of a 58% stake in the share capital of MEA ENGINEERING S.r.l., a company based in Simeri Crichi (CZ) specialising in the surveys of both water and sewerage networks, underground utilities and their monitoring.

ALMAVIVA DO BRASIL S.A. – CHANGE OF COMPANY NAME

On **July 16, 2024**, the Shareholders' Meeting resolved to change the company name to Almaviva Experience S.A..

ALMAVIVA USA CORP. – CONSTITUTION OF PANTHEON MERGER SUB INC.

On **August 5, 2024**, the establishment of the Pantheon Merger Sub Inc., a company incorporated under American law based in Wilmington – New Castle, Delaware, with capital wholly owned by Almaviva USA Corp., was completed.

ALMAVIVA EXPERIENCE S.A. – MERGER BY INCORPORATION

On **September 5, 2024**, the merger by incorporation of Central de Recuperação de Créditos LTDA. and CRC Digital LTDA. into Almaviva Experience S.A. became effective.

ALMAVIVA EAU LIMITED – OPENING BRANCH

On **October 7, 2024**, the opening of a Branch of Almaviva EAU Limited, based in Cairo, was completed to operate mainly in the IT segment, Transportation sector.

PANTHEON MERGER SUB INC. – ACQUISITION OF ITERIS INC.

On **November 1, 2024**, the Almaviva Group acquired - through Almaviva USA Corp. - Iteris Inc., a company under American law based in Delaware, listed on the Nasdaq, active in digital solutions for the management of smart mobility infrastructures for both the public and private sectors.

The transaction was completed through the acquisition from the market of all the shares representing the share capital of Iteris Inc. and the simultaneous merger by incorporation of Pantheon Merger Sub Inc., already wholly owned by Almaviva USA Corp., into Iteris, Inc.. As a result of the transaction, the share capital of Iteris Inc. is wholly owned by Almaviva USA Corp..

The cash available to proceed with the acquisition was provided to Almaviva USA Corp., through both a share capital increase and a loan, by Almaviva SpA, which proceeded with the issue of a bond of euro 725 million aimed at fully covering the acquisition and repaying the pre-existing bond loan worth euro 350 million maturing in 2026.

ALMAWAVE DO BRASIL INFORMÁTICA LTDA – SHARE CAPITAL INCREASE

On **November 28, 2024**, an increase in the share capital was completed, which stood at Reais 22,928,765.00.

As a result of the above transaction, the company's share capital is confirmed as follows:

- Almawave S.p.A.: 99.93%;
- Almaviva Experience S.A.: 0.07%.

B.M. TECNOLOGIE INDUSTRIALI S.P.A. – MERGER BY INCORPORATION

On **December 12, 2024**, the deed of merger by incorporation of 2F Water Venture S.r.l. Società Benefit into B.M. Tecnologie Industriali S.p.A. Società Benefit was signed. The statutory effects began at 11.59 p.m. on 31 December 2024; accounting and tax from 1 January 2024.

B.M. TECNOLOGIE INDUSTRIALI S.P.A. – NAME CHANGE

On **December 12, 2024**, the Shareholders' Meeting resolved, with effect from 1 January 2025, to change the company name from B.M. Tecnologie Industriali S.p.A. Società Benefit to Almaviva Bluebit S.p.A. Società Benefit

ALMAVIVA S.P.A. - SAGITTA CONSORTIUM ESTABLISHED

On **December 20, 2024**, the establishment of SAGITTA CONSORTIUM was completed between Almaviva S.p.A. and the companies Ferrovie dello Stato Italiane S.p.A. and FS Technology S.p.A., with the aim of coordinating the activities of the Consortium Members aimed at promoting initiatives at the international level - with the export to international transport and logistics markets of a value proposition aligned with the evolution of interoperability at European level - evaluating also the possibility of initiatives at national level capable of accelerating the creation of digital infrastructures to support strategic sectors for the Country System.

Almaviva S.p.A. holds a 60% stake in the Consortium Fund.

Shares

Almaviva S.p.A. and the companies belonging to the Almaviva Group do not own, nor have they ever owned, directly or through a trust company or through an intermediary, treasury shares or shareholdings in parent companies.

Almaviva Group's relations with subsidiaries, associates and foreign companies under the control of the parent company.

With regard to information on related parties and details of equity and income statements with related parties, please refer to the specific note 43.

Significant events occurring after the end of the financial year

Regarding significant events occurring after the end of the financial year, please refer to the specific note 44 below.

Explanatory notes

2.

Consolidated Financial Statements of Almaviva Group

Consolidated statement of financial position

(in thousands of Euro)	Note	12.31.2024	Of which with related parties	12.31.2023	Of which with related parties
NON-CURRENT ASSETS					
Intangible assets	7	608,272		208,885	
Goodwill		464,208		87,153	
Other intangible assets		144,064		121,732	
Property, plant and equipment	8	87,271		90,419	
Investments accounted for using the equity method	9	6,421		6,086	
Non-current financial assets	10	10,680		2,016	
Deferred tax assets	11	21,727		24,591	
Other non-current assets	12	2,795		2,190	
TOTAL NON-CURRENT ASSETS		**737,165**		**334,187**	
CURRENT ASSETS					
Inventories	13	35,493		21,712	
Contract assets	14	71,470		28,694	
Trade receivables	15	613,097	5,607	522,067	32,866
Current financial assets	16	1,895		3,801	
Other current assets	17	169,853	32,139	180,717	27,877
Cash and cash equivalents	18	204,006		240,652	
TOTAL CURRENT ASSETS		**1,095,814**		**997,644**	
TOTAL ASSETS		**1,832,980**		**1,331,831**	

(in thousands of Euro)	Note	12.31.2024	Of which with related parties	12.31.2023	Of which with related parties
Total group shareholders' equity		240,232		223,546	
Share capital		154,899		154,899	
Share premium reserve		17,788		17,788	
Legal reserve		21,900		19,104	
Stock grant reserve		9,291		9,291	
Other reserves and accumulated Profit (Loss)		(47,630)		(59,525)	
Profit/(loss) for the period		83,984		81,989	
Non-controlling interests		51,023		35,878	
Share capital and reserve		40,846		31,129	
Profit/(loss) for the period		10,177		4,749	
TOTAL SHAREHOLDERS' EQUITY	19	291,255		259,424	
Non-current liabilities for employee benefits	20	39,899		39,285	
Non-current provisions	21	9,545		14,787	
Non-current financial liabilities	22	832,481		395,940	
Deferred tax liabilities	23	4,284		4,910	
Other non-current liabilities	24	357		987	
TOTAL NON-CURRENT LIABILITIES		886,567		455,909	
Current provisions	21	8,691		7,078	
Trade payables	25	364,729	116	379,925	78
Current financial liabilities	26	33,993		20,661	
Current tax liabilities	27	35,576		33,088	
Other current liabilities	28	212,169	29,231	175,746	33,593
TOTAL CURRENT LIABILITIES		655,158		616,497	
TOTAL LIABILITIES		1,541,725		1,072,407	
TOTAL EQUITY AND LIABILITIES		1,832,980		1,331,831	

Consolidated comprehensive income statement

(in thousands of Euro)	Note	01.01.2024 12.31.2024	Of which with related parties	01.01.2023 12.31.2023	Of which with related parties
Revenues from contracts with customers	29	1,266,198	6,310	1,156,115	42,016
Other Income	30	46,911	198	29,379	21
Total revenues and other income		1,313,109		1,185,494	
Cost of raw materials and services	31	(520,943)	(565)	(475,465)	(581)
Personnel expenses	32	(538,807)	0	(494,678)	(1,598)
Depreciation and amortization and non-recurring income/(expenses)	33	(66,894)		(51,223)	
Profit/(Loss)from sale of non-current assets	33	2		660	
Other expenses	34	(15,750)		(25,064)	
Operating profit/(loss)		170,718		139,724	
Financial income	35	6,934		5,533	
Financial expenses	35	(50,236)		(34,569)	
Exchange gains/(losses)	35	(3,800)		(244)	
Profit/(loss) from investments accounted for using equity method	36	335		2	
Profit/(Loss) before taxes		123,951		110,446	
Income taxes	37	(29,790)		(23,707)	
PROFIT/(LOSS) FOR THE PERIOD		94,161		86,738	
of which:					
Profit/(loss) pertaining to the group		83,984		81,989	
Profit/(loss) pertaining to non-controlling interests		10,177		4,749	
Earning (Loss) per share (EPS) basic and diluted:					
Basic, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0,61		€ 0,56	
Diluted, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0,61		€ 0,56	
Other components of comprehensive income:					
Exchange differences on translation of foreign operations	19	(42,185)		7,939	
Actuarial gains/(losses) on valuation of liabilities for employee benefits	20	(275)		(1,201)	
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		51,701		93,477	
of which:					
Comprehensive income/(loss) pertaining to the group		43,431		88,674	
Comprehensive income/(loss) pertaining to non-controlling interests		8,270		4,803	

Consolidated statement of changes in shareholders' equity

(in thousands of Euro)	Share capital	Share premium reserve	Legal reserve	Profit (loss) carried forward reserve	FTA Reserve	Stock Grant reserve	Actuarial gain (losses) reserve	Translation reserve
at January 1, 2024	154,899	17,788	19,104	(29,376)	4,493	9,291	3,726	(38,368)
Profit/(loss) for the year								
Other movements pertaining Other comprehensive income							(275)	(40,278)
Comprehensive income/(loss) for the year	0	0	0	0	0	0	(275)	(40,278)
Allocation of prior year's profit/(loss)			2,796	79,193				
Dividends paid				(12,967)				
Changes in area and other movements				(13,778)				
Stock Grant reserve								
at December 31, 2024	154,899	17,788	21,900	23,072	4,493	9,291	3,451	(78,646)
at January 01, 2023	154,899	17,788	15,139	(83,733)	4,493	7,693	4,927	(46,257)
Profit/(loss) for the year								
Other movements pertaining Other comprehensive income							(1,201)	7,885
Comprehensive income/(loss) for the year							(1,201)	7,885
Allocation of prior year's profit/(loss)			3,965	68,379				
Dividends paid				(11,913)				
Changes in area and other movements				(2,109)				
Stock Grant reserve						1,598		
at June 30, 2023	154,899	17,788	19,104	(29,376)	4,493	9,291	3,726	(38,372)

Total other reserve and profit (loss) carried forward	Profit/(loss) for the period	**Total Group shareholders' equity**	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the period	**Total non-controlling interests**	**Total shareholders' equity**
(50,234)	81,989	223,546	32,065	(937)	4,749	**35,878**	**259,424**
0	83,984	83,984			10,177	10,177	94,161
(40,553)		(40,553)		(1,908)		(1,908)	(42,461)
(40,553)	83,984	43,432	0	(1,908)	10,177	8,270	51,701
79,193	(81,989)	0	4,749		(4,749)	0	0
(12,967)		(12,967)				0	(12,967)
(13,778)		(13,778)	6,875			6,875	(6,903)
0		0				0	0
(38,339)	83,984	240,232	43,689	(2,844)	10,177	51,023	291,255
(112,877)	72,344	147,296	29,799	(991)	2,757	31,566	178,862
	81,989	81,989			4,749	4,749	86,738
6,684		6,684		54		54	6,738
6,684	81,989	88,674		54	4,749	4,803	93,477
68,379	(72,344)		2,757		(2,757)		0
(11,913)		(11,913)	(333)			(333)	(12,246)
(2,109)		(2,109)	(158)			(158)	(2,267)
1,598		1,598					1,598
(50,238)	81,989	223,546	32,065	(937)	4,749	35,878	259,424

Consolidated statement of cash flows

(in thousands of Euro)	Note	01.01.2024 12.31.2024	01.01.2023 12.31.2023
Profit/(loss) for the period		**94,161**	**86,738**
Adjustments to reconcile profit before tax to net cash flows:			
Income Taxes	37	29,790	23,707
Financial income	35	(6,934)	(5,533)
Financial expenses	35	50,236	34,569
Exchange (gains)/losses	35	3,800	244
Depreciation, amortization, write-downs and non-recurring income/(expenses)	33	66,894	51,269
Write-downs/(revaluations) of non-current financial assets and equity investments	36	(335)	(48)
Losses from sale of non-current assets	33	(2)	(660)
Interest received		6,901	5,532
Interest paid		(31,743)	(25,720)
Income taxes paid		**(23,144)**	**(16,903)**
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		189,625	153,197
Change in trade receivables excluding of the exchange rate effect and consolidation scope changes	15	(58,602)	4,267
Change in inventories excluding of the exchange rate effect and consolidation scope changes	13	5,217	819
Change in contract assets excluding of the exchange rate effect and consolidation scope changes	14	(42,776)	(9,630)
Change in trade payables excluding of the exchange rate effect and consolidation scope changes	25	(46,659)	21,135
Change in other assets excluding of the exchange rate effect and consolidation scope changes	12-17	10,156	(35,182)
Change in other liabilities excluding of the exchange rate effect and consolidation scope changes	24-28	(15,077)	26,994
Change in liabilities for employee benefits and provisions gross of exchange rate effect	20-21	(6,270)	4,411
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES CHANGES IN WORKING CAPITAL		(154,012)	12,815
CASH-FLOW GENERATED FROM/(ABSORBED BY) OPERATING ACTIVITIES (A)		35,613	166,011
Investments in property, plant and equipment	**8**	**(9,757)**	**(11,279)**
Investments in intangible assets	**7**	**(52,979)**	**(38,720)**
Acquisition of investments accounted for using the equity method	**9**	**(8,202)**	**(1,844)**
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity mehod	**9**	**360**	**1,198**
Acquisition of subsidiaries net of cash and cash equivalents	**6**	**(352,120)**	**(10,072)**
Change in non-current financial asset	**10**	**(9,085)**	**(410)**

(in thousands of Euro)	Note	01.01.2024 12.31.2024	01.01.2023 12.31.2023
CASH-FLOW GENERATED FROM/(ABSORBED BY) INVESTING ACTIVITIES (B)		(431,783)	(61,127)
Dividens paid		(12,685)	(12,246)
Granting of medium/long-term loans and non-current financial liabilities	22	752,141	813
Repaymant of medium/long-term loans and non-current financial liabilities	22	(355,459)	(2,695)
Repayment of lease liabilities		(15,489)	(9,470)
Change in current financial liabilities	26	(3,939)	(18,029)
Change in current financial assets	16	2,363	10,731
CASH-FLOW GENERATED FROM/(ABSORBED BY) FINANCING ACTIVITIES (C)		366,932	(30,896)
NET CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES (A + B + C)		(29,237)	73,988
Effect of foreign exchange rates on cash and cash equivalents (D)		(7,410)	2,004
CASH FLOW OF THE YEAR (A+B+C+D)		(36,647)	75,992
Opening cash and cash equivalents		240,652	164,660
Closing cash and cash equivalents		204,006	240,652

Almaviva S.p.A. and Subsidiaries Explanatory Notes

1. General information

Almaviva The Italian Innovation Company S.p.A. (hereinafter "Almaviva" or the "Parent Company" 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 41,546 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 Consolidated financial statements of the Company and its subsidiaries (the "Almaviva Group") are prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union and comprise the Consolidated statement of financial position as at December 31, 2024, the related Consolidated other comprehensive income statement, Consolidated statement of changes in shareholders' equity and Consolidated statement of cash flows for the years ended December 31, 2024, together with the related explanatory notes thereto (hereinafter collectively as the "Consolidated Financial Statements"), compared with December 31, 2023.

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 43.

The Consolidated Financial Statements were approved by the Company's Board of Directors on April 7, 2025.

1.1 Macroeconomics and geopolitical uncertainty

Already in 2023 and during 2024, macroeconomics and geopolitical scenario has been characterized by a significant commodity price volatility, high inflation, rising interest rates and increasing energy prices, that have affected also the current economic environment. Despite this scenario, the growing demand on the new-technology market 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 results as at December 31, 2024. Therefore, management believe that there are no elements of discontinuity with 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. Therefore, there are not macroeconomic and geopolitical events and related subsequent events that are significant to the Group financial statements and, subsequently, there are not uncertainty associated with the measurement of assets and liabilities and any additional disclosures of those uncertainties and corresponding judgements applied are necessary.

2. Basis of preparation

Standards

The consolidated financial statements of the Almaviva Group have been drawn up in compliance with current regulations.

The consolidated financial statements have been drawn up on the assumption of going concern. The assessment of the Almaviva 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 Almaviva Group regarding the ability to continue its business.

Contents of the consolidated financial statements

The 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 accounting standards adopted for the draw up of the Consolidated Financial Statements comply with those used for the draw up of the consolidated financial statements as at December 31, 2023, except for the adoption of the new standards, amendments and interpretations in force from January 1st, 2024.

The layouts adopted for the preparation of the 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 comprehensive 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. It 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;
- 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.

Making the consolidated financial statements, no critical issues arose that required recourse to derogations pursuant to IAS 1.

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:

Exact exchange rates

Amount of currency for 1 Euro				
Country	Currency	ISO	December 31, 2024	December 31, 2023
Saudi Arabia	Riyal	SAR	3.8959	4.1438
Brazilian	Real	BRL	6.4253	5.3618
China	Yuan	CNY	7.5833	7.8509
Colombian	Peso	COP	4577.5500	4267.5200
Dominican Republic	Peso	DOP	63,4843	64.1828
Egypt	Lira	EGP	52.8202	34.1589
United Arab Emirates	Dirham	AED	3.8154	4.0581
Europe	Leu	RON	4.9743	4.9756
Russia	Rublo	RUB	113.6269	99.6225
United States	Dollaro	USD	1.0389	1.1050
Tunisian	Dinaro	TND	3.3080	3.3936

Average exchange rates

Amount of currency for 1 Euro				
Country	Currency	ISO	December 31, 2024	December 31, 2023
Saudi Arabia	Riyal	SAR	4.0589	4.0548
Brazilian	Real	BRL	5.8283	5.4010
China	Yuan	CNY	7.7875	7.6600
Colombian	Peso	COP	4407.1400	4675.0000
Dominican Republic	Peso	DOP	64.2762	60.5374
Egypt	Lira	EGP	49.0064	33.1581
United Arab Emirates	Dirham	AED	3.9750	3.9710
Europe	Leu	RON	4.9746	4.9467
Russia	Rublo	RUB	113.6269	99.6225
United States	Dollaro	USD	1.0824	1.0813
Tunisian	Dinaro	TND	3.3663	3.3556

2.1 Going Concern

During the 2024, the Almaviva Group consolidated the growth trends in revenues achieved in the previous periods (reaching Euro 1,266.2 million, increased Euro 110 million compared to the previous year). The result as of December 31, 2024, shows an EBITDA equal to Euro 237.6 million (increased Euro 47.3 million compared to December 31, 2023) and a consolidated operating profit growing compared to the previous period and equal to Euro 170.7 million (increased Euro 30.9 million compared to December 31, 2023, +22.2% year-on-year). In terms of Net Profit there is a positive result of Euro 94.1 million.

The trend of operations in 2024, consistent with the year's estimates, was characterized by the consolidation of revenues in the areas related to the Central and Local Public Administration (PA), thanks also to the opportunities connected to the RRP in all its sectors. In general, in addition to the contribution deriving from the latest activities related to the SPC L3 and L4 contracts and the production developed on the Aria - Regional Cloud contracts and the Consip Agreements on Digital Transformation, a strong contribution to operating volumes came from Consip's Agreements in the areas of Remote Security, System Management ed. 3, Digital Health 2 relating to Health Information Systems and Services to the Citizen, Digital Health 3 Management Information Systems, SAC 2 - Application Services in Cloud ed. 2 PAC Lot 1, from the activities with SOGEI relating to the 'INIT Budget' chapter, an ERP-type system that integrates financial, economic-equity and analytical accounting by cost centers, from the Agenas Concession relating to the "PNT-Piattaforma Nazionale Telemedicina (National Telemedicine Platform)", as well as from the awarding and start-up of a number of tenders during the 2024 financial year. Among these deserve special mention:

- In the **Local PA area**, the awarding of the Intercenter Tender - Development, evolution and management services to support local PP.AA. The contract, signed on May 28, 2024 (duration 36 months plus extensions), concerns activities for the provision of development, evolution and management services for information systems supporting local public administrations in Emilia-Romagna;
- In the **Welfare area**, the awarding of the tender for the 'INPS Application Development Services' - SAI Lot 2 (Pension Benefits, Assistance and Income Support). The contract was signed in June 2024 (duration 36 months plus extensions) and the activities will focus on supporting the development of active and passive labour policies and pension benefits, assistance and income support;
- Finally, in the **area of Defence**, the signing in June 2024 of the contract with the Armed Forces of Malta for the upgrade of the Integrated Communication System, as well as the start-up of the activities of the "SIDIF - Sistemi Innovazione della Difesa (Defence Innovation Systems) Consortium". The consortium, established in January 2024, sees Almaviva as the lead partner (with a 60% stake) together with Telecom Italia, Lutech Advanced Solution and Fincantieri Nextech, and carries out the activities covered by the Framework Agreement for the Defence Ministry's Digitisation and the development, modernisation, upgrading and maintenance of the Ministry's online communication systems, which was signed at the beginning of the year. About the PNT platform, with respect to which the operational phase began last December, certain development activities related to the transitional chapters of the Concession Agreement are nearing completion.

Within the scope of the Agenas Concession relating to the "PNT-Piattaforma Nazionale Telemedicina (National Telemedicine Platform)", during the year, the contribution deriving from the activation of the activities for the implementation of the Receive, Control and Data Transmission function and the request to proceed with the executive design and the preparation of the related technical documents pertaining to the Interregional Interoperability Needs Project were recorded. These projects are part of the optional services whose activation towards PNT Italia, within the scope of the Concession, is the Entity's right and whose realisation is entrusted by PNT Italia to the Company's Shareholders, namely Almaviva and Engineering, entailing additional revenue streams both for the design and realisation phase and then for the management phase.

In general, the management performance allowed the company to consolidate its leadership in particular in the areas of Healthcare, Welfare, Tourism, Local and Central Public Administration, Defence and Water Management, thanks also to the synergies with

Almaviva Bluebit S.p.A., as well as to develop and strengthen its position in the area of Cybersecurity, all with a management that is increasingly oriented towards actively building a more sustainable future that is attentive to ESG parameters.

The 2024 financial year was also characterised by the continuation, also with the aid of funded R&D projects, of project development activities aimed at strengthening and optimising Product Assest, Vendor Platform & Technology Innovation and Product Management Systems solutions for traditional markets; to penetrate strategic markets, both traditional and emerging, such as Environment & Sustainability, Water Supply Systems, Smart City/Smart PA, Defence and Digital Health & Safety; and to expand international presence.

Regarding the Transport sector, there is continued growth at a global level, supported by innovation linked to smart technologies and platforms that exploit IoT to enable the adoption of new mobility paradigms, Improve the safety and resilience of infrastructure and optimise operational efficiency. In this context, significant investments are made worldwide in the field of ESG and, on the domestic market, initiatives related to the RRP.

Regarding the outsourcing activities for the State Railways Group (FSI), following the transition activities resulting from the award to Almaviva (in RTI with other important players) of Stations 1, 2 and 5, new contracts come into force, with a forecast of an increase in "on demand" activities.

As regards the local market, commercial actions, partnerships and investments are continuing to take full advantage of the opportunities offered by the PNRR and the Complementary Funds, which Almaviva's offer allows, thanks to its products, to provide effective and rapid responses to the problems in the field of Smart Cities, Smart Mobility and Monitoring of Critical Infrastructures (although institutional difficulties still arise in having adequate contractual instruments).

In 2024, the process of consolidating its presence in international markets continued with the aim of developing new business, both through strategic partnerships and with its foreign subsidiaries.

On November 1, 2024, Almaviva acquired 100% of Iteris, Inc, a Nasdaq-listed American company (ITI) active in digital solutions for the management of intelligent mobility infrastructures for both the public and private sectors.

The asset value of the transaction is approximately USD 337 million, with a purchase price of USD 7.20 per share. The acquisition is an important strategic move to diversify markets and customers, accelerate growth in the US, and expand the offering of proprietary solutions in the mobility sector.

With the acquisition of Iteris, which follows in time the completion of the acquisition of 51% of Magna Sistemas Consultoria S.A. (renamed Almaviva Solutions) and its wholly-owned subsidiary Pyxisinfo Tecnologia Ltda which took place in April 2024, the strengthening of the Group's international presence in the IT field and the expansion into high-growth and high-tech markets (in particular, in the case of Iteris, in the area of sustainable mobility, in which Almaviva already expresses its competitiveness by managing significant orders in the Middle East, the UK, several European countries, throughout the American continent and in North Africa), continues. The acquisition is part of the growth strategy adopted by Almaviva, which expands its development in Information Technology, guaranteeing further geographical diversification of its business and the possibility of accelerating the export of its distinctive know-how, solutions and proprietary products, particularly in the areas of transportation, logistics, smart water management, and defence, strengthening the Almaviva Group's position as a global leader in the IT sector.

Iteris is a provider of software, digital platforms and professional and consulting services and a pioneer in the field of intelligent transport systems technology. Founded in 1969 in California, then incorporated in 1987 in Delaware, it is headquartered in Austin, has approximately 425 employees and annual sales of USD 180 million. Iteris has a full range of mobility infrastructure management solutions and serves customers in the US and internationally.

The potential of the transaction is in the strong integration of technology and business: Almaviva expands its expertise, products and solutions and has the opportunity to assert its Made in Italy know-how, proprietary MoovA platform for sustainable mobility and international expertise in transport and logistics in the North American market.

In 2024, the WMATA Project continued through the passing of important gate reviews of the Design phase, a project that will continue in 2025 with the completion of the design phase and the preparation of the production phase. Contract negotiations are underway both in the US and Canada, where the tender for the Ontario Metro was recently awarded, and in Egypt, where the tender for the Cairo Metro was awarded. This growth will be supported by further strengthening the sales structure with direct presidia in the most interesting regions (North-East Europe, Middle East, Brazil, USA).

The development of the MOOVA integrated proprietary platform and the deployment of numerous innovation projects continues.

At present, Almaviva's mobility systems and solutions are present in the Overseas Market, particularly in Finland, UK, Greece, Saudi Arabia, Switzerland, USA but also in Qatar, UAE, Egypt, Oman, Bahrain.

In the Finance market, the consolidation process of the main banking groups continues, a process that leads to a greater concentration of investments on the aggregating banks.

The study of the business plans of the main Italian banking groups identified a common investment priority in projects to transform core banking procedures. In order to strengthen its position, ReActive launched an investment and training plan to maintain a leading role in the development of transformation projects from the Host world to the new Cloud architectures.

Specifically, we have initiated the development of the Re#Axelerate platform which, by combining elements in the field of technology and consultancy, is able to support companies in addressing two key problems of transformation projects: knowledge recovery and the reduction of new application development costs.

The recovery of procedural knowledge/documentation is the top priority of all transformation projects, and the quality and completeness of the documentation have a decisive influence on both transformation strategy and project risk.

The most innovative technologies are employed in the development of Re#Axelarate, including the use of advanced generative IAI solutions.

As regards international development, in addition to the above-mentioned initiatives in the field of transport, developments continue in the public administration of the European Union ("EU"), through its subsidiary Almaviva de Belgique. In this context, the recent award of the DIMOS VI contract (2024-2027) should be noted, 5-year framework agreement signed by DG Budget for the provision of experts to all European Commission DGs and 50 related agencies throughout Europe; EXTRA contract signed by EULisa (2024-2028) for the provision of operational management services and technical assistance in the area of freedom, security and justice of the European Union (with Almaviva de Belgique as lead partner); EMA-European Medicines Agency for the provision of development services, Implementation and maintenance of EMA systems, with particular reference to pharmacovigilance, clinical trials, business intelligence and data warehouses.

After a first phase of market approach, mainly focused on the acquisition of opportunities related to the supply of specialized personnel, necessary to affirm the presence of Almaviva Group in the market of European Institutions and above all to create a first critical mass of personnel and revenues able to support the growth of the company, certifies an increasingly strategic orientation towards increasing the presence in the portfolio of mainly "turnkey" projects with higher profitability.

The development of activities in the field of visas is also continuing, with the departure of new visa services in 2024 in collaboration with the Italian Embassy in Saudi Arabia. In 2025, the further expansion of activities is expected through participation in additional calls for tenders proposed by the Ministry of Foreign Affairs.

The objective for 2025 is to consolidate positioning and volumes in supervised markets (In the concessions sector, particularly today, the Group is the second market player for managed practices) and pursue development opportunities arising from requirements and expertise acquired over the years to participate in tenders that allow entering new markets attractive for volumes and prestige through the following guidelines:

- **maximise the opportunities arising from the new way of managing tenders to gain a position in important areas such as China and North Africa;**
- **opening up opportunities in Schengen countries from the embassies of the countries where the Group is present;**
- **to become a leader in Visa software.**

Important cross synergies are also expected from the promotion and development of business opportunities in countries where the Group is present as Visa Centers.

In Almaviva Contact, the 2024 financial year saw the company's focus on market research activities. The number of staff at December 31, 2024 stood at 498 resources, a reduction of 19% compared to the number of staff at December 31, 2023. Of the 115 resources, 82 have left the company thanks to the incentive exit plan defined in accordance with the framework agreement signed on December 19, 2023.

New meetings, held between the end of 2024 and beginning of 2025, between representatives of the Company, the Ministry of Labour and Social Policies, the Ministry of Enterprises and Made in Italy and the OO.SS., led to the signing of a new agreement, signed on January 7, 2025, In which:

- The Sicilian Region has presented the project of the "system 116117" that could allow to employ a part of the workers on the regional territory, also committing itself to a useful verification in order to absorb the greatest possible number of workers.
- The Ministry of Labour and Social Policies has ordered the use of a social buffer, from January 1, 2025 to July 31, 2025, The bilateral solidarity fund for the telecommunications sector can be used on a permanent basis, even if there is a partial redeployment plan.
- The company, in the event of workers not profitably relocated, will proceed to initiate the procedures under Law 223/91 within the time prescribed.

Faced with this reduction in staff, activities and locations, Almaviva Contact will focus definitively on the activities of Market Research.

As regards the subsidiary Almaviva Services, staff at December 31, 2024 stood at 15 resources with a reduction of 28 resources equal to 65.1% compared to the workforce at December 31, 2023 (43 resources). The company is being wound up.

In the DRM International sector, the group's positioning continues to evolve in terms of differentiation and value enhancement.

This path, enabled thanks to major investments in technology (including the latest proprietary platforms Almawave) and a high activity of training resources, it is based on a focus on more specialized activities and markets and on an evolution of the service that increasingly differs from commodity-type activities to offer services and products with high added value for the customer and the end user.

This evolution of the positioning, also synthesized by the change of name of the company Almaviva do Brasil in Almaviva Experience, allows the group to maintain a high level of differentiation and a margin superior to the market.

For the Almawave New Technology segment, fiscal year 2024 saw a decrease in operating revenues of 23% and an operating profit of Euro 2 million. This is due to the strategic repositioning of the Group and the increasing focus on distinctive proprietary technologies.

On the technology and supply side, the Almawave Group continued to invest heavily in the business to increase and strengthen solutions that meet specific market needs ("Vertical AI" solutions) able to fully meet customer requirements and solve use cases characteristic of the different Industries (e.g. Public Administration, Transport, Healthcare) leveraging on the "composite AI" approach.

The evolution of Velvet, a family of models for multilanguage generative artificial intelligence, will continue during the year after the launch at the end of January 2025 of Velvet 14B and Velvet 2B, the founding Large Language Model (LLM) and Instruct, developed entirely by the segment in Italy "from scratch" on its own architecture and designed for the reference context, trained on the supercomputer Leonardo managed by Cineca. The models have been released in Open-Source mode, available in 6 languages. The Velvet technology, aimed at companies, is the expression of a solid expertise, acquired in more than 15 years of activity, in R&D and through hundreds of projects related to the use of AI - in sectors such as Health, Security, Mobility, Finance and PA. It comes from a careful design of AI, in the European reference scenario, designed to be sustainable - therefore light in consumption - but at the same time effective in real use cases. Velvet is also not a systemic risk model according to the principles of AI ACT, representing an element of fundamental importance for companies deployer and has been realized with the use of selected and clean data to minimize toxicity even with the support of SIpEIA "Società Italiana per l'etica dell'intelligenza artificiale" through assessment of verification in the application of the criteria of ethics and compliance with OECD and WHO criteria. The training of the model was also carried out for 23% in Italian in order to make it aware through distinctive techniques used with the aim of mitigating cultural bias favoring it, Consequently, specialization on the context and connection to business processes.

It is particularly important to note, in the context of investments, that the segment is making efforts to secure the necessary additional capacity in terms of infrastructure for the production of vertical models which can be sold to customers, the entry into Innovate, an Italian consortium coordinated by Cineca that in December was awarded the first industry-grade supercomputer promoted by the joint venture EuroHPC, an initiative launched in 2018, with the aim of developing a leading EU ecosystem in supercomputing and quantum computing. Therefore, in order to support future investments and growth plans of the segment and in particular the evolutions of Velvet, in December, the agreement for a Euro 20 million financing facility issued by BNP Paribas and supported by SACE's Archimede Guarantee, a solution dedicated to supporting investments in innovation, infrastructure and sustainable transition, 70% of the total amount financed.

In line with the path of development and dissemination of Velvet also at international level, in October 2024 a Memorandum was signed with the Information & Communication Technologies Commission of Tanzania, to develop and implement Velvet in Swahili, Tanzania's official language alongside English, through the exchange of data, experience and technology.

A strategic agreement with Visa was also signed during the year, which aims to enhance the attractiveness of tourist destinations through an in-depth analysis of visitors' spending habits. This project aims to better understand tourists' preferences and improve the travel experiences offered. Also relevant is the Memorandum of Understanding with Reach Digital, the digital transformation division of Reach Group, part of the International Holding Company (IHC), based in Abu Dhabi. This agreement focuses on the development of new trade synergies in the Middle East and North Africa markets, with a particular focus on the UAE, Saudi Arabia, Morocco and Egypt. Finally, the partnership in North America with DestinationThink in the destination marketing sector to improve traveller sentiment and foster a sustainable growth of global tourist destinations and that with DITECFER the Technology District Railway, the High Speed and Network Security, which today brings together more than fifty Italian companies and research organizations, a strategic agreement for the application of Artificial Intelligence in the railway industry, reflect the continuing commitment to a strengthened international presence and the adoption of innovations targeted at the specific needs of different markets and sectors.

As part of the market expansion process, including through non-organic growth, the Almaviva Group is considering investment projects to accelerate growth (both in the field of products and integrated solutions for transport and market development, products and services for industry, public administration, finance, cybersecurity, smart utilities management, AI both in Italy and abroad).

From a financial point of view, on October 31, 2024 Almaviva issued a new senior secured bond, with a total value of Euro 725 million, at a fixed rate and with a term of six years (October 2030), reserved exclusively for institutional investors. In parallel, a revolving credit line of Euro 160 million was also activated. Thanks to the new bond loan, the previous senior secured bond loan, worth Euro 350 million, was refunded at the same time and the previous Euro 70 million revolving line was closed; In addition, the necessary liquidity has been made available to complete the acquisition of the American company Iteris, which was completed on November 1, 2024. The fixed rate of the new bond loan is 5.0% and the remuneration is provided by means of a six-monthly coupon and repayment of capital at maturity, with the possibility of conditional early repayment. The amount of the issue and the value of the coupon certainly show an increase in the creditworthiness of the company, a significant approval by investors (demand exceeded supply by a factor of 2.3) and therefore a very important positioning on the financial markets.

As regards the rating, both agencies have confirmed the current rating: BB for the agency S&P and BB for the agency Fitch.

For 2025, management is expected to lead to a reduction in net financial debt.

2.2 Basis of consolidation

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

Determination of the existence of control over a subsidiary

Il Gruppo controlla un'impresa partecipata quando è esposto, o ha diritto a partecipare alla variabilità dei ritorni economici dell'impresa ed è in grado di influenzare tali ritorni attraverso l'esercizio del proprio potere decisionale sulla stessa. Nello specifico, il Gruppo controlla una partecipata se, e solo se, il Gruppo ha:

- Decision-making power over the investee in the presence of rights that give the parent the effective ability to direct the relevant activities of the investee, the assets that are most likely to affect the return of the investee.

It is generally assumed that a majority of the voting rights lead to control. When the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangements with the other voting rights holders of the investee;
- Rights arising from other contractual arrangements;
- Voting rights of the Group and potential voting rights.

In particular, entities are consolidated in which the parent holds control either by direct or indirect ownership of a majority of the votes exercisable at the general meeting, is the result of the exercise of a dominant influence expressed by the power to determine the financial and management choices of entities and to obtain the related benefits, even disregarding equity relationships. Controlled entities are included in the scope of consolidation from the date on which control is acquired by the Group and are excluded from the scope from the date on which the Group loses control. The list of companies included in the consolidation area is given below. The profit or loss of a subsidiary is attributed to minorities even if this implies that minority interests have a negative balance. Changes in the parent's interest in a subsidiary that do not result in a loss of control are accounted for as changes in equity. If the parent loses control of a subsidiary, it shall:

- eliminates the assets (including goodwill) and liabilities of the subsidiary;
- eliminate the carrying amounts of all minority interests in the former subsidiary;
- eliminate the accumulated exchange differences recognised in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of all equity interests held in the former subsidiary;
- reclassify the parent's share of the components previously recognised in comprehensive income, profit or loss or profit or loss as appropriate;
- recognises any gain or loss arising from the preceding steps in profit or loss.

Consolidation criteria adopted for subsidiaries

The main consolidation criteria are the following:

- items of assets, liabilities, income and expenses of entities consolidated line by line are fully included in the Consolidated Financial Statements;
- the carrying amount of the parent's investment in the subsidiary is netted against the parent's portion of equity of investees. Any difference existing at the date when control is acquired is allocated to items of assets and/or liabilities;
- whenever required, the financial statements of subsidiaries are adjusted to align them to the accounting criteria adopted by the Group;

- minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's ownership interests in them;
- unrealised profit and loss for the Group as resulting from intragroup transactions are fully eliminated, as well as significant amounts that originate intercompany payables and receivables, costs and revenue among consolidated companies;
- consolidation adjustments take into account, when applicable, their deferred tax effect;
- dividends received over the year by a parent from a consolidated subsidiary and recognised in the parent's income statement as gains on equity investments, are eliminated and classified under "retained earnings".

Translation of financial statements prepared in a currency other than the Group's functional currency

All assets and liabilities of foreign companies that prepare their financial statements in a currency other than the Group's functional currency (the Euro) and are included in the consolidation area, are translated by using the exchange rates at the reporting date (current exchange rate method). The related revenues and costs are translated at average exchange rates for the year. Exchange differences, resulting from the application of this method, are recorded as an equity reserve until the equity investment is entirely transferred, or when the investee is no longer qualified as subsidiary. Upon partial transfer, without change on control, the portion of exchange difference related to the portion of investment acquired or sold is attributed to the shareholders' equity of the Group or of the non-controlling interests, respectively. Goodwill and adjustments at fair value, generated when allocating the purchase price of a foreign operation as part of a business combination, are recognized in the related currency and then translated at year-end exchange rate.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The acquisition cost is determined as the sum of the consideration paid, measured at fair value at the acquisition date, and the amount of the non-controlling interest of the acquired entity. For each single business combination, the Group determined the non-controlling interest in relation to the portion of non-controlling interest in the identifiable net assets of the acquired entity. Acquisition costs are charged in the year and stated under administrative expenses. The Group determines that it has acquired a business asset when the integrated set of activities and assets includes at least one production factor and a substantial process that together significantly contribute to the ability to generate output. The acquired process is considered substantial if it is crucial to the ability to continue generating an output and the acquired factors of production include an organized workforce that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort or delay to capabilities to continue generating an output. When the Group acquires a business, it classifies or determines the acquired financial assets or liabilities undertaken in compliance with contract terms and conditions, as well as economic conditions and other pertaining terms and conditions at the acquisition date.

Any possible consideration to be recognized is measured by the acquiring entity at fair value, at the acquisition date. The fair value change in the contingent consideration classified as an asset or liability, that is a financial instrument and within the scope of IFRS 9 Financial instruments, must be recorded in the income statement or other comprehensive income components. If the potential consideration does not fall within the scope of IFRS 9, this amount is measured according to the appropriate IFRS standard. If the potential consideration is classified in equity, its value shall not be re-determined, and its subsequent payment shall be recognised in shareholders' equity.

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. After the initial recognition, goodwill is measured at cost, excluding any accumulated impairment loss and tested for impairment.

Equity investments in associates and joint ventures

The Group holds investments in joint ventures as further detailed in the explanatory notes. The financial statements of the investments in question are drawn up on the same date as that of the Group with accounting principles aligned with those of the Group and therefore there are no adjustments in the measurement of the value of the investments in joint ventures. Associates and joint venture companies are included in the consolidated financial statements using the equity method, as required, respectively, by IAS 28 (Investments in associates and joint ventures) and by IFRS 11 (Joint control arrangements). Associates and joint ventures are included in the consolidated financial statements from the date on which the significant influence or joint control begins and until the moment in which this situation ceases to exist.

Determination of existence of significant influence over an associate or joint control over a joint arrangement

An associated company is an entity on which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over

these policies. Joint control means the shared control of an entity, on a contract basis, which is exercised solely when decisions on relevant activities require the unanimous approval of all the parties in the joint arrangement. A joint arrangement can be configured as a joint venture or as a joint operation. A joint venture is a joint control agreement in which the parties holding the joint control have rights on the net assets of the agreement. A joint operation is a joint control agreement in which the parties have rights to the assets and obligations for the liabilities relating to the arrangement. In order to determine the existence of the joint control and the type of joint arrangement, management must apply judgement and assess its rights and obligations arising from the arrangement, considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. As a result of its assessment, management has not qualified any of its joint arrangements as a joint operation. Equity investments in associated companies and joint ventures are accounted for in the Consolidated Financial Statements using the equity method, as envisaged, respectively, by IAS 28 (Investments in associates and joint ventures) and IFRS 11 (Joint arrangements). Associated companies and joint ventures are included in the Consolidated Financial Statements when the significant influence or the joint control begins, until the date in which this joint control or significant influence cease.

Treatment of put options on shares

of subsidiaries

According to IAS 32, paragraph 23, a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Therefore, if the entity does not have the unconditional right to avoid the purchase for cash or other financial instruments at the time of the possible exercise of a put option on shares of controlled subsidiaries, a financial debt must be recognised; all subsequent changes are charged to the income statement. The same accounting treatment is applicable even if, in addition to a put option, there is the simultaneous presence of a symmetrical call option, so-called “symmetrical put and call options related to non-controlling interest”. The Group considers the shares subject to put options (or crossed puts and calls) already acquired, in cases where the economic benefits and risks associated with the present ownership of the shares do not remain with the third-party shareholders; therefore, in these circumstances, it does not proceed with the recognition of the non-controlling interests in the consolidated financial statements.

Consolidation Area

The companies consolidated at December 31, 2024 are listed below. Compared to the consolidated financial statements as at December 31, 2023, consolidation area has changed or has had a dilution of share:

- On **January 12, 2024**, the establishment of the SIDIF Consortium between Almaviva S.p.A. and the companies Telecom Italia S.p.A., Lutech Advanced Solutions S.p.A. and Fincantieri Next S.p.A., was completed, for the coordination of the digitalisation activities of the Ministry of Defense and the development, modernisation, adaptation and maintenance of the online communication systems of the Ministry of Defense and the Armed Forces. Almaviva S.p.A. holds a 60% stake in the Consortium;
- On **April 10, 2024**, Brita S.A. finalized the acquisition of 51% of the share capital of Magna Sistemas Consultoria S.A. (whose name was contextually changed to "Almaviva Solutions S.A."), a Brazilian services company based in São Paulo that provides innovative solutions based on various technologies and operates nationwide providing customized solutions for public and private clients. Almaviva Solutions S.A., in turn, wholly owns the share capital of Pyxisinfo Tecnologia LTDA;
- On **April 30, 2024**, the liquidation procedure of Almaviva Digital España ended with the dissolution of the company, which had been initiated during the period;
- On **July 12, 2024**, Almaviva Bluebit S.p.A. (formerly BM TECNOLOGIE INDUSTRIALI S.p.A.) finalized the acquisition of a 58 percent stake in the share capital of MEA ENGINEERING S.r.l., a company based in Simeri Crichi (CZ) and active, among other things, in service activities to the integrated water system;
- During the period the merger by incorporation of Central de Recuperação de Créditos LTDA. and Crc Digital LTDA. into Almaviva Experience S.A. was finalized;
- On **August 5, 2024**, the establishment of Pantheon Merger Sub Inc. was completed, a company incorporated under US law with registered office in Wilmington - New Castle, Delaware, whose capital is wholly owned by Almaviva USA Corp.
- On **November 1, 2024**, the Almaviva Group has acquired - through Almaviva USA Corp. - Iteris Inc. an American company based in Delaware, listed on Nasdaq, active in digital solutions for the management of intelligent mobility infrastructures for both the public and private sectors. The transaction was completed by acquiring from the market all the shares representing the share capital of Iteris Inc. and the simultaneous merger by incorporation of Pantheon Merger Sub Inc., already wholly owned by Almaviva USA Corp., in Iteris, Inc. As a result of the transaction, the share capital of Iteris Inc. is wholly owned by Almaviva USA Corp.
- On **December 12, 2024**, the merger by incorporation of 2F Water Venture S.r.l. Società Benefit into B.M. Tecnologie Industriali S.p.A. Società Benefit has been concluded. The civil effects have elapsed from 23.59 on December 31, 2024; accounting and tax effects from January 1, 2024.
- On **December 20, 2024**, the constitution of SAGITTA CONSORTIUM between Almaviva S.p.A. and the companies Ferrovie dello Stato Italiane S.p.A. and FS Technology S.p.A., with the aim of coordinating the activities of the Consortia aimed at promoting initiatives in international - by exporting to the international transport and logistics markets a value proposition aligned with developments in interoperability at European level - also evaluating the possibility of initiatives at national level able to accelerate the implementation of Digital infrastructures to support strategic sectors for the Country System. Almaviva S.p.A. holds a 60% interest in the Consortium Fund.

Compared to the consolidated financial statements as at December 31, 2023, therefore, the consolidation area has changed for the entry of the SIDIF Consortium, Almaviva Solutions S.A. (formerly Magna Sistemas Consultoria S.A.), MEA ENGINEERING S.r.l., Iteris Inc. and the Sagitta Consortium, for the deconsolidation of Almaviva Digital España and the merger by incorporation of Central de Recuperación de Créditos LTDA. and CRC Digital LTDA in Almaviva Experience S.A. (already Almaviva do Brasil) and 2F Water Venture S.r.l. Società Benefit in Almaviva Bluebit SpA (already B.M. Tecnologie Industriali S.p.A. Società Benefit).

The following table shows, among other things, the percentages of ownership at December 31, 2024 and the comparison of the same data at December 31, 2023 of companies consolidated with the integral method:

			% share ownership in capital	% Group ownership	% share ownership in capital	% Group ownership
Company	Location	Currency	12.31.2024	12.31.2024	12.31.2023	12.31.2023
Almaviva S.p.A.	Rome, Italy	EUR	Parent	Parent	Parent	Parent
Lombardia Gestione S.r.l.	Milan, Italy	EUR	51.00	51.00	51.00	51.00
Almaviva de Belgique S.A.	Brussels, Belgium	EUR	100.00	100.00	100.00	100.00
Almaviva Digitaltec S.r.l.	Naples, Italy	EUR	100.00	100.00	100.00	100.00
Wave S.r.l.	Pianoro, Italy	EUR	100.00	100.00	100.00	100.00
Sadel S.p.A.	Castel Maggiore, Italy	EUR	93.43	93.43	84.05	84.05
Wedoo Holding S.r.l.	Rome, Italy	EUR	55.00	55.00	55.00	55.00
Wedoo S.r.l.	Turin, Italy	EUR	100.00	55.00	100.00	55.00
Wedoo L.L.C.	Michigan, U.S.	USD	100.00	55.00	100.00	55.00
Data Jam S.r.l.	Naples, Italy	EUR	80.00	80.00	80.00	80.00
Almaviva Saudi Arabia L.L.C.	Riyad, Saudi Arabia	Saudi Riyal	100.00	100.00	100.00	100.00
Almaviva EAU Limited	Abu Dhabi, UAE	UAE Dirham	100.00	100.00	100.00	100.00
Almaviva Egypt L.L.C.	Cairo, Egypt	Egyptian Pound	100.00	100.00	100.00	100.00
Reactive S.r.l.	Milan, Italy	EUR	100.00	100.00	100.00	100.00
Kline S.r.l.	Milan, Italy	EUR	70.00	70.00	70.00	70.00
Almaviva Digital Espana	Madrid, Spain	EUR	-	-	100.00	100.00
Almaviva Republica Dominicana S.r.l.	Santo Domingo, Dominican Republic	Dominican Peso	100.00	100.00	100.00	100.00
Almaviva Russia L.L.C.	Moscow, Russia	Ruble	57.14	57.14	57.14	57.14
Tecnau Transport Division S.r.l.	Trezzano sul Naviglio, Italy	EUR	100.00	100.00	100.00	100.00
Almaviva Finland Oy	Helsinky, Finland	EUR	100.00	100.00	100.00	100.00
Almaviva USA Corp.	New York City, U.S.	USD	100.00	100.00	100.00	100.00
Iteris Inc.	Dover-Delaware, U.S.	USD	100.00	100.00	-	-
2F Water Venture S.r.l. Soc. Benefit	Padova, Italy	EUR	-	-	60.00	60.00
Almaviva Bluebit S.p.A Soc. Benefit (ex B.M. Tec.)	Padova, Italy	EUR	60.00	60.00	60.00	60.00

Company	Location	Currency	% share ownership in capital 12.31.2024	% Group ownership 12.31.2024	% share ownership in capital 12.31.2023	% Group ownership 12.31.2023
MEA Engineering S.r.l.	Simeri Crichi, Italy	EUR	58.00	58.00	-	-
Brita S.A.	Sao Paolo, Brazil	Brazilian Real	76.70	76.70	100.00	100.00
Almaviva Solutions (ex Magna) S.A.	Sao Paolo, Brazil	Brazilian Real	51.00	39.11	-	-
Pyxisinfo Ltda	Sao Paolo, Brazil	Brazilian Real	100.00	39.11	-	-
Consorzio Sidif	Rome, Italy	EUR	60.00	60.00	-	-
Sagitta Consortium	Rome, Italy	EUR	60.00	60.00	-	-
Almaviva Contact S.p.A.	Rome, Italy	EUR	100.00	100.00	100.00	100.00
Almaviva Experience (ex AV do Brasil) S.A.	Sao Paolo, Brazil	Brazilian Real	100.00	100.00	100.00	100.00
CRC Central de Recup de creditos	Sao Paolo, Brazil	Brazilian Real	-	-	100.00	100.00
CRC Digital	Sao Paolo, Brazil	Brazilian Real	-	-	100.00	100.00
Almacontact S.A.S.	Bogotà, Columbia	Colombian Peso	100.00	100.00	100.00	100.00
Italy Call S.r.l.	Rome, Italy	EUR	100.00	100.00	100.00	100.00
Almaviva Tunisie S.A.	Ville Tunisi, Tunisie	Tunisian Dinar	56.25	56.25	56.25	56.25
Almaviva Services S.r.l.	Iasi, Romania	Romanian Leu	100.00	100.00	100.00	100.00
Almawave S.p.A.	Rome, Italy	EUR	65.47	65.47	65.11	65.11
Almawave do Brasil Ltda.	Sao Paolo, Brazil	Brazilian Real	100.00	65.47	100.00	65.11
Almawave USA Inc.	San Francisco, U.S.	USD	100.00	65.47	100.00	65.11
OBDA Systems S.r.l.	Rome, Italy	EUR	60.00	39.28	60.00	39.07
The Data Appeal S.p.A.	Florence, Italy	EUR	100.00	65.47	100.00	65.11
Mabrian Technologies S.l.	Barcelona, Spain	EUR	70.00	65.47	70.00	65.11
Sistemi Territoriali S.r.l.	Cascina, Italy	EUR	100.00	65.47	100.00	65.11
Agrisian S.C.p.A. in liquidazione	Rome, Italy	EUR	50.86	50.86	50.86	50.86

The following table shows the share held as of December 31, 2024, compared to the period ended as of December 31, 2023, of the companies consolidated using the equity method:

			% share ownership in capital	% Group ownership	% share ownership in capital	% Group ownership
Company	Location	Currency	12.31.2024	12.31.2024	12.31.2023	12.31.2023
CCID-Almaviva Inform.Technol. Co.Ltd.	Shangai, China	Chinese Yuan	50.00	50.00	50.00	50.00
Consorzio Hypertix in liquidazione	Rome, Italy	EUR	49.99	49.99	49.99	49.99
TVEyes L.T. S.r.l.	Trento, Italy	EUR	20.00	20.00	20.00	20.00
Diversity Tech S.r.l.	Padova, Italy	EUR	48.00	48.00	48.00	48.00
PNT Italia S.r.l.	Rome, Italy	EUR	40.00	40.00	40.00	40.00

In Note no. 9 shows more details of the investments valued using the equity method.

The ultimate parent Company

The ultimate parent company of the Almaviva Group is Almaviva Technologies S.r.l, a holding company domiciled in Italy.

Subsidiaries with significant minority interests

The information required by IFRS 12 relating to the significant minority interests that the subsidiaries have in the assets, liabilities and economic/cash flows of the Group is provided below:

		December	December
Company	Country	2024	2023
Almawave S.p.A.	Italy	34.53%	34.89%
Kline S.r.l.	Italy	30.00%	30.00%
The Data Appeal S.p.A.	Italy	34.53%	34.89%

		Keuro	Keuro
		December	December
Accumulated balances of material non-controlling interest:		2024	2023
Almawave S.p.A.	Italy	23.850	23.564
Kline S.r.l.	Italy	9,232	8,831
The Data Appeal S.p.A.	Italy	1,110	358

		Keuro	Keuro
		December	December
Profit allocated to material non-controlling interest:		2024	2023
Almawave S.p.A.	Italy	529	2,053
Kline S.r.l.	Italy	401	268
The Data Appeal S.p.A.	Italy	756	19

The minorities in the other subsidiaries are not considered significant for consolidation purposes.

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

Summarized income statement for	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
(in thousands of Euro)			
Revenues from contracts with customers	30,057	12,033	6,177
Cost of raw materials and services	(17,167)	(2,704)	(2,907)
Personnel expenses	(12,569)	(5,857)	(2,487)
Depreciation and amortization	(4,545)	(2,608)	(464)
Depreciation and amortization	(132)	(67)	(214)
Profit before taxes	**(2,873)**	**1,091**	**373**
Income taxes	4,470	264	1,509
Profit from continuing operations	**1,597**	**1,355**	**1,882**
Other comprehensive income for the year	**1,533**	**1,336**	**2,188**
Other comprehensive income pertaining to the group	529	401	756
Dividends paid pertaining to non-controlling interests	-	-	-

Summarized income statement for December 31, 2023	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
(in thousands of Euro)			
Revenues from contracts with customers	43,592	11,256	5,305
Cost of raw materials and services	(20,162)	(2,587)	(2,674)
Personnel expenses	(16,128)	(5,509)	(2,348)
Depreciation and amortization	(3,998)	(2,941)	(231)
Depreciation and amortization	(134)	(65)	(100)
Profit before taxes	**4,879**	**367**	**299**
Income taxes	1,443	837	(82)
Profit from continuing operations	**6,322**	**1,204**	**217**
Other comprehensive income for the year	**5,884**	**894**	**54**
Other comprehensive income pertaining to the group	2053	268	19
Dividends paid pertaining to non-controlling interests	-	-	-

Summarized statement of financial position at December 31, 2024 (in thousands of Euro)	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
Non-current assets	56,568	22,286	7,759
Trade receivables	38,790	3,622	4,098
Current liabilities	(42,738)	(6,434)	(10,208)
Non-current liabilities	(3,161)	(1,376)	(498)
Equity	**69,070**	**30,773**	**3,214**
Pertaining to the group	45,220	21,541	2,104
Pertaining to non-controlling interests	23,850	9,232	1,110

Summarized statement of financial position at December 31, 2023 (in thousands of Euro)	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
Non-current assets	48,675	23,794	8,906
Trade receivables	37,844	3,000	3,582
Current liabilities	(36,963)	(6,379)	(9,068)
Non-current liabilities	(3,443)	(1,274)	(3,274)
Equity	**67,537**	**29,437**	**1,025**
Pertaining to the group	43,973	20,606	667
Pertaining to non-controlling interests	23,564	8,831	358

Summarized statement of cash flow Decembre 31, 2024	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
(in thousands of Euro)			
Flussi da attività operativa	6.771	3.331	(45)
Flussi da attività di investimento	(10.015)	(1.264)	(1.546)
Flussi da attività di finanziamento	970	(96)	244
Incremento/decremento netto nelle disponibilità liquide	**(2.274)**	**1.971**	**(1.347)**

Summarized statement of cash flow December 31, 2023	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
(in thousands of Euro)			
Cash-flow generated from operating activities	11,472	4,312	(222)
Cash-flow absorbed by investing activities	(6,335)	(646)	(6,350)
Cash-flow absorbed by financing activities	(389)	(320)	2,286
Cash flow of the year	**4,748**	**3,346**	**(4,286)**

3. Significant accounting policies

3.1 Accounting policies and measurement criteria

The relevant principles and criteria are set out below.

The Group has also applied for the first time certain principles or amendments that are in force since January 1, 2024. The application of those standards or amendments, for which details are referred to in paragraph 3.2 below, has had no material effect on consolidated financial statements as at December 31, 2024.

Intangible assets

Intangible assets are recognised at cost determined in accordance with the criteria for tangible assets. Revaluations are not permitted, even under specific laws.

Intangible assets with a defined useful life are amortised systematically over their useful life, understood as an estimate of the period in which the assets will be used by the enterprise; depreciation is recorded from the time the asset is available for use or potentially capable of generating its economic benefits. The annual depreciation rates used are as follows:

- **Industrial and intellectual property rights: 10-33%;**
- **Concessions, licenses, trademarks and similar rights: 25%**
- **Other intangible assets: 20%.**

Research costs are recognised in the income statement for the period in which they are incurred. Development costs incurred in connection with a project are recognised as intangible assets when the Group can demonstrate:

- the technical possibility of completing the intangible asset so that it is available for use or sale;
- the intention to complete the asset and its capacity and intention to use or sell it;
- how the asset will generate future economic benefits;
- the availability of resources to complete the task;
- the ability to reliably estimate the cost attributable to the activity during development.

After initial recognition, development assets are measured at the decreased cost of accumulated depreciation or impairment losses. Depreciation of the asset begins when development is completed and the asset is available for use. Development assets are depreciated by reference to the period of expected benefits and their depreciation is included in the cost of sales. During the development period, the asset is subject to an annual impairment test (impairment test).

Goodwill and other intangible assets with an indefinite useful life are not depreciated; the recoverability of their carrying amounts is checked at least annually and in any case when events occur that suggest impairment occur.

Tangible assets

Tangible assets, including investment property, are recorded at historical cost, including any incidental direct charges. The cost of tangible assets, whose use is limited in time, is systematically depreciated in each financial year in constant instalments in relation to their estimated economic and technical life. The annual depreciation rates used are as follows:

- **Manufactured 3%;**
- **Plant and machinery: from 15% to 40%;**
- **Industrial and commercial equipment: 15% to 30%;**
- **Other assets: 12% to 40%.**

In the presence of specific indicators concerning the risk of non-recovery of the carrying value of tangible assets, these are subject to a check for any impairment losses ("impairment test"), as described in the specific paragraph.

Revenue from contracts with customers

In accordance with IFRS 15, revenue is recognised when (or as) the performance obligation is fulfilled by transferring the goods or services to the customer, because the asset is transferred when the customer acquires control of it.

At that time, or over the reference period, revenue is recognised for an amount that reflects the consideration to which the Group believes it is entitled in exchange for transferring services to the customer.

For the purpose of accounting for revenue, IFRS 15 requires the application of a five-step model which, in summary, involves the following steps:

- **identify the contract**, defined as an agreement (written or verbal) with commercial substance between two or more parties that creates legally enforceable rights and obligations with the client;
- **identify the distinctly** identifiable obligations to do (also called "performance obligation") contained in the contract;
- **determine the price** of the transaction, as a consideration that the Group expects to receive from the provision of services to the customer, consistent with the techniques provided for in the Standard and based on the possible presence of financial components and variable components;
- **allocate the price** to each of the obligations;
- **recognise revenue** when the relative performance obligation is fulfilled by the entity, taking into account that Group services are typically recognised over a period of time and could only be rendered at a residual date.

The conditions of IFRS 15 in paragraph 9 are taken into account for identifying the contract, including: approval of the contract by both parties and commitment to fulfil their respective obligations; the identifiability of rights and obligations of each party with respect to the goods and/or services to be transferred; the identifiability of payment terms; the assessment of the commercial substance of the agreement; is the probability that the entity will receive the agreed consideration in exchange for the transfer of the goods and/or services provided.

Regarding the identification of performance obligations, At the beginning of the contract, the Group evaluates the services promised in the contract concluded with the client in order to identify any performance obligation included therein that can be distinguished or a set of obligations substantially similar and which follow the same model transfer to the customer.

With regard to the determination of the contractual fee, taking into account the operational complexity linked to its services, additional elements are often added to the basic fees provided for by the agreements, which are requested in response to greater costs incurred and/or greater work carried out pursuant to requests received from the customer. In this case, these are contractual amendments which, in compliance with IFRS 15, can obtain approval in written form, through oral agreement or through sector commercial practices. For the purposes of recording revenues following such contractual changes, the presence of an enforceable right to the consideration is assessed on the basis of contractual provisions and the further aspects illustrated below in relation to the case of variable payments. Since there are no contracts that provide the customer with refund rights or volume discounts, the variable fees to reduce revenues essentially refer to the penalties applicable by customers for failure to achieve certain KPIs.

With regard to the recognition of revenues, the contracts with customers typically signed within the Group provide for contractual promises fulfilled over time on the basis of the transfer of the goods and/or services provided as their progressive completion is achieved. IFRS 15 requires evaluating progress in fulfilling the performance obligation according to the criterion that best represents the methods by which control of the goods and/or services provided is transferred to the customer. The reference accounting standard provides two alternative methodologies for recording "over-time" revenues, namely the output method and the input method.

The Group believes that the output method, which determines the recognition of revenues based on the value of the goods or services transferred up to the date considered, is the criterion most representative of the methods with which the entity fulfills the contractual performance obligations. This criterion is concretely applied by adopting the contractual milestone methodology.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is condition.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – Initial recognition and subsequent measurement"

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Inventories

Inventories are valued at the lower of the purchase or production cost and the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.
The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Fur purposes of subsequent measurement, financial assets are classified in four categories:

- **Financial assets at amortized cost (debt instruments);**
- **Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);**

- **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);**
- **Financial assets at fair value through profit and loss.**

Equity instruments

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group records a provision for expected credit losses ('ECL') for all financial assets represented by debt instruments not held at fair value recognized in the income statement. In particular, expected losses are generally determined on the basis of the product between: (i) the exposure to the counterparty net of any mitigating elements (so-called "Exposure at Default"); (ii) the probability that the counterparty will not comply with its payment obligation (so-called “Probability of Default”); (iii) the estimate, in terms of percentage, of the amount of credit that in any case will not be able to be recovered in the event of default (so-called "Loss Given Default"). This element is generally defined on the basis of previous experience and possible recovery actions that can be taken (for example extrajudicial actions, legal disputes, etc.).

Please note that to determine the probability of default ("PD") of the counterparties, a differential approach is adopted depending on the class to which the customers belong. For central and local public administration customers or for customers treated as public administration, the PD is determined by referring to the ratings of the country of reference; for the remaining customers, in the absence of extensions, the assessment of expected losses is based on a provision matrix, constructed by grouping, where appropriate, the credits into appropriate clusters to which to apply write-down percentages defined on the basis of the experience of previous losses, adjusted, where necessary, to take into account forward-looking information regarding the credit risk of the counterparty or clusters of counterparties.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9are satisfied. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit and loss statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss statement.

Fair value measurements

The fair value is the price that would be received for the sale of an asset or would be paid to transfer a liability in a regular market transaction (i.e. not in a forced liquidation or a below-cost sale) at the valuation date (exit price). The fair value of an asset or a liability is determined by adopting the valuation techniques that market operators would use in determining the price of the asset or liability. The fair value measurement also presumes that the asset or liability is exchanged in the principal market or, in its absence, in the most advantageous market the company has accessed.
In calculating the fair value of a financial asset, it is necessary to include a fair value adjustment factor relating to counterparty risk defined as CVA - Credit Valuation Adjustment. This credit risk must be quantified in the same way in which a market operator would determine it in defining the purchase price of a financial asset. As for the determination of the fair value of a financial liability, as more expressly set forth in IFRS 13, it is necessary to quantify a fair value adjustment factor relating to own credit risk, i.e. DVA - Debit Valuation

Adjustment. In determining the fair value, a hierarchy of criteria is defined based on the origin, type and quality of information used in the calculation. This classification aims to establish a hierarchy in terms of fair value reliability, prioritising the use of parameters observable on the market that reflect the assumptions that market investors would use in valuing assets/liabilities. The fair value hierarchy provides for the following levels: (i) level 1: inputs represented by prices quoted (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date; (ii) level 2: inputs other than quoted prices included in level 1, that are directly or indirectly observable for the asset or liability to be measured; (iii) level 3: unobservable inputs for the asset or liability.

Leasing

The Group assesses when signing a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee. The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognizes the liabilities relating to lease payments and the right-of-use asset which represents the right to use the asset underlying the contract. The Group recognizes the right-of-use assets on the lease start date (ie the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated depreciation and impairment, and adjusted for any remeasurement of leasing liabilities. The cost of the right-of-use assets includes the amount of recognized leasing liabilities, the initial direct costs incurred and the lease payments made on or before the commencement date, net of any incentives received. Right-of-use assets are amortized on a straight-line basis from the effective date to the end of the lease term as this is always less than the useful life of the leased asset. At the effective date of the lease, the Group recognizes the lease liabilities by measuring them at the present value of the payments due for the lease not paid at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate and amounts that are expected to be paid under the of residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain that this option will be exercised by the Group and the lease termination penalty payments, if the lease term takes into account the exercise by the Group of the termination option of the lease itself. In calculating the present value of payments due, the Group uses the marginal loan rate at the start date based on the Group's debt. After the effective date, the amount of the lease liability increases to take into account the interest on the lease liability and decreases to consider the payments made. Furthermore, the book value of the lease payables is restated in the event of any changes to the lease or for the revision of the contractual terms for the modification of payments; it is also restated in the presence of changes regarding the valuation of the purchase option of the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Treasury shares

Treasury shares are recognised at cost and booked as a reduction of shareholders' equity. The economic effects of any subsequent sales are booked to shareholders' equity.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

Provisions are periodically updated to reflect changes in the estimates of costs, the expected timing of occurrence and discounting rate; changes in estimates are accounted for in the same item of the income statement where previously had been recognised the expense.

Employee benefits

Liabilities relating to short-term employee benefits guaranteed during the course of employment are recognised for amounts accrued at the end of the period. Liabilities relating to guaranteed employee benefits, whether or not paid out on termination of employment through defined benefit programmes, mainly represented by the Employee Termination Treatment of the companies of the Group accrued until the date of 31 December 2006 (or, if applicable, until the subsequent date of joining the supplementary pension fund), are recognised in the accrual period, net of advances paid, and are determined on the basis of actuarial assumptions and recognised by competence consistent with the work required to obtain benefits; the measurement of liabilities is carried out by independent actuaries. Actuarial gains and losses relating to defined benefit plans are recognised in the statement of comprehensive income and are not subsequently recognised in profit or loss; interest expense is recognised in profit or loss as an item of finance income (expense).

Grants

Capital grants are recognised when there is reasonable assurance that the conditions required by the granting government bodies to obtain them will be satisfied and are recorded on an accrual basis through the gradual recognition to the income statement based on the process of amortisation of the assets to which they refer.

Operating grants are recognised in the income statement on an accrual basis, consistent with the costs incurred to which they are related.

Tax Credit according to Law 160/2019 (already law 194/2014)

The tax credit arising from Art. 1, paragraphs 198-209, of the Law of 27 December 2019, n. 160 was treated as a public contribution and as such a treaty in accordance with IAS 20, in the absence of specific indications. It is recognised in the financial statements only where there is reasonable certainty that it can be reliably determined and recognised; and In particular, this latter requirement shall be deemed to have been fulfilled when the appropriate technical report drawn up by specially commissioned professional firms is issued. The amount of the grant is determined on the basis of specific expenses recognised in the income statement and on the basis of development costs then capitalised among intangible assets. The Company, in accounting for contributions ex IAS 20, applies the income method and the systematic basis of recognition is as follows: the amount of the accrued claim carried to profit or loss up to the total of the specific expenses that generated it and only in a residual way is attributable to development costs capitalised among intangible assets. In the latter case, the benefit from the tax credit is recognised in profit or loss in the periods in which the depreciation of those intangible assets is charged and in the same proportion.

Impairment test of assets and corresponding reversal

At the balance sheet date or at least once per year, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For assets excluding goodwill, an assessment is made at the balance sheet date or at least once per year to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December or at least once per year and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Costs

Costs are recognized when the related goods and services are sold or consumed during the year, when they are allocated on a systematic basis or when their future economic benefits cannot be identified.

Operating lease fees are booked to the income statement over the duration of the lease.

Costs incurred for the acquisition of new know-how, the study of alternative products or processes, of new techniques or models, for the design and construction of prototypes or, nonetheless, incurred for other scientific research or technological development activities that do not meet the conditions for recognition in balance sheet assets are considered current costs and booked to the income statement in the year they are incurred.

Income taxes

Current income taxes are calculated on the basis of the estimate of taxable income; the expected payable is booked to the item “current tax liabilities”. Tax payables and receivables for current income taxes are booked at the value that is expected to be paid/recovered to/from the tax authorities, by applying the applicable tax rates and regulations or essentially approved at the end of the reporting period.

Deferred income taxes are calculated on the temporary differences between the values of assets and liabilities booked to the financial statements and the corresponding values recognised for tax purposes on the basis of the rates and regulations in force. Deferred tax assets are recognised when their recovery is considered likely; the recoverability of deferred tax assets is considered likely when taxable income is expected to be available, in the year in which the temporary difference will be cancelled, such as to allow the tax deduction to be carried out. Similarly, unused tax credits and deferred tax assets on tax losses are recognised within the limits of their recoverability.

Deferred taxes are booked to the income statement, with the exception of those related to items recognised directly in shareholders’ equity; based on said assumption, also the associated deferred taxes are booked to shareholders’ equity.

Prepaid and deferred taxes are offset where there is a legal right which allows current tax assets and current tax liabilities to be offset and deferred taxes refer to the same taxpayer and same tax authority.

Tax consolidation

Up to December 31, 2024, the parent company and its Italian investees, as they met the legal requirements, exercised the option of participating in the tax consolidation under the parent company Almaviva Technologies S.r.l.

The economic and financial relations arising from the participation in the tax consolidation are governed by a single contract.

Given that the tax basis of the tax consolidation is the sum of the taxable amounts and the tax losses that the individual entities assign to the consolidating company, any loss transferred to the tax consolidation is recognised under the consolidating company and based on the reasonable certainty of recovery assessed on a consolidated basis.

The agreements also provide the option of assigning to the consolidating company any excess taxes against which the consolidating company and the consolidated companies recognise reciprocal equity balances.

Recognition in equity requires the replacement of the tax payables and receivables with payables and receivables among consolidated entities. In particular, the recognition is made as follows:

- Against positive taxable income transferred or tax losses transferred, charges for current taxes are recognized (income from joining the tax consolidation in the event of tax losses) as a contra-entry to a debt (credit in the case of tax losses) towards the consolidating company

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in the balance sheet when an entity currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realise the financial asset and settle the liability simultaneously.

Share-based payment

Some key figures of the Group (including executives) are included in the 2021-2023 Stock Grant Plan which gives them the right to the free assignment of a number of shares of Almawave S.p.A. as part of the remuneration.

The cost of the aforementioned transaction is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 33.

That cost is recognised in employee benefits expense or costs of services in the period in which the conditions relating to the achievement of objectives and/or the provision of the service are met; at the same time, a corresponding increase in the shareholders' equity allocated to a specific reserve called the "Stock Grant Reserve" is recognized. The cumulative expense recognised for these transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The effect of the right to receive the shares already accrued at the balance sheet date is reflected in the calculation of the dilution of the earnings per share.

3.2 New standards, interpretations and amendments adopted by the Group

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Thus, the amendments had no impact on the Group's interim condensed consolidateci financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have not had an impact on the classification of the Group's liabilities.

Global Minimum Tax

Legislative Decree No. 209 of 27 December 2023 implemented European Union Council Directive No. 2022/2523/EU, which implements as of January 1, 2024 the so-called OECD GloBE Rules on Global Minimum Tax (also known as Pillar 2). The Almaviva Group promptly took steps to ensure the correct application of the new regulations, also assessing the possible economic impacts, which turned out not to be significant. In particular, the applicability of the transitional simplified regimes (Transitional Safe Harbour) was assessed, and with regard to the vast majority of the jurisdictions in which the Group's entities are located, it was estimated that at least one of the three tests provided for was met, and that the conditions for the elimination of taxes from Pillar 2 were met.

3.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

4. Use of estimates and management judgement

The preparation of the 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.

There are no changes in relation to the identification of issues of particular significance that require significant estimates by management compared to those reported in the 2023 Consolidated Financial Statements.

Management judgement mainly refers to aspects such as:

- 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 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 identification of Cash Generating Units (CGU) as groups of minor assets that generate cash flows and to which goodwill is also assigned; the Group has identified the Wedoo, Almaviva Bluebit S.p.A. (formerly BM Tecnologie Industriali), Kline, Reactive, Wave, Tecnau, Almaviva Solutions S.A. (formerly Magna Sistemas) and Iteris CGUs associated to the IT Services segment; the Almaviva Experience (formerly Almaviva Do Brasil) CGUs associated to the DRM International segment and the Almawave, The Data Appeal Company, Sistemi Territoriali and Mabrian CGUs associated to the Almawave New technology segment;
- the recognition of public grants and other activities;
- the recoverability of deferred-tax assets.

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.

Identification of cash-generating units (CGUs)

In application of IAS 36, the goodwill recognized in the Consolidated Financial Statements of the Group as a result of business combinations has been allocated to individual 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: Wedoo, Almaviva Bluebit S.p.A. (formerly BM Tecnologie Industriali), Kline, Reactive, Wave, Tecnau, Almaviva Experience (formerly Almaviva Do Brasil), Almawave, The Data Appeal Company, Sistemi Territoriali, Mabrian, Almaviva Solutions S.A. (formerly Magna Sistemas) and Iteris.

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 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. 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 DRM 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 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 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.

Provisions for risks

In relation to the legal risks to which the Almaviva 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.

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 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.

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.

Recovery of deferred-tax assets

As at December 31, 2024, the Unaudited 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.

Please refer to paragraph 3.1 “Accounting policy and measurement criteria” above, for more details on each relevant financial item included in each category of estimates. Verification of the recoverability of deferred tax assets in the consolidated financial statements at December 31, 2024 was carried out on the current 2025-2029 Business Plan approved by the Board of Directors.

5. Operating and reportable segments

Information on business segments is provided consistently with what is used by top management also in their role as Chief Operating Decision Maker of the Group. In fact, they analyse the results of these operating segments separately, in order to make decisions on resource allocation and performance evaluation. The performance of the segment is evaluated on the basis of profit or loss and is valued consistently with the income statement in the consolidated financial statements.

The operating segments identification process is made:

- based on quantitative criteria highlighted in IFRS 8 and this is the case of the IT Services and DRM International (ex CRM International) operating segments;
- based on qualitative criteria: specifically, the segment that do not satisfy any of the quantitative criteria referred to IFRS 8 can be considered subject of separate disclosure if top management believes that information relating to the segment is useful for stakeholders. On the basis of this criteria, Almawave – New Technology was identified as the operating segment subject to disclosure.

There were no sector aggregations in order to determine the operating segments subject to disclosure; however, information relating to operating areas that are not subject to disclosure have been aggregated and presented in the "Others" category.

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 organization into segments is based on the products and services provided 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 S.r.l., Wedoo LLC, Data Jam S.r.l., Almaviva Saudi Arabia for information Technology LLC, Almaviva Egypt LLC, Kline S.r.l., Almaviva Republica Dominicana S.r.l., Reactive S.r.l., Almaviva Russia LLC, Almaviva Finland Oy, Tecnau Transport Division S.r.l., Almaviva USA Corp., Almaviva EAU Limited., Almaviva Bluebit S.p.A. (formerly BM Tecnologie Industriali S.p.A.), Brita S.A., SIDIF Consortium, Almaviva Solutions S.A. (formerly Magna Sistemas Consultoria SA), Pyxisinfo Tecnologia Ltda., MEA Engineering S.r.l., Iteris Inc. and Sagitta Consortium;
- DRM International (ex CRM International), provides Contact Center and other services in South America and in Africa, includes the following companies: Almaviva Experience (formerly Almaviva do Brasil), Almacontact and Almaviva Tunisie;
- Almawave – 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: Almawave, Almawave do Brasil, Almawave USA Inc, OBDA Systems S.r.l., The Data Appeal Company S.p.A., Sistemi territoriali S.r.l. and Mabrian Technologies S.L.

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.

Operating segments December 31, 2024 *(in thousands of Euro)*	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
Revenue								
Revenues from contracts with customers	943,759	287,498	33,897	0	1,265,155	1,043	(0)	1,266,198
Inter-segment	3,528	130	15,146	(18,578)	226	0	(226)	0
Total revenues	947,287	287,628	49,043	(18,578)	1,265,381	1,043	(226)	1,266,198
Income/(Expenses)								
Cost of raw materials and services	(438,845)	(77,296)	(23,633)	20,566	(519,208)	(2,005)	271	(520,943)
Personnel expenses	(357,531)	(156,621)	(18,899)	207	(532,843)	(6,066)	103	(538,807)
Other operating income	45,828	97	2,878	(2,362)	46,441	631	(161)	46,911
Other operating expenses	(13,116)	0	(559)	167	(13,508)	(2,255)	13	(15,750)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	183,623	53,808	8,830	(0)	246,262	(8,652)	(0)	237,610
% Revenue	*19.4%*	*18.7%*	*18.0%*	*n.d.*	*19.5%*	*n.d.*	*n.d.*	*18.8%*
Depreciation and amortization and write-downs	(39,970)	(19,619)	(6,737)	0	(66,326)	(567)	(0)	(66,894)
Losses from sale of non-current assets	34	0	0	0	34	(32)	0	2
Operating Profit	143,687	34,190	2,093	(0)	179,970	(9,251)	(0)	170,718
% Revenue	*15.2%*	*11.9%*	*4.3%*	*n.d.*	*14.2%*	*n.d.*	*n.d.*	*13.5%*
At December 31, 2024								
Total assets	1,733,960	246,950	126,268	(119,069)	1,988,110	111,529	(300,961)	1,798,678
Total liabilities	572,737	44,494	45,540	(32,592)	630,179	30,869	(25,658)	635,390

Operating segments December 31, 2023 (in thousands of Euro)	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
Revenue								
Revenues from contracts with customers	803,592	300,477	46,862	0	1,150,931	5,184	0	1,156,115
Inter-segment	3,214	112	10,629	(13,470)	485	1,428	(1,913)	0
Total revenues	806,806	300,589	57,491	(13,470)	1,151,416	6,612	(1,913)	1,156,115
Income/ (Expenses)								
Cost of raw materials and services	(385,619)	(78,037)	(24,138)	15,144	(472,650)	(5,209)	2,393	(475,465)
Personnel expenses	(297,207)	(165,562)	(21,539)	251	(484,057)	(10,777)	156	(494,678)
Other operating income	28,649	223	1,908	(1,493)	29,287	3,266	(3,174)	29,379
Other operating expenses	(23,226)	(90)	(260)	(139)	(23,714)	(3,887)	2,538	(25,064)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	129,404	57,123	13,462	293	200,282	(9,995)	(0)	190,287
% Revenue	*16.0%*	*19.0%*	*23.4%*	*n.d.*	*17.4%*	*n.d.*	*n.d.*	*16.5%*
Depreciation and amortization and write-downs	(26,308)	(19,196)	(4,665)	0	(50,169)	(1,054)	0	(51,223)
Losses from sale of non-current assets	207	0	25	0	232	428	0	660
Operating Profit	103,302	37,927	8,822	293	150,345	(10,621)	(0)	139,724
% Revenue	*12.8%*	*12.6%*	*15.3%*	*n.d.*	*13.1%*	*n.d.*	*n.d.*	*12.1%*
At December 31, 2023								
Total assets	1,186,282	286,012	116,403	(106,868)	1,481,829	118,070	(298,477)	1,301,422
Total liabilities	533,650	61,518	42,971	(22,877)	615,262	33,466	(30,921)	617,808

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

Operating Segments December 31, 2024 *(in thousands of Euro)*	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
Operating profit	**143,687**	**34,190**	**2,093**	**(0)**	**179,970**	**(9,251)**	**(0)**	**170,718**
(+) Depreciation and amortization	39,970	19,619	6,737	0	66,326	567	0	66,894
(+) Losses from sale of non-current assets	(34)	0	0	0	(34)	32	0	(2)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	**183,623**	**53,808**	**8,830**	**(0)**	**246,262**	**(8,652)**	**(0)**	**237,610**
% Revenue	*19.4%*	*18.7%*	*18.0%*	*n.d.*	*19.5%*	*n.d.*	*n.d.*	*18.8%*

Operating Segments December 31, 2023 *(in thousands of Euro)*	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
Operating profit	**103,302**	**37,927**	**8,822**	**293**	**150,345**	**(10,621)**	**(0)**	**139,724**
(+) Depreciation and amortization	26,308	19,196	4,665	0	50,169	1,054	(0)	51,223
(+) Losses from sale of non-current assets	(207)	0	(25)	0	(232)	(428)	0	(660)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	**129,404**	**57,123**	**13,462**	**293**	**200,282**	**(9,995)**	**(0)**	**190,287**
% Revenue	*16.0%*	*19.0%*	*23,.%*	*n.d.*	*17.4%*	*n.d.*	*n.d.*	*16.5%*

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.

Reconciliation of Operating Profit		
(in thousands of Euro)	12.312024	12.31.2023
Segment profit	**170,718**	139,724
Finance income	6,934	5,533
Finance costs	(50,236)	(34,569)
Exchange gains/(losses)	(3,800)	(244)
Gains/(losses) on equity investments	0	0
Profit/(loss) from investments accounted for using equity method	335	2
Profit/(loss) before taxes	**123,951**	**110,446**

Reconciliation of Total assets		
(in thousands of Euro)	12.312024	12.31.2023
Attivo relativo ai segmenti operativi	1.798.678	1.301.422
Attività per imposte anticipate	21.727	24.591
Attività finanziarie correnti	1.895	3.801
Attività finanziarie non correnti	10.680	2.016
Totale Attivo	1.832.980	1.331.831

Reconciliation of Total liabilities		
(in thousands of Euro)	12.312024	12.31.2023
Segment operating liabilities	635,390	617,808
Non-current financial liabilities	832,481	395,940
Current financial liabilities	33,993	20,661
Current tax liabilities	35,576	33,088
Deferred tax liabilities	4,284	4,910
Total liabilities	1,541,725	1,072,407

The following table shows a breakdown of Group's revenues for geographic areas as at December 31, 2024 and 2023:

€/000	At December 31, 2024	%	At December 31, 2023	%
Italy	822,100	65%	816,937	71%
Foreign countries	444,098	35%	339,178	29%
of which Latam	353,461		296,770	
of which other countries (*)	90,637		42,408	
Total revenues	1,266,198	100%	1,156,115	100%

(*) as Belgium, United Kingdom, Luxemburg, Saudi Arabia, USA, France, Egypt, UAE, Holland, Poland, Spain and Russia

6. Significant transactions in the period

During the 2024, the process of allocating to assets and liabilities the price paid for certain business combination transactions that - at December 31, 2023 - had been presented using the provisional method was completed. In relation to these M&A transactions involving the companies B.M. Tecnologie Industriali S.p.A., 2F Water Venture S.r.l. and Mabrian Technologies S.L., no adjustments emerged with respect to the provisional allocation to goodwill already presented at December 31, 2023.

- As at **December 31, 2024**, there were also a number of significant corporate transactions relating to business combinations involving the Almaviva Group:
- On **April 10, 2024**, Brita S.A. finalized the acquisition of 51% of the share capital of Magna Sistemas Consultoria S.A. (whose name was concurrently changed to "Almaviva Solutions S.A."), a Brazilian services company based in São Paulo that provides innovative solutions based on various technologies and operates nationwide providing customized solutions for public and private clients. Almaviva Solutions S.A., in turn, wholly owns the share capital of Pyxisinfo Tecnologia LTDA.
- On **1 November 2024**, the Almaviva Group acquired - through Almaviva USA Corp. - Iteris Inc. a company incorporated under American law and headquartered in Delaware, listed on Nasdaq, active in digital solutions for the management of intelligent mobility infrastructures for both the public and private sectors.

The provisional fair values of the assets acquired and liabilities assumed of Almaviva Solutions S.A. (formerly Magna Sistemas Consultoria S.A.) are shown below:

ASSETS	ALMAVIVA SOLUTIONS Fair value on the acquisition date
(in thousands of Euro)	
NON-CURRENT ASSTES	
Property, plant and equipment	1,416
Intangible assets	113
Investments	2,326
Deferred tax assets	583
TOTAL NON-CURRENT ASSETS	4,438
CURRENT ASSETS	
Trade receivables	15,739
Other current assets	4,287
Cash and cash equivalents	8,825
TOTAL CURRENT ASSETS	28,850
TOTAL ASSETS	33,289
NON-CURRENT LIABILITIES	
Non-current financial liabilities	582
TOTAL NON-CURRENT LIABILITIES	582
CURRENT LIABILITIES	
Current provisions	35
Trade payables	5,900
Current financial liabilities	716
Current tax liabilities	910
Other current liabilities	5,232
TOTAL CURRENT LIABILITIES	12,793
TOTAL LIABILITIES	13,375
Contingent and transferred consideration	105,826
Fair value of net assets	19,913
Goodwill	85,913
Cash and cash equivalents acquired	8,825
Consideration paid	(57,751)
Net acquired cash flow	(48,926)

From the acquisition date, Almaviva Solutions S.A. (formerly Magna Sistemas Consultoria S.A.) contributed with Euro 66,584 thousand to Group's revenues and a positive value of Euro 11,571 thousand to the Group's net profit.

In connection with this M&A transaction, the process of allocating the purchase price (PPA) to the fair values of the assets acquired and liabilities assumed is to be considered as still being carried out on a provisional basis and will be completed in line with the timelines granted by the relevant accounting standard. In addition, there are no uncertainties regarding the full collectability of trade receivables.

The provisional fair values of the assets acquired and liabilities assumed of Iteris, Inc. are shown below:

ASSETS	ITERIS INC. Fair value on the acquisition date
(in thousands of Euro)	
NON-CURRENT ASSTES	
Property, plant and equipment	7,783
Intangible assets	34,082
Other non-current assets	970
TOTAL NON-CURRENT ASSETS	42,836
CURRENT ASSETS	
Inventories	17,645
Trade receivables	27,940
Other current assets	4,149
Cash and cash equivalents	10,163
TOTAL CURRENT ASSETS	59,896
TOTAL ASSETS	102,732
NON-CURRENT LIABILITIES	
Non-current financial liabilities	5,573
TOTAL NON-CURRENT LIABILITIES	5,573
CURRENT LIABILITIES	
Current provisions	1,007
Trade payables	23,203
Current financial liabilities	2,096
Current tax liabilities	664
Other current liabilities	24,934
TOTAL CURRENT LIABILITIES	51,904
TOTAL LIABILITIES	57,477
Contingent and transferred consideration	310,005
Fair value of net assets	45,255
Goodwill	264,750
Cash and cash equivalents acquired	10,163
Consideration paid	(310,005)
Net acquired cash flow	(299,842)

In relation to such M&A transaction, the process of allocation of the purchase price (PPA) the fair value of assets acquired and liabilities assumed is to be considered as still provisional and will be completed in line with the timing allowed by the accounting standard. In addition, there is no uncertainty as to the full enforceability of trade receivables.

Since the date of acquisition, Iteris Inc. has contributed with Euro 34,368 thousand euros to Group revenues and Euro 5,210 thousand to Group net profit.

Explanatory notes to the Consolidated Financial Statements of the Almaviva Group

Assets

Non-current Assets

7. Intangible assets

The intangible assets of the Group at December 31, 2024 amount to Euro 608,272 thousand (Euro 208,885 thousand at the previous year) and are broken down as follows:

(in thousands of Euro)	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under construction	Total
At January 1, 2024	87,153	51,062	11,834	30,593	28,244	208,885
Change in consolidation area	26,183	4,433	3,754	0	0	34,370
Investments and new acquisition	350,663	9,478	655	1,080	24	361,900
Capitalisation for internal projects	0	2,813	1,572	1,174	36,183	41,742
Amortization	0	(13,283)	(1,321)	(18,120)	0	(32,724)
Disposals	0	(27)	0	0	0	(27)
Reclassifications and other	0	7,833	(360)	27,053	(35,020)	(494)
Foreign exchange differences	209	(3,990)	(1,601)	1	0	(5,381)
At December 31, 2024	464,208	58,319	14,533	41,781	29,431	608,272

(in thousands of Euro)	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under construction	Total
At January 1, 2023	76,470	36,305	2,308	30,594	21,793	167,469
Change in consolidation area	0	0	2	1,568	690	2,260
Investments and new acquisition	24,585	10,945	0	327	1,052	36,909
Capitalisation for internal projects	0	2,607	0	832	22,958	26,397
Amortization	0	(10,459)	(2,034)	(12,098)	0	(24,591)
Disposals	0	(17)	(4)	(132)	(145)	(298)
Reclassifications and other	(14,229)	11,011	10,947	9,504	(18,116)	(883)
Foreign exchange differences	327	670	615	(2)	12	1,622
At December 31, 2023	87,153	51,062	11,834	30,593	28,244	208,885

The Group's investments as at December 31, 2024 including new acquisitions, amounted to Euro 361,900 thousand and mainly refer to “Goodwill” provisionally recognized as a result of the business combination completed during the period.

The Group also made further investments in the reference period, through capitalization for internal work, for a total of Euro 41,742 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 Almawave - New Technology segments.

During the period, part of the investments made in previous years were completed and therefore reclassified in the respective categories of reference, including: (i) for an amount of Euro 27,053 thousand in the item "Other intangible assets", which mainly includes costs related to software products incurred to make changes to products used within the scope of contracts in progress during the period; also as a result of these reclassifications the amounts to a total of Euro 41,781 thousand as at December 31, 2024; (ii) for an amount of Euro 7,833 thousand in the item "Industrial patent and intellectual property rights", which, at year-end, amounted to a total of Euro 58,319 thousand; this voice includes the Group's endowment of internally developed software tools and applications and together for evolutionary maintenance performed on them. In relation to these assets, the Group periodically and at the balance sheet date performs an analysis to ascertain their recoverable value with respect to their carrying value by analysing the expected future economic benefits associated with them (active contracts in the portfolio and planned acquisitions). Specifically, during the period ended December 31, 2024, did not highlight any impairment loss such as to formulate specific reflections on the recoverability of the aforementioned values.

The amortization of the period on intangible assets amounts to Euro 32,724 thousand. Regarding the main amortization ratios adopted as of December 31, 2024, in line with those already adopted in the previous year, since they are still considered representative of the techno-economic life of intangible assets.

The exchange rate differences equal to Euro 5,381 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.

CGU	Segment	At January 1, 2024	Exchange differences	Additions	Disposals, reclassifications and other	At December 31, 2024
Wedoo	IT Services - IT	630				630
2F water Venture	IT Services - IT	2,145			(2,145)	-
Almaviva Bluebit S.p.A. (ex B.M. Tecnol. Industr. S.p.A.)	IT Services - IT	12,646			2,145	14,791
Almaviva Solutions (ex Magna) S.A.	IT Services - IT	-		85,913		85,913
Iteris Inc.	IT Services - IT	-	1,096	264,750	26,183	292,029
Kline	IT Services - Finance	784				784
Reactive	IT Services - Finance	745				745
Wave	IT Services - Transportation	5,121				5,121
Tecnau	IT Services - Transportation	2,820				2,820
Almaviva Experience (ex Almaviva do Brasil)	DRM International	31,753	(887)		6,446	37,312
CRC Central de Recup de creditos	DRM International	6,446			(6,446)	-
Almawave	Almawave - New Technolgy	512				512
The Data Appeal Company	Almawave - New Technolgy	16,037				16,037
Sistemi Territoriali	Almawave - New Technolgy	2,677				2,677
Mabrian	Almawave - New Technolgy	4,837				4,837
TOTAL		87,153	209	350,663	26,183	464,208

As already pointed out above, the merger by incorporation between Central de Recuperação de Créditos LTDA and CRC Digital LTDA into Almaviva Experience SA was completed during the period, resulting in a reclassification involving a reclassification in the mere description of the CGU of reference of the Goodwill equal to Euro 6,446 thousand and the merger by incorporation of 2F Water Venture into Almaviva Bluebit (formerly BM Tecnologie Industriali) which resulted the same before mentioned reclassification to Euro 2,145 thousand. In relation to the item of Euro 26,138 thousand, this refers to goodwill on the financial statements of the newly-acquired Iteris Inc., which was included in the Almaviva Group's consolidated financial statements following the M&A transaction carried out in the period.

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 reference plans, for the impairment shown below, are related to the period 2025 -2029. These plans are based on a 2025 budget approved by the directors and on punctual forecasts for the period 2026-2029 based on recruitment consistent with the latest industrial plan approved by the management of the group. Impairment tests are based on assumptions consistent with the company's business model. All companies included in the plan are meeting the above assumptions without significant deviations; no significant deviations are expected even for newly acquired companies.

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 are indicators of impairment.

The results of the impairment tests carried out as at December 31, 2024 confirmed that the use values exceeded the book values of all goodwill identified in the Management's assumption section. Therefore, potential impacts on the consolidated financial statements of the Almaviva Group due to the recognition of impairment losses on goodwill in comments are to be excluded. This also applies to the assumption of shock-down (-20%) for margins and shock-up (+2%) for cash flow discount rates.

The discount rate corresponding to the average cost of capital (WACC) for goodwill was determined using the following assumptions considering the business sectors and geography to which the CGU belongs:

					at December 31, 2024
	Risk Free Rate	Expected Market Return	Average Cost of Debt	Taxes	WACC
IT Services - Finance	3,62%	4,33%	5,85%	24%	7,8%
IT Services - IT (Italy)	3,62%	4,33%	5,85%	24%	7,5%
IT Services - IT (Brazil)	15,04%	4,33%	5,85%	24%	15,2%
IT Services - Transportation (Italy)	3,62%	4,33%	5,85%	24%	7,5%
IT Services - Transportation (USA)	4,59%	4,33%	5,85%	26%	8,1%
DRM International (Brazil)	14,76%	4,33%	5,85%	34%	10,4%
DRM International (Columbia)	10,87%	4,33%	5,85%	35%	9,2%
Almawave - New Technology (Italy)	3,62%	4,33%	5,78%	24%	7,5%
Almawave - New Technology (Spain)	3,17%	4,33%	5,78%	25%	7,1%

					at December 31, 2023
	Risk Free Rate	Expected Market Return	Average Cost of Debt	Taxes	WACC
IT Services - IT	4,22%	4,0%	5,78%	24%	8,0%
IT Services - Finance	4,22%	4,0%	5,78%	24%	8,0%
IT Services - Transportation	4,22%	4,0%	5,78%	24%	8,0%
DRM International (Brazil)	11,7%	4,0%	5,78%	34%	9,2%
DRM International (Columbia)	11,2%	4,0%	5,78%	33%	9,1%
Almawave - New Technolgy	4,22%	4,0%	5,78%	24%	8,0%

For the purposes of the impairment test on the goodwill relating to the CGU called Almawave, the Fair Value of the latter resulting from the value of the shares of the listed company in the EGM market was used.

8. Property, plant and equipment

The tangible assets of the Almaviva Group, owned and leased, amount to Euro 87,271 thousand (Euro 90,419 thousand at the previous year) and are broken down as follows:

(in thousands of Euro)	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
At January 1, 2024	5,303	18,685	4,709	24,325	37,392	5	90,419
Change in consolidation area	6,640	415	160	1,804	164	45	9,228
Additions	20	3,005	270	6,218	15,605	29	25,147
Capitalisation for internal projects	0	0	180	13	0	22	215
Depreciation	(793)	(4,386)	(1,267)	(6,528)	(15,114)	0	(28,088)
Disposals	0	(6)	(5)	(70)	(3,251)	0	(3,332)
Reclassifications and other	(240)	108	(31)	(86)	534	(50)	235
Foreign exchange differences	268	(2,769)	8	(2,190)	(1,869)	0	(6,553)
At December 31, 2024	11,198	15,052	4,024	23,485	33,461	51	87,271
Historical cost 12.31.2024	26,386	228,471	15,112	180,909	69,913	51	520,842
Accumulated amortization 12.31.2024	(15,188)	(213,419)	(11,088)	(157,424)	(36,452)	-	(433,571)

(in thousands of Euro)	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
At January 1, 2023	6,090	16,137	380	26,355	38,422	180	87,563
Change in consolidation area	4	48	4,682	136	1,054		5,924
Additions		5,908	110	5,225	15,035	5	26,283
Capitalisation for internal projects			31				31
Depreciation	(791)	(4,316)	(476)	(8,010)	(13,085)		(26,678)
Disposals		(5)	(7)	(145)	(5,375)		(5,532)
Revaluations				14			14
Reclassifications and other		13	(11)	143	1	(180)	(34)
Foreign exchange differences		901		607	1,340		2,848
At December 31, 2023	5,303	18,685	4,709	24,325	37,392	5	90,419
Historical cost	19,400	233,476	11,787	175,857	70,808	5	511,333
Accumulated amortization	(14,097)	(214,791)	(7,078)	(151,532)	(33,416)	0	(420,914)

Investments are equal to Euro 25,147 thousand at December 31, 2024, of which those not relating to the application of IFRS 16 amounted to Euro 9,542 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, DRM International operating segments and, to a lesser extent, the other sectors.

Depreciation amounts to Euro 28,088 thousand. Regarding the main amortization ratios adopted as of December 31, 2024, in line with those already adopted in the previous year, since they are still considered representative of the techno-economic life of tangible assets. The depreciation rates adopted on the ROU Assets are related to the effective residual duration of the lease contracts.

The exchange differences from the translation of the financial statements of companies operating with functional currencies other than the Euro of negative Euro 6,553 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 11,198 thousand relating to the building located in Rome, in via dello Scalo Prenestino, owned by consolidating Almaviva S.p.A.

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 December 31, 2024 amounts to Euro 33,461 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 51 thousand, mainly referring to the IT Services segment.

Regarding the risk of recoverability of the value of Tangible Assets as at December 31, 2024, as better indicated in the previous Paragraph 1.1, during this period, as there were no indicators of permanent impairment in value and therefore the Directors did not deem to proceed with the preparation of specific impairment tests.

9. Investments accounted for using the equity method

Joint venture and related companies

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
CCID – Almaviva Inform. Technol. Co. Ltd	117	117
Consorzio Hypertix in liquidation	4	99
TVEyes L.T. S.r.l.	30	29
PNT Italia S.r.l.	6,241	5,736
Diversity Tech S.r.l.	29	105
Total	6,421	6,086

The changes applying Equity Method are shown below:

(in thousands of Euro)	At January 1, 2024	"Income Statement effect"	Increases (Decreases)	At December 31, 2024
CCID – Almaviva Inform. Technol. Co. Ltd	117	0	0	117
Consorzio Hypertix in liquidation	99	(95)	0	4
TVEyes L.T. S.r.l.	29	1	0	30
PNT Italia S.r.l.	5,736	505	0	6,241
Diversity Tech S.r.l.	105	(76)	0	29
Total	6,086	335	0	6,421

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 consolidated financial statements.

	Registered office	Share Capital	Shares held (%)	Investor
CCID – Almaviva Inform. Technol. Co. Ltd	Shangai, China	¥39,642,000,00	50,00	Almaviva S.p.A.
Consorzio Hypertix in liquidazione	Rome, Italy	€ 198,000,00	49,99	Almaviva S.p.A.
TVEyes L.T. S.r.l.	Trento, Italy	€ 20,000,00	20,00	Almawave S.p.A.
PNT Italia S.r.l.	Rome, Italy	€ 14,339,200,00	40,00	Almaviva S.p.A.
Diversity Tech S.r.l.	Rubano (PD) Italy	€ 10,000,00	48,00	AV Bluebit S.p.a.

As of December 31, 2024, there are no impairment indicators regarding the risk of recoverability of the investment.

10. Non-current financial assets

Non-current financial assets of the Almaviva Group amount to Euro 10,680 thousand (Euro 2,016 thousand as at December 31, 2023) and are broken down as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Long-term loans	10,591	1,948
Others Equity investments	89	68
Non-current financial assets	10,680	2,016

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Amount failling due within 12 months	0	0
Amount failling due between 1-5 years	10,591	1,948
Non-current financial receivables	**10,591**	**1,948**

Non-current financial receivables, equal to Euro 10,591 thousand (Euro 1,948 thousand as at December 31, 2023) are all instrumental to operating activities. They mainly concern, for Euro 8,950 thousand, deposits to guarantee M&A transactions carried out in Brazil.

At Decembre 31, 2024, no impairment losses were recorded on the item in question.

11. Deferred tax assets

Deferred tax assets amount to Euro 21,727 thousand (Euro 24,591 thousand as at December 31, 2023) 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.

As at December 31, 2024, the estimated future taxable income allows the utilisation of the deferred tax assets recognised.

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Deferred Tax Assets	**21,727**	**24,591**

Divided in:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Italian subsidiaries	15,726	17,704
Foreign subsidiaries	6,001	6,887
Total Deferred Tax Assets	**21,727**	**24,591**

12. Other non-current assets

Other non-current assets amount to Euro 2,759 thousand as at Decembre 31, 2024 compared to an amount of Euro 2,190 thousand as at December 31, 2023, as illustrated in the table below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Security deposits	1,404	1,048
Prepaid expenses	0	3
Other receivables	1,391	1,139
Other non-current assets	2,795	2,190

“Other receivables” mainly refers to non-current portion of receivables due from R&D projects which, by virtue of the applicable regulations, are compensable beyond 12 months.

13. Inventories

Inventories of the Group are equal to Euro 35,493 thousand (Euro 21,712 thousand as at December 31, 2023) and are composed as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Raw materials (at cost)	17,934	5,730
Work in progress (at cost)	5,282	3,155
Finished goods (at lower of cost and net realizable value)	12,277	12,827
Total inventories at the lower of cost and net realizable value	35,493	21,712

The increase by Euro 13,781 thousand for the year is mainly due to the acquisition of Iteris Inc. In 2024, there were no stock write-downs resulting from the comparison between their registration value and their recoverable amount.

14. Contract assets

As at December 31, 2024, contract assets are equal to Euro 71,470 thousand (Euro 28,694 thousand as at December 31, 2023).

They increase overall by Euro 42,776 thousand and refer to completed performance obligations to do so related to contracts entered into by the IT Services segment.

15. Trade receivables

As at December 31, 2024, trade receivables are equal to Euro 613,097 thousand (Euro 522,067 thousand as at December 31, 2023) with an increase equal to Euro 91,030 thousand. The following table shows the aging of the gross amount of trade receivables, the receivables retained as a guarantee and the amount of the bad debt provision:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Amount not yet due	508,991	442,877
Amount due by less than 30 days	54,366	31,509
Amount due between 30-60 days	3,749	10,074
Amount due between 61-90 days	3,126	5,269
Amount due between 91-120 days	2,671	4,038
Amount due by more than 120 days	65,960	51,133
Trade receivables, gross amount	**638,863**	**544,900**
Trade receivables, amount retained as a guarantee	3,518	3,521
Bad debt provision	(29,284)	(26,354)
Trade receivables	**613,097**	**522,067**

Trade receivables are exposed net of bad debt provision equal to Euro 29,284 thousand (Euro 26,354 thousand as at December 31, 2023) which mainly refers to the amounts due by more than 120 days.

The following table shows the changes in the bad debts provision for the year compared with the previous year:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Balance at the beginning of the year	**26,354**	**23,782**
Provisions	2,704	2,570
Uses	(94)	0
Change in consolidation areea	314	0
Other	6	2
Balance at the end of the year	**29,284**	**26,354**

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.

The Group – supported by an internal and external legal opinion further substantiated by recent case-law – considers pre-deductible and consequently fully recoverable the net receivables from Alitalia - Società Aerea Italiana S.p.A. in A.S. (as at May 2, 2017).

Therefore, the application for insinuation into the bankruptcy liabilities was proposed requesting the recognition of the credits on a pre-deductible basis and, alternatively, on an unsecured basis.

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 Contact Center services and an agreement was positively reached with the trade unions and with all the parties involved for the progressive transition to the new supplier of the main workforce of the Almaviva Group used to carry out the previous contract with Alitalia - Società Aerea Italiana S.p.A. in A.S.

With a communication dated February 6, 2023, the creditors were informed of the enforceability into the bankruptcy liabilities. The credit was almost entirely recognized on an unsecured basis. Therefore, an appeal to the bankruptcy liabilities was lodged.

It should also be noted that the revocatory judgment pursuant to art. 67 of the Bankruptcy Law filed in 2020 by Alitalia in A.S. S.p.A. was recently settled transactively; as a result, a further request for insinuation into the bankruptcy liabilities of Alitalia Società Italiana S.p.A. in A.S. was lodged, in relation to the claim of about Euro 1.2 million deriving from the "revocatory recognition". The request of insinuation was proposed on an unsecured basis. It’s waiting to receive the project bankruptcy liabilities with the evaluation of the application for the claim.

The future developments of the insolvency procedure and the recently filed opposition proceedings will be carefully monitored in order to assess any changes in conditions that led the management to assume the position referred to above. The forecast of the timing of collection of these receivables can only depend on the evolution of the extraordinary administration process.

In the expectation that the timing of the collection of these receivables may depend on the evolution of the "A.S. Procedure", during the previous years, financial expenses were recorded. At present day, the value of the receivable has been prudently adjusted by approximately more than 50%.

It should be noted that Note 41 "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

As at December 31, 2024, current financial assets amounted to Euro 1,895 thousand (Euro 3,801 thousand as at December 31, 2023). The amount mainly refers to Almaviva S.p.A. for Euro 899 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.

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:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Current financial assets	**1,895**	**3,801**

As regards the monetary movements of the period, it should be noted that: (i) at December 31, 2024, they generated a cash increase equal to Euro 2,363 thousand; (ii) at December 31, 2023 they generated a cash increase equal to Euro 10,732 thousand.

17. Other current assets

Other current assets amount to Euro 169,853 thousand as at December 31, 2024, compared to Euro 180,717 thousand as at December 31, 2023. The amount is composed as follow:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Receivables due from personnel	10,411	4,653
Receivables due from social security institutions	1,705	4,902
Receivables due from tax autorithies	45,681	59,153
Receivables related to tax consolidation	31,996	28,400
Prepaid expenses	14,154	17,814
Advances to suppliers	6,092	4,191
Sundry items	59,814	61,604
Other current assets	169,853	180,717
	169.853	180.717

In particular, it should be noted that the item Receivables from social security institutions, equal to Euro 1,705 thousand, includes almost all receivables from INPS not yet collected relating mainly to:

- To the receivable from the INPS treasury in Almaviva S.p.A.;
- Cigs and Fis credits of Almaviva Contact.

Tax consolidation credits for Euro 31,996 thousand derive from the transfer to the parent company Almaviva Technologies S.r.l. of the tax positions of the companies adhering to the institution in question. There is also a debt position for Euro 29,313 thousand, as reported in Note 28.

Prepayments for Euro 14,154 thousand include future costs mainly related to IT Services segment.

Receivables from the tax authorities are divided into (i) credits for direct taxes Euro 9,612 thousand and (ii) receivables for indirect taxes equal to Euro 36,069 thousand relating mainly to Almaviva S.p.A., Almacontact and Almaviva Experience (formerly Almaviva do Brasil). Regarding to the receivables of Almaviva S.p.A. for indirect taxes they refer mainly to the credit for the Group VAT for Euro 21,996 thousand. During the period, it should be noted that Euro 55,924 thousand, related to Group VAT, were collected.

Sundry items equal to Euro 58,814 thousand mainly refers to:

- Receivables related to DRM International segment for judicial deposits on ongoing disputes against employees as local legislation provides that to proceed with an appeal against an employee or ex-employee it is necessary to establish a deposit to cover the reimbursement to be paid in the event of defeat;
- the portion collectable or compensable within 12 months of the receivables due from the State and Public Authorities for projects financed and R&D projects equal to Euro 9,051 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 Almaviva Group (collectively the “Almaviva 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 Almaviva 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 terms for lodge an appeal, against the rejection of the circuit court, at Supreme Court is pending. Group currently believes - also on the basis of the assessments made by their defense board - that they have valid arguments to be able to support their position and, consequently, to be able to subvert the outcome 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.

18. Cash and cash equivalents

Cash and cash equivalents amounted to Euro 204,006 thousand (Euro 240,652 thousand as at December 31, 2023) refers to credit balances at banks in existence as at December 31, 2024 and the amounts held at the Group treasuries. These voices are not subject to any restriction and are not foresee disinvestment costs.

Explanatory notes to the Consolidated Financial Statements of the Almaviva Group

Liabilities

19. Shareholders’ equity

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Total group shareholders’ equity	240,233	223,546
Share capital	154,899	154,899
Share premium reserve	17,788	17,788
Legal reserve	21,900	19,104
Other reserves and accumulated Profit/(Loss):		
FTA reserve	4,493	4,493
OCI reserve	3,451	3,726
stock grant reserve	9,291	9,291
Translation reserve	(78,645)	(38,372)
Other reserves	23,072	(29,376)
Other reserves and accumulated Profit/(Loss)	(38,338)	(50,238)
Profit/(loss) for the year	83,984	81,989
Total non-controlling interests	**51,023**	**35,878**
Other Reserves pertaining to NCIs	43,689	32,065
Translation reserve	(2,844)	(937)
Profit/(loss) for the year pertaining to NCIs	10,177	4,749
Total Shareholders' equity	291,255	259,424

The total Shareholders’ equity as at December 31, 2024 is equal to Euro 291,255 thousand (Euro 259,424 thousand as at December 31, 2023) showing an increase of Euro 31,831 thousand. This change in Equity of the Almaviva Group was affected by (i) the results for the period equal to Euro 82,490 thousand, (ii) the negative impact relating to the trend of the Euro / Reais exchange rate on the Translation Reserve and for dividend approved of Euro 12,967 thousand.

Share Capital

The Share capital as at December 31, 2024 amounted to Euro 154,899,065.00 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.**

The shares, all with a nominal value of Euro 1.00 (one/00) each is held by:

in number of shares	Ordinary shares	Class A special shares	Class Bspecial shares	Total shares	"% of Total shares
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%
Share capital	107,567,301	32,331,764	15,000,000	154,899,065	100,00%

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 ex IAS 32.

Legal reserve
The Legal reserve amounted to Euro 21,900 thousand as at December 31, 2024 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 December 31, 2024 and remained unchanged compared to December 31, 2023.

Stock Grant reserve
The stock grant reserve equal to Euro 9,291 thousand as at December 31, 2024, 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.

FTA reserve

The FTA reserve amounted to Euro 4,493 thousand as at December 31, 2024, as detailed below:

- Almaviva for Euro 4,782 thousand;
- Almaviva Contact for negative Euro 141 thousand;
- Almawave for negative Euro 270 thousand;
- Almaviva Experience (formerly Almaviva do Brasil) for Euro 122 thousand.

OCI reserve

The OCI reserve is equal to Euro 3,451 thousand as at December 31, 2024 (Euro 3,726 thousand as at December 31, 2023).

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 December 31, 2024, it was a negative Euro 81,489 thousand (of which the Group's share was a negative Euro 78,645 thousand and the portion pertaining to non-controlling interests amounted to negative Euro 2,844 thousand).

Other reserves

The Other reserves is equal to positive Euro 23,072 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 51,023 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 December 31, 2024 is summarised in the following table.

(in thousands of Euro)	Note	At December 31, 2024	At December 31, 2023
Non current Net Financial Position	22	(832,481)	(395,940)
Current Net Financial Position	16-18-26	171,908	223,792
Non current financial receivables	10	10,680	2,016
Financial indebtness ("Debt")		(649,893)	(170,132)
Total Group Shareholder Equity	19	240,232	223,546
Non Controlling Interests	19	51,023	35,878
Total Shareholders' Equity ("Equity")	**19**	**291,255**	**259,424**
Debt/Equity ratio		(2,23)	(0,66)

20. Liabilities for employee benefits

Liabilities for employee benefits equal to Euro 39,899 as at December 31, 2024 are reported below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Liabilities for employee benefits	**39,899**	**39,285**

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.

Employee benefit funds measured using actuarial techniques are analysed as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
BALANCE AT THE BEGINNING OF THE YEAR	**39,285**	**39,672**
Change of the consolidatement area	59	338
Service cost	1,475	1,136
Interest cost	1,886	2,500
Payments / Utilizations	(3,081)	(5,561)
Actuarial gains/(losses) recognized in OCI	275	1,201
BALANCE AT THE END OF THE YEAR	**39,899**	**39,285**
of which:		
Non-current portion	39,349	39,044
Current portion	550	241

The following is a summary of the main assumptions made for the actuarial valuation process of the employee termination fund as at December 31, 2024:

Financial Assumptions	At December 31, 2024	At December 31, 2023
Discount rate	4,550%	4,800%
Annual rate of TFR increase	3,000%	2,775%
Annual rate of salary increase	variable according to seniority	variable according to seniority
Annual turnover rate	variable according to seniority	variable according to seniority
Annual rate of disbursement of advances	variable according to seniority	variable according to seniority

Below is a sensitivity analysis aimed at quantifying the effect on the determination of the average present value of the benefits corresponding to the change in the discount rate, applying a shift of +/-50 basis points compared to the data curve at the reference date we would have the following results:

(in thousands of Euro)	Rate +50 bp	Rate -50 bp
Past Service Liability	38,790	41,050
Actuarial Profit/(loss)	(775)	1,486

Demographic Assumptions	For the year ended December 31, 2024 and 2023
Mortality	Table RG 48 State General Accounting Office
Disability	INPS Table - Commerce Sector
Retirement	General Mandatory Insurance requirements

No contributions to employee defined benefit plans are expected for the next period.

It should also be noted that there are no defined benefit plans in the main geographical areas where the Group operates (US and Brazil).

21. Provisions

Provisions are equal to Euro 18,236 as at December 31, 2024 (Euro 21,865 as at December 31, 2023) and are reported below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Non-current portion of provisions for risks and charges	9,545	14,787
Current portion of provisions for risks and charges	8,691	7,078
Provisions for risks and charges	**18,236**	**21,865**

(in thousands of Euro)	Provision for taxes	Provision for redundacy incentives	Provision for guarantees granted"	Provisions for contractual andcommercial risks	Provisions for legal disputes	Other provisions for risks and charges	Total
Balance as at January 1, 2023	66	356	134	180	1,393	10,844	12,973
Accruals		902		375	558	10,963	12,798
Utilizations						(3,446)	(3,446)
Decreases		(193)			(994)	(37)	(1,224)
Other changes not recorded through income statement	17				800	(53)	764
Balance as at December 31, 2023	83	1,065	134	555	1,757	18,271	21,865
of which:							
Non-current portion	66	22	134			14,565	14,787
Current portion	17	1,043		555	1,757	3,706	7,078
Balance as at January 1, 2024	83	1,065	134	555	1,757	18,271	21,865
Accruals	2,162				576	4,791	7,529
Utilizations						(10,764)	(10,764)
Decreases		(902)		(375)	(124)	(388)	(1,789)
Other changes not recorded through income statement	(17)				(63)	1,475	1,395
Balance as at December 31, 2024	2,228	163	134	180	2,146	13,385	18,236
of which:							
Non-current portion	66	22	134	180		9,143	9,545
Current portion	2,162	141			2,146	4,242	8,691

Information and comments on the most significant provisions are provided below:

- **"Redundancy fund"** equal to Euro 163 thousand (Euro 1,065 thousand as at December 31, 2023) mainly relating to employees who have accrued during the period the pension requirement through "quota 100", early retirement, woman option and that they had voluntarily decided to join the exit from the company.

- **“Contractual and commercial risk fund”** is related to provisions recorded by Almaviva Contact for Euro 180 thousand.

- **“Provision for legal disputes”** of Euro 2,146 thousand is mainly related to IT Services segment.

The line items, including non-current and current portion, for a total of Euro 13,385 thousand (Euro 18,271 thousand at December 31, 2023) relating to:

- prudential provisions on commercial risks relating to penalties;
- the Project Workers stabilization fund;
- provisions for disputes both towards personnel and for other civil disputes;
- commercial guarantee funds;
- the liquidation costs provision recorded from Agrisian by virtue of current obligations under the law.

22. Non-current financial liabilities

Non-current financial liabilities, equal to Euro 832,481 thousand (Euros 395,940 thousand as at December 31, 2023), 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.

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Banks	27,899	3,906
Bond	698,664	344,897
Amounts due to other lenders	73,036	17,247
Financial liabilities associated with leasing	32,882	29,890
Non-current financial liabilities	**832,481**	**395,940**

(in thousands of Euro)	> 12 months	< 5 years	> 5 years
Banks	27,899	27,899	0
Bond	698,664	698,664	0
Amounts due to other lenders	73,036	73,036	0
Financial liabilities associated with leasing	32,882	30,939	1,943
	832,481	**830,538**	**1,943**

The Fair Value of the main financing component, related to the bond issued in the Luxembourg market, is equal to Euro 740,174 thousand as at December 31, 2024.

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

(in thousands of Euro)	At January 1, 2024	Proceeds from borrowings	Repayments of borrowings	Reclassification and other adjustments	At December 31, 2024
AlmavivA S.p.A.	356,798	765,000	(354,412)	(31,928)	735,458
Sadel S.p.A.	717	0	(515)	(63)	139
Brita S.A.	0	59,289	0	(900)	58,389
Almaviva Solutions (formerly Magna)	0	0	(530)	530	0
Obda Systems S.r.l.	1	0	(1)	0	0
The Data Appeal Company S.p.A.	2,740	0	0	(985)	1,755
Sistemi Territoriali S.r.l.	99	0	0	(40)	59
2F Water Venture S.r.l.	787	0	0	(787)	0
Almaviva Bluebit (ex BM Tec.Ind.) S.p.A.	4,716	70	0	(986)	3,800
Mabrian Technologies S.L.	192	0	0	(192)	0
Lease-related financial liabilities	29,890	11,040	(3,655)	(4,393)	32,882
Non-current financial liabilities	**395,940**	**835,399**	**(359,113)**	**(39,744)**	**832,482**

(in thousands of Euro)	At January 1, 2023	Proceeds from borrowings	Repayments of borrowings	Reclassification and other adjustments	At December 31, 2023
AlmavivA S.p.A.	346,128	10,306	(2,002)	2,366	356,798
Sadel S.p.A.	1,959	0	(608)	(634)	717
AlmavivA Experience (già AV do Brasil)	151	0	0	(151)	0
CRC-Central de Recup.de Creditos	295	0	0	(295)	0
Obda Systems S.r.l.	4	0	(3)	0	1
The Data Appeal Company S.p.A.	292	2,510	0	(62)	2,740
Sistemi Territoriali S.r.l.	269	0	(82)	(88)	99
2F Water Venture S.r.l.	0	0	0	787	787
BM Tecnologie Industriali S.p.A.	0	0	0	4,716	4,716
Mabrian Technologies S.L.	0	0	0	192	192
Lease-related financial liabilities	31,619	5,946	(4,326)	(3,349)	29,890
Non-current financial liabilities	**380,717**	**18,762**	**(7,021)**	**3,482**	**395,940**

With regard to cash movements for the period, it should be noted that as of December 31, 2024, there was an increase in cash of Euro 752,141 thousand for new loans net of amortised cost valuation and a decrease in cash of Euro 355,459 thousand for loan repayments.

The accruals are partly related to:

- the acquisition of 51% of the share capital of Magna Sistemas Consultoria S.A. (renamed Almaviva Solutions S.A.), put in place by the subsidiary Brita S.A. In particular, part of the increase in the debt to banks for Euro 20,000 thousand refers to a dedicated medium-long term loan underwritten by the parent company Almaviva S.p.A. with the credit institute BPER, with a 5-year term and repayment in quarterly instalments in arrears. The increase in liabilities to other lenders mainly refers to a payable to Simest for an amount of Euro 17,100 thousand (in addition to a portion of Euro 900 thousand recorded in current financial liabilities) and to the effects arising from M&A transactions carried out in the period.
- -during the period, the parent company Almaviva S.p.A. signed a loan with the credit institution Unicredit for Euro 20,000 thousand, with a duration of 3 years, with repayment in 6 deferred half-yearly installments. The accounting treatment is in line with both IAS 32 "Financial instruments: presentation in the balance sheet" and IFRS 9 "Financial instruments: recognition and measurement";
- the issue, on October 31, 2024, by the parent company Almaviva S.p.A., of a bond loan reserved for institutional investors of Euro 725,000,000.00, with coupon at the fixed rate of 5,000%, with half-yearly payment on the dates of 30 April and 30 October of each year. The bond has a maturity of five years and is listed on the Luxembourg stock exchange on the Euro MTF Market (non-regulated market). The issue is also accompanied by a Euro 160 million revolving credit facility that can be used for general business purposes. In relation to this revolving facility line, compliance with a covenant called "Net Senior Leverage Covenant Test" is evaluated quarterly. The valuation takes place only if the amount of draw made, net of cash held, exceeds 40% of the total of the above-mentioned Revolving Facility. As of December 31, 2024, the company has not carried out any draw on this line. This issue involved partly the simultaneous repayment of the bond loan signed in November 2021 of 350 million euros (with maturity in 2026), and for the remaining part it was functional for the acquisition transaction, through the subsidiary Almaviva USA Corp., of the totality of the shares representing the share capital of Iteris Inc.
- For the placement of the bond loan, Goldman Sachs and BNP acted as Joint Global Coordinators, supported by Unicredit, IMI-Intesa Sanpaolo, Banca Akros and BPER.

Non-current financial liabilities equal to Euro 832,481 thousand, mainly refers to:

- liabilities due to bank equal to Euro 27,899 thousand, with an increase of Euro 23,993 thousand;
- bonds of EUR 698,664, recognised in the balance sheet using the amortised cost method, relating to the above-mentioned bond issue of Euro 725,000 thousand issued by Almaviva S.p.A.;
- liabilities due to other lenders equal to Euro 73,036 thousand, with an increase of Euro 55,789 thousand substantially attributable to the effects arising from M&A transactions carried out in the period and the change in the scope of consolidation;
- non-current financial liabilities deriving from the adoption of IFRS 16 equal to Euro 32,882 thousand, inclusive of reclassifications for Euro 4,393 thousand mainly referred to the reclassification from non-current portions to current portions of the debt.

23. Deferred tax liabilities

Deferred tax liabilities are equal to Euro 4,284 thousand as at December 31, 2024 and decreased in the period for Euro 626 thousand.

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Deferred tax liabilities	**4,284**	**4,910**
Balance at the beginning of the year	**4,910**	**84**
Increases	128	4,826
Decreases	(15)	0
Other changes and effect of currency translation	(739)	0
Balance at the end of the year	**4,284**	**4,910**

24. Other non-current liabilites

Other non-current liabilities equal to Euro 357 thousand as at December 31, 2024 (Euro 987 thousand as at December 31, 2023) are reported below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Deferred income on capital grants	205	759
Other non-current liabilities	357	987
Altre passività non correnti	**357**	**987**

The fully amount refers to deferred income on capital grants.

25. Trade payables

Trade payables are equal to Euro 364,729 thousand as at December 31, 2024 and decreased for Euro 15,196 thousand during the period. They mainly accommodate payables for supplies of services, as well as those for various services for activities carried out during the period. In relation to overdue debts, these represent approximately 24.6% of the total amount (18.9% as at December 31, 2023).

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Trade payables	**364,729**	**379,925**

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

26. Current financial liabilities

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Payables due to banks	13,546	4,688
Current portion bonds	6,809	3,444
Payables due to other lenders	581	590
Accrued liabilities from financial expenses	619	158
Other financial payables	75	239
Financial liabilities for leasing IFRS 16	12,363	11,542
Current financial liabilities	**33,993**	**20,661**

Short-term financial liabilities for Euro 33,993 thousand refer to (i) payables for short-term loans contracted with credit institutions, (ii) current portion of long-term financing, and (iii) to the portion of payables for interest accrued to bondholders whose payment is expected on April 30, 2025. 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 December 31, 2024, they generated a cash absorption equal to Euro 3,939 thousand; (ii) at December 31, 2023 they generated a cash absorption equal to Euro 18,029 thousand.

27. Tax payables

Tax payables as at December 31, 2024, equal to Euro 35,576 thousand (Euro 33,088 thousand as at December 31, 2023) are reported below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Income taxes	2,873	2,560
Other taxes	32,703	30,528
Tax payables	**35,576**	**33,088**

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 Almaviva Experience Group (formerly Almaviva do Brasil Group).

28. Other current liabilities

Other current liabilities as at December 31, 2024, equal to Euro 212,169 thousand (Euro 175,746 thousand as at December 31, 2023) are reported below:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Payables due to social security institutions	23,625	20,183
Payables due to personnel	65,001	47,387
Miscellaneous payables	95,760	67,084
Deferred income	27,783	41,092
Other current liabilities	**212,169**	**175,746**

- the payables to social security institutions equal to Euro 23,625 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 equal to Euro 65,001 thousand 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, The Data Appeal Company and Sistemi Territoriali S.r.l. to the monthly payment for the month of December, the payment of which took place in the first days of January 2025, as per the ordinary management of salary payments. The increase in the period of Euro 17,614 thousand is due mainly to the effects of M&A transactions carried out during the period;
- miscellaneous payables equal to Euro 95,760 thousand mainly include operating advances related to some contracts mainly active with the National Social Security Institute linked to cash payments in advance of benefits disbursed by the Company, debts towards workers on project, the insurance debts, the debt for collections to be returned to partners, the debt to the parent Almaviva Technologies for the consolidated tax (equivalent to Euro 29,193 thousand which partially offset, as indicated in Note 17, the existing credit position for the tax consolidation) and debts towards corporate bodies;
- deferred income for Euro 27,783 thousand relates to economic components pertaining to future years.

Explanatory notes to the Consolidated Financial Statements of the Almaviva Group

Income Statement

29. Revenue

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Revenues from sales and services	1,189,962	1,113,552
Revenues from sale of goods	34,491	33,986
Revenues from contract work in progress	41,745	8,577
Revenues from contracts with customers	**1,266,198**	**1,156,115**

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Goods transferred at a point in time	34,491	33,986
Services transferred over time	1,231,707	1,122,129
Total revenue from contracts with customers	**1,266,198**	**1,156,115**

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 the period ended December 31, 2024, and 2023. Inter-segment elimination has not been considered and eliminated.

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
ICT Services rendered	943,165	816,467
CRM Services rendered	288,541	305,661
Goods transferred in Transportation business	34,491	33,986
Total revenue from contracts with customers	1,266,198	1,156,115
Ricavi	**1.266.198**	**1.156.115**

Revenues in the IT Services segment as of December 31, 2024, increased by Euro 140,167 thousand, equal to 17.4% compared to the previous period. This increase was mainly due to the growth in demand for services from customers in the Transport, Ministries, Local Government, Utilities/Industry, Welfare, International - EU Activities and Homeland Security business areas. This growth was partially offset by a decrease in revenues attributable to the Banking Insurance, Agriculture/Environment, Health, Treasury and Public Finance and Other business areas.

Revenues from contracts with customers in the DRM International segment at December 31, 2024, show a decrease of Euro 12,979 thousand, equal to -4.3% compared to the previous period. The decrease is attributable mainly to the Finance, Telco/Media and Industry/Retail, partially offset by an increase in revenues attributable to the Transportation, Utilities and Others business areas.

Revenues from contracts with customers in the Almawave - New Technology segment decreased by Euro 12,964 thousand, as -27.7% compared to the previous period. The decrease is attributable to the Government, Transportation and Other, partially offset by an increase in revenue attributable to the Finance, Tourism, Telco/Media and Utilities business area.

Revenues from contracts with Almaviva Group customers are mainly generated in Italy. The revenues generated abroad mainly concern Brazil, Colombia and, to a lesser extent, other countries for which please refer to Note n. 5.

The fees for services to be provided at December, 2024, based on the contracts already acquired by the Group, amount to Euro 2,742,395 thousand, of which Euro 919,475 thousand to be absorbed within the following year and Euro 1,822,920 thousand to be absorbed beyond the year.

30. Other income

Gli altri ricavi e proventi si analizzano come segue:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Recovery of personnel costs	69	581
Recovery of costs of service provision	6,658	4,868
Recovery of costs of use of assets	95	164
Reversal of provisions	10,764	3,446
Reversal of over-accruals of trade payables	14,838	13,032
Operating grants	8,316	6,343
Other income	6,171	945
Other income	**46,911**	**29,379**

Other income amount to Euro 46,911 thousand (Euro 29,379 thousand as at December 31, 2023) and the most significant items are related to the reversal of provision for guarantees as the underlying risk no longer exists; to the recovery of costs services and to the operating grants.

31. Cost of raw materials and services

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Raw materials, consumables, supplies and goods	73,571	45,409
Costs for services	443,958	431,387
Costs of use of third party assets	8,200	7,183
Costs for services capitalised for assets created internally	(9,089)	(7,373)
Changes in inventories	4,303	(1,141)
Cost of raw materials and services	**520,943**	**475,465**

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
IT Services	438,845	385,619
DRM International (ex CRM International)	77,296	78,037
Almawave New Technology	23,633	24,138
Others	2,005	5,209
Adjustments eliminations and other	(20,836)	(17,538)
	520,943	**475,465**

The item increased during the year by Euro 45,478 thousand. The increase is generally attributable to higher revenues, with a consequent increase in terms of costs. The table below shows, in more details, the disaggregation of cost of services as at December 31, 2024 and 2023:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Maintenance	43,898	45,123
Insurance	10,597	4,670
Consultancy and professional services	239,673	239,556
Advertising, promotion and entertainment	4,241	2,398
Telephone expenses	9,371	4,271
Travel and stays	8,627	5,305
Energy and fluids	8,100	13,825
Distribution and warehousing	2,010	644
Other costs for services	117,441	115,595
Costs for services	443,958	431,387
	443.958	**431.387**

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 addition, the remuneration due to the Directors for Euro 4,947 thousand, the remuneration due to the Board of Statutory Auditors for Euro 462 thousand and the Auditing Company for Euro 1,303 thousand are included.

32. Personnel expenses

Personnel expenses are broken down as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Salaries and wages	468,330	418,459
Social security contributions	80,500	71,887
Employee benefit expenses	17,334	15,344
Other costs	2,892	4,154
Stock Grant costs	0	1,598
Agency work	2,619	2,291
Personnel expenses capitalised for assets created internally	(32,868)	(19,055)
Personnel expenses	**538,807**	**494,678**

Personnel expenses increased by Euro 44,129 thousand, or 8.9%.

The number of employees as at December 31, 2024 is equal to 41,546.

33. Depreciation, amortization and profit (loss) from sale of non-current asset and non-recurring income/(expenses)

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Industrial patent and intellectual property rights	13,283	10,459
Concession, licence and trademarks	1,321	2,034
Other	18,120	12,098
Total Intangible Depreciation and Amortization	***32,724***	***24,591***

	At December 31, 2024	At December 31, 2023
Civil and industrial buildings	793	791
Industrial and commercial equipment	1,267	476
Plants and machinery owned	4,386	4,317
Other assets owned	6,529	8,010
Total Tangible Depreciation and Amortization	***12,974***	***13,594***
ROU Asset - Civil and industrial buildings IFRS16	11,750	10,031
ROU Asset - Other assets owned and leased IFRS16	3,364	3,053
Total RoU Asset Depreciation and Amortization	***15,114***	***13,085***

	At December 31, 2024	At December 31, 2023
Impairment Loss of Intangible asset	0	0
Impairment Gain of Intangible asset	0	(46)
Total Depreciation and Amortization	***60,812***	***51,223***
Write-down of cash and receivables - non-recurring part	2,704	0
Other non-recurring expenses	3,377	0
Non-recurring income/expenses	***6,081***	***0***
Total depreciation, amortization and non-recurring income/expenses	66,894	51,223

Losses from sale on non-current assets	At December 31, 2024	At December 31, 2023
Disposals of Tangible Assets	12	578
Disposals of FinancialAssets	(10)	82
Total profit (losses) from sale on non-current assets	2	660

The non-recurring expenses of Euro 6,081 thousand mainly refer to costs not typically related to the characteristic activity carried out by the Group.

34. Other expenses

Other operating expenses are broken down as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Write-down of receivables	-	2,570
Provisions for risks	4,627	11,338
Other provisions	164	-
Taxes and duties	1,273	972
Reversal of over-accruals of trade receivables	6,481	6,744
Membership fees	1,288	1,154
Other expenses	1,917	2,286
Other operating expenses	**15,750**	**25,064**

Net provisions for risks and charges are mainly related to IT Services segment. Information relating to provisions for risks and charges is indicated in Note 21 to which reference is made. The reversal of over-accruals of trade receivables include almost exclusively the economic effect found for the reversal of previous items.

35. Financial income/(expenses) and exchange gains/(losses)

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

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Financial income	6,934	5,533
Financial expenses	(45,789)	(30,205)
Exchange gains/(losses)	(3,800)	(244)
Financial expenses for leasing IFRS 16	(4,447)	(4,364)
Net financial result	**(47,102)**	**(29,280)**

As shown in the table above, the result of financial income and expenses is negative at December 31, 2024 for Euro 47,102 thousand, against a negative result of Euro 29,280 thousand at December 31, 2023, with an increase of Euro 17,822 thousand. This increase is mainly related to the effects arising from the early repayment of the bond financing issued in 2021 downstream of the new bond financing issuance transaction mentioned earlier in Note 22.

36. Gains/(losses) on equity investments including those resulting from valuation at equity method

Effect from evaluation at equity method

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Profit/(loss) from investments accounted for using equity method	335	2
Net result from equity investments	**335**	**2**

Gains/(losses) on equity investments and loss from investments accounted for using equity method shows a positive amount of Euro 335 thousand as at December 31, 2024 compared to a positive amount of Euro 2 thousand as at December 31, 2023.

37. Income taxes

Income taxes are broken down as follows:

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Italian Companies		
IRAP (Regional business tax)	5,156	4,913
IRES (Corporate income tax)	17,826	19,425
(Income) expenses from compliance with tax consolidation	*(3,857)*	*(5,217)*
	19,125	19,121
Foreign companies		
Other current taxes	14,672	7,664
Current Taxes	**33,797**	**26,785**
Deferred Taxes		
Italian Companies		
IRAP (Regional business tax)	(142)	272
IRES (Corporate income tax)	2,270	(2,891)
	2,128	(2,619)
Foreign companies		
Other deferred taxes	541	(100)
Deferred taxes	**2,669**	**(2,719)**
Income taxes for the year - Non recurring portion	**(6,676)**	**(359)**
Total Income taxes	**29,790**	**23,707**

38. Income taxes reconciliation

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

(in thousands of Euro)	At December 31, 2024		At December 31, 2023	
		%		%
Income before taxes	123,951	100,0%	110,446	100,0%
Theoretical taxes (*)	29,748	24,0%	*26,507*	*24,0%*
Effective tax charge	29,790	24,03%	23,707	21,47%
differences between theoretical and effective tax charge	42	0,03%	(2,800)	(2,53%)
1) different foreign tax rates				
1a) Exchange rate differences	24	0,02%	1,463	1,32%
2) permanent differences:				
2a) IRAP and other italian regional taxes	5,156	4,16%	4,913	4,44%
2b) taxes of prior periods	(6,676)	(5,39%)	(359)	(0,32%)
2c) tax credit R&D	(168)	(0,14%)	(222)	(0,20%)
2d) consolidation adjustments	0	0,00%	0	0,00%
2f) other differences (**)	1,706	1,38%	(8,595)	(7,77%)
Total differences	**42**	**0,03%**	**(2,800)**	**(2,53%)**

(*) Theoretical taxe 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 occurence

Explanatory Notes to the Consolidated Financial Statements of the Almaviva Group

Guarantees, commitments, risks and other information

39. Guarantees and committments

Guarantees

The Group granted the following guarantees as at December 31, 2024:

- personal guarantees of Euro 210,578 thousand (Euro 212,833 thousand as at December 31, 2023), 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 3,995 thousand by Almaviva Contact S.p.A.;
- collateral provided under the new High Yield bond issue of October 31, 2024 and the new Revolving credit line: Euro 83.413 thousand relating to pledges on shares held by Almaviva S.p.A. and Euro 66.471 thousand held by Almaviva Contact S.p.A. in Almaviva Experience S.A. (formerly Almaviva do Brasil), Euro 164.530 thousand relating to pledges on shares held by Almaviva S.p.A. in ReActive S.p.A., Euro 260.581 thousand relating to pledges on shares held by Almaviva S.p.A. in Almaviva USA Corp., Euro 324.716 thousand relating to pledges on shares held by Almaviva USA Corp. in Iteris Inc. The shares held by Almaviva Technologies S.r.l. of 95.11% of the capital in Almaviva S.p.A. have also been pledged as a further guarantee of the bond loan.

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, 2023) and refer to third party assets held by Almaviva S.p.A.

40. Risks and other information

Financial Risk management

Credit risk

The maximum theoretical exposure to credit risk for the Almaviva Group as at December 31, 2024 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.

(in thousands of Euro)	At December 31, 2024	At December 31, 2023
Amount falling due	508,991	442,877
Past due	100,588	75,669
Trade receivables, amount retained as a guarantee	3,518	3,521
Trade receivables net of Bad debt provision	**613,097**	**522,067**

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 consolidated financial statements (economic result and shareholders' equity) due to translating assets and 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 consolidated financial statements as at December 31, 2024 were impacted by the trend of the EUR / R $ exchange rates.

41. Information on fair value measurement

The Group uses fair value within the consolidated financial statements for the valuation of the number of shares granted to employees for the 2021-2023 Stock Grant Plan and for the information provided regarding the bond loan for which a type 1 fair value is used.

42. Legal issues and litigations

The litigation in tax, administrative, civil and labour matters is followed by the competent offices of the Almaviva Group which have provided, for the preparation of the consolidated financial statements, a complete and exhaustive overview of the various ongoing proceedings. In the event of disputes, the Group, including with the help of the opinions provided by the external legal has carried out an ad hoc assessment of the risk of default which has resulted in the inclusion of appropriate funds for those disputes whose negative outcome was deemed likely and for which it could reasonably be expected that they would be quantified as represented, and commented on within this explanatory note among the "Funds for risks and charges" - Note no. 22. For those judgments whose negative outcome, given the different jurisprudential guidelines, was considered possible only, no specific appropriations were made in accordance with the rules on the formation of consolidated financial statements.

Contingent liabilities

Indicated below are the disputes for which, also based on opinions obtained from the Group's external attorneys, it was considered only possible that the outcome of the legal action would be unfavorable and therefore no specific provisions were made in accordance with the rules on the formation of the Consolidated Financial Statements. Below are the main contingent liabilities as of December 31, 2024 that were not recognized in the financial statements due to the absence of the necessary prerequisites required by IAS 37.

Almaviva S.p.A.

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

Almaviva and other Group companies, as insured, have applied to the Court of Milan for the Lloyd's insurers to be ordered to reimburse the expenses and legal costs incurred in an American litigation, in addition to compensation for damages. The Court dismissed the applications by judgment of June 18, 2020, against which an appeal has been lodged. The appeal was not granted. Almaviva and the other companies of the Group have filed a cassation appeal.

Almaviva Contact S.p.A.

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

Sogei has requested that Almaviva Contact be ordered to repay the sums paid in return for certain contracts entered into between the parties for the provision of telephone help desk services in the years 1998-2002. Almaviva Contact defended itself in the trial. The judgment at first instance was delivered in a judgment which dismissed the pleas and ordered Sogei to pay the costs of the dispute. The case is currently pending before the Court of Appeal.

Labour litigation

Il contenzioso azionato dagli ex lavoratori di Almaviva Contact licenziati nel 2016 è stato definito in modo favorevole alla Società da tutti gli organi giudicanti coinvolti.

The litigation initiated by former Almaviva Contact workers dismissed in 2016 has been settled in a manner favourable to the Company by all the judicial bodies involved.

With reference to the residual litigation initiated by former employees of the company at the offices in Catania and Palermo, it is confirmed that both the court of Catania and the Court of Appeal of Catania and Palermo have continued to confirm the line in favour of Almaviva Contact, rejecting the workers' appeals. It should be noted that in 2024 several complaints were filed regarding the request for higher professional classification carried out by former employees of the company operating as call center workers who claimed the relative differences in pay.

43. Transactions with related parties

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

- 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;
- (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 people;
- (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 December 31, 2024" 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 December 31, 2024					
	Receivables	Payables	Costs of Services	Other Costs	Revenues from Services	Other Income
Relationships with the controlling company of AlmavivA S.p.A.						
AlmavivA Technologies Srl	32,116	29,245	355	-	-	2
Relationships with the controlling companies valued at equity method						
Consorzio Hypertix	68	-	-	-	-	-
TVEyes L.T.	-	102	6	-	-	14
Almaviva CCID	136	-	-	-	6,310	2
Consorzio Namex	-	-	-	-	-	-
PNT Italia Srl	5,426	-	-	-	-	180
Strategic employees						
Stock Grant Plan	-	-	-	-	-	-
Other						
Elvit Consultoria e Partcipacoes LTDA	-	-	204	-	-	-
Total	37,746	29,347	565	-	6,310	198

(in thousands of Euro)	at December 31, 2023						
	Receivables	Payables	Costs of Raw Materials	Costs of Service	Other Costs	Revenues from Services	Other Income
Relationships with the controlling company of AlmavivA S.p.A.							
AlmavivA Technologies Srl	27,858	29,318	-	342	-	-	2
Relationships with the controlling companies valued at equity method							
Consorzio Hypertix	68	-	-	-	-	-	-
TVEyes L.T.	-	51	7	-	-	-	18
Almaviva CCID	128	-	-	-	-	-	1
Consorzio Namex	-	-	-	14	-	-	-
PNT Italia Srl	32,689	4,302	-	-	-	42,016	-
Strategic employees							
Stock Grant Plan	-	-	-	-	1,598	-	-
Other							
Elvit Consultoria e Partcipacoes LTDA	-	-	-	218	-	-	-
Totale	60,743	33,671	7	574	1,598	42,016	21

44. Subsequent events

Wedoo Holding: capital increase

On February 21, 2025, the Shareholders' Meeting decided to increase the share capital, for a fee and in a progressive manner, by a nominal amount of Euro 880,000.00 without any surcharge, offered in subscription exclusively to Almaviva. The final date for subscription is December 15, 2026.

As a result of the foregoing, the registered capital amounts to Euro 2,502,222.00, and the subscribed and paid-in capital is equal to Euro 1,622,222.00.

Annex

3.

Annexes to the Consolidated Financial Statement of Almaviva Group

Almaviva Group Net Financial Position

The net financial indebtedness of Almaviva Group is determined in accordance with the provisions of paragraphs 175 et seq. of the ESMA32-382-1138 guidelines dated 4 March 2021, as indicated by Consob in the warning notice number 5/2021 dated 29 April 2021 for the definition of net financial indebtedness

	(Thousands of Euro)	12.31.2024	12.31.2024	Variation	Variation %
A	Cash	204,006	240,652	(36,647)	-15%
B	Cash equivalents	0	0	0	0%
C	Other current financial assets	1,895	3,801	(1,906)	-50%
D	**Liquidity (A+B+C)**	**205,901**	**244,453**	**(38,552)**	**-16%**
E	Current financial debt (including debt instruments, but excluding the current part of non-current financial debt)	(17,099)	(5,675)	(11,424)	-201%
F	Current part of non-current financial debt	(16,894)	(14,986)	(1,908)	-13%
G	**Current financial debt (E+F)**	**(33,993)**	**(20,661)**	**(13,332)**	**-65%**
H	**Net current financial debt (G-D)**	**171,908**	**223,792**	**(51,884)**	**-23%**
I	Non-current financial debt (excluding current account and debt instruments)	(832,481)	(395,940)	(436,541)	-110%
J	Debt instruments	0	0	0	0%
K	Trade payabled and other non-current liabilities	0	0	0	0%
L	**Non current financial debt (I+J+K)**	**(832,481)**	**(395,940)**	**(436,541)**	**-110%**
M	**Total financial debt (H+L)**	**(660,573)**	**(172,148)**	**(488,425)**	**-284%**
N	Receivables for net "Non-current financial assets"	10,748	2,065	8,683	420%
O	**Total net financial debt (M+N)**	**(649,825)**	**(170,083)**	**(479,742)**	**-282%**

Net financial indebtedness as at December 31, 2023, also includes Euro 45,245 thousand of financial liabilities related IFRS 16 adoption and divided into current financial liabilities (Euro 12,363 thousand) and non current liabilities (Euro 32,882 thousand) and decrease for an amount of Euro 3,813 thousand compared to previous year.

Report of the board of statutory auditors

Almaviva – The Italian Innovation Company SpA

Site Legal in Rome – Via di Casal Boccone 188/190

Share Capital 154.899.065,00

Register from the Businesses Of Rome N. 1094997 Fiscal Code and VAT Number 08450891000

RELATION OF THE BOARD OF STATUTORY AUDITORS TO BALANCE SHEET CONSOLIDATED OF THE EXERCISE CLOSED TO DECEMBER 31, 2024 DRAWN UP IN ACCORDANCE WITH ARTICLE 2429 PARAGRAPH 2 OF THE CIVIL CODE

Gentlemen Shareholders,
let's remember That Almaviva SpA drafts The balance sheet consolidated Of group (Of followed "Group"), even if the exemption conditions set out in paragraph 4 of IFRS 10 apply.

During the financial year, the Board of Statutory Auditors performed the functions provided for by articles 2403 and following of the Civil Code, since the legal audit pursuant to art. 14 of Legislative Decree 27 January 2010 n. 39 was entrusted to the company EY SpA
Therefore The College Union, Not being in charge from the revision legal, has carried out on the consolidated balance sheet the supervisory activities provided for in Rule 3.8 of the "Rules of Conduct of the Board of Statutory Auditors" union Of society Not quoted", consistent in a check synthetic total aimed at verifying that the balance sheet has been correctly drawn up by the directors, in compliance with the provisions of the Civil Code relating to the procedure for its formation, control and approval.

The Advise Of Administration has made available the following documents, approved unanimously at the meeting of April 7, 2025 and relating to the financial year ended December 31, 2024:

- project Of balance sheet consolidated, complete Of Notes illustrative;
- relation on the management.

In drafting this report, the Board of Statutory Auditors has waived the terms set out in Article 2429 of the Civil Code .

Premise general

Given the consolidated knowledge that the Board of Statutory Auditors declares to have regarding the Group, with regard to the type of activity carried out and its organizational and accounting structure, it is reiterated that the "planning" phase of the supervisory activity - in which it is necessary to evaluate the intrinsic risks and critical issues with respect to the two parameters mentioned above - was implemented through The feedback positive about How much already known in base to the information acquired over time.
There present relation summarizes Therefore the activity concerning the information expected from the art. 2429, co. 2, cc and precisely:

- the results of the financial year;
- the activity turning point in fulfilling the duties expected from the norm;
- observations and proposals regarding the budget, with particular reference to the possible use by the Board of Directors of the exemption pursuant to art. 2423, paragraph 5, of the Civil Code;

The activities carried out by the Board of Statutory Auditors covered, from a temporal perspective, the entire financial year And In the course of the exercise same I am state regularly turns the meetings Of which in art. 2404 of the Civil Code. Minutes of these meetings were drawn up and duly signed for unanimous approval.

Activity Of surveillance

During the periodic checks, the Board of Statutory Auditors became aware of the evolution of the activity carried out by the Group, paying particular attention to the problems of a contingent nature and/or extraordinary to the end Of to identify it the impact economic And financial on the operating results and capital structure, as well as any risks monitored on a regular basis.

The Board of Statutory Auditors has assessed the adequacy of the Group's organizational and functional structure And the his possible Mutations respect to the needs minimum postulate from the trend of the management and has no observations to make in this regard.

We met with the Supervisory Body pursuant to Legislative Decree 231/2001 and no critical issues emerged with respect to at the correct implementation of the model organizational That must to be highlighted in this report.

We met with the person in charge of the " Internal Audit & Compliance 231" function and no relevant data or information emerged that need to be highlighted in this report.

In conclusion, from what has been possible to ascertain during the activity carried out during the financial year, the Board of Statutory Auditors can affirm that:

- the decisions taken by the Shareholders and the Board of Directors were in accordance with the law and the company statute and were not manifestly imprudent or such as to definitively compromise the integrity of the company's assets;

- I am state acquired the information sufficient related to the general trend from the management and on the its predictable evolution, as well as on the operations Of major relief, For dimensions or characteristics, made by the company;

- the operations Post office in to be I am state they too compliant at the law and at the statute social and Not in potential contrast with the resolutions assumed from the Assembly of the Shareholders or such to compromise the integrity of the company's assets;

- no specific observations are made regarding the adequacy of the Group's organizational structure, nor regarding the adequacy of the administrative and accounting system, nor regarding the reliability of the latter in correctly representing management facts;

- we have supervised on the process Of predisposition of the information financial;

- during the supervisory activity, as described above, no further significant facts emerged that would require reporting in this report;

- Not yes it is due intervene For omissions of the Advise Of Administration to the senses of the art.
2406 cc;

- Not I am state receipts complaints to the senses of the art. 2408 cc;

- Not I am state made complaints to the senses of the art. 2409, co. 7, cc;

- In the course of the exercise The College Union has released opinions.

Balance sheet consolidated

The review legal, as above remembered, it is entrusted at the EY company SpA That There submitted its report dated 8 April 2025 containing an unmodified opinion.

In the aforementioned report the statutory auditor certifies that the consolidated financial statements provide a fair representation truthful And correct from the situation patrimonial And financial of the Group to the December 31, 2024, of the result economic And of the flows Of earnings For the exercise closed to such date, in accordance with International Financial Reporting Standards adopted by the European Union.

The consolidated financial statement closed on 31 December 2024 consists of: financial position, I count economic total, prospectus from the variations of the net assets, financial statement, explanatory notes and management report.

We have examined The project Of balance sheet, in merit to the Which they come provided Still the following additional information:

- attention was paid to the approach given to the budget draft, on its general conformity at the law For that That regard there its training And structure And to such there are no observations that need to be highlighted in this report;
- the Board of Directors, in preparing the financial statements, did not derogate from the provisions of law pursuant to art. 2423 paragraph 5 of the civil code ;
- the financial statements were verified to be consistent with the facts and information that were obtained following the performance of the typical duties of the Board of Statutory Auditors and no further observations are highlighted in this regard.

Result of the exercise

The net result of the consolidated income statement, ascertained by the Board of Directors for the financial year ended 31 December 2024, is positive for Keuro 94.161.

Conclusions

On the base Of How much above exposed And For How much And state carried to our knowledge and And was found come on checks periodicals carried out, considering also the results from the activity turns by the entity responsible for the legal audit contained in the audit report, the Board of Statutory Auditors believes that there are no reasons preventing your approval of the draft Consolidated Financial Statements for the financial year ended December 31, 2024 as drawn up by the Board of Directors.

Rome, April 8, 2025

Of the board of statutory auditors

Dr. Marco Spadaccini (Signed)

Dr. Francesco Martinelli (Signed)

Prof. Ermanno Zigiotti (Signed)

Reports of independent auditors

EY
Shape the future
with confidence

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AlmavivA Group (the Group), which comprise the consolidated statement of financial position as at December, 31 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company AlmavivA The Italian Innovation Company S.p.A. or to cease operations, or have no realistic alternative but to do so.

EY S.p.A.
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The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinions and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n.39 dated 27 January 2010

The Directors of AlmavivA The Italian Innovation Company S.p.A. are responsible for the preparation of the Report on Operations[1] of AlmavivA Group as at December 31, 2024, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations, with the consolidated financial statements;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of AlmavivA Group as at December 31, 2024.

Furthermore, in our opinion, the Report on Operations complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Rome, April 8, 2025

EY S.p.A.
Signed by: Mauro Ottaviani, Partner

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

[1] For the purpose of publication of the consolidated financial statements of AlmavivA Group as at December 31. 2024 and for the year ended in the "Notices" section of Luxembourg Stock Exchange and in the AlmavivA The Italian Innovation Company S.p.A.'s website, the Report on Operations has not been translated into the English language

Concept & Design: Inarea Strategic Design
May 2025

AlmavivA
Group