

# ALMAVIVA S.P.A. AND SUBSIDIARIES

## Consolidated Financial Statements for the years ended December 31st, 2024 and 2023

Board of Directors April 7<sup>th</sup>, 2025



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**Consolidated Financial Statements for**  
**the years ended December 31<sup>st</sup>, 2024 and 2023**



**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS  
ENDED DECEMBER 31, 2024 AND 2023**

<b>REPORT OF INDEPENDENT AUDITORS.....</b>	<b>7</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>15</b>
<b>CONSOLIDATED COMPREHENSIVE INCOME STATEMENT .....</b>	<b>16</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....</b>	<b>17</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>18</b>
<b>EXPLANATORY NOTES .....</b>	<b>19</b>



## REPORTS OF INDEPENDENT AUDITORS



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

Consolidated financial statements as of December 31, 2024

Independent auditor's report in accordance with article 14 of  
Legislative Decree n.39, dated 27 January 2010

Translation from the original Italian text

## REPORTS OF INDEPENDENT AUDITORS (Continued)



EY S.p.A.  
Via Lombardia, 31  
00187 Roma

Tel: +39 06 324751  
Fax: +39 06 324755504  
ey.com

### 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.  
Sede Legale: Via Meravigli, 12 - 20123 Milano  
Sede Secondaria: Via Lombardia, 31 - 00187 Roma  
Capitale Sociale Euro 2.975.000 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003  
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## REPORTS OF INDEPENDENT AUDITORS (Continued)



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.

## REPORTS OF INDEPENDENT AUDITORS (Continued)



### 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<sup>1</sup> 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.*

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<sup>1</sup> 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

**REPORTS OF INDEPENDENT AUDITORS (Continued)**



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

Consolidated financial statements as of December 31, 2023

Independent auditor's report in accordance with article 14 of  
Legislative Decree n.39, dated 27 January 2010

Translation from the original Italian text

## REPORTS OF INDEPENDENT AUDITORS (Continued)



**EY**

Building a better  
working world

EY S.p.A.  
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00187 Roma

Tel: +39 06 324751  
Fax: +39 06 324755504  
ey.com

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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 2023, 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, 2023, 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.  
Sede Legale: Via Meravigli, 12 – 20123 Milano  
Sede Secondaria: Via Lombardia, 31 – 00187 Roma  
Capitale Sociale Euro 2.600.000,00 i.v.  
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## REPORTS OF INDEPENDENT AUDITORS (Continued)



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.

## REPORTS OF INDEPENDENT AUDITORS (Continued)



### Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), 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<sup>1</sup> of AlmavivA Group as at December 31, 2023, 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 of AlmavivA Group as at December 31, 2023 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of AlmavivA Group as at December 31, 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), 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, March 20, 2024

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

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

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<sup>1</sup> For the purpose of publication of the consolidated financial statements of AlmavivA Group as at December 31, 2023 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

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

<i>(in thousands of Euro)</i>	Note	At December 31, 2024	Of which with related parties	At December 31, 2023	Of which with related parties
Intangible assets	7	144,064		121,732	
Goodwill	7	464,208		87,153	
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	
<b>Total non-current assets</b>		<b>737,165</b>		<b>334,187</b>	
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	
<b>Total current assets</b>		<b>1,095,814</b>		<b>997,644</b>	
<b>Total assets</b>		<b>1,832,980</b>		<b>1,331,831</b>	
Share capital		154,899		154,899	
Share premium reserve		17,788		17,788	
Stock grant reserve		9,291		9,291	
Other reserves		(25,730)		(40,421)	
Profit/(loss) for the period		83,984		81,989	
<i>Total group shareholders' equity</i>		<i>240,232</i>		<i>223,546</i>	
<i>Non-controlling interests</i>		<i>51,023</i>		<i>35,878</i>	
<b>Total shareholders' equity</b>	19	<b>291,255</b>		<b>259,424</b>	
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	
<b>Total non-current liabilities</b>		<b>886,567</b>		<b>455,909</b>	
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
<b>Total current liabilities</b>		<b>655,158</b>		<b>616,497</b>	
<b>Total liabilities</b>		<b>1,541,725</b>		<b>1,072,407</b>	
<b>Total equity and liabilities</b>		<b>1,832,980</b>		<b>1,331,831</b>	

**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

For the twelve months ended December 31,

<i>(in thousands of Euro)</i>	Note	2024	Of which with related parties	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
<b>Total revenues and other income</b>		<b>1,313,109</b>		<b>1,185,494</b>	
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)	
<b>Operating profit/(loss)</b>		<b>170,718</b>		<b>139,724</b>	
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	
<b>Profit/(Loss) before taxes</b>		<b>123,951</b>		<b>110,446</b>	
Income taxes	37	(29,790)		(23,707)	
<b>Profit/(Loss) for the period</b>		<b>94,161</b>		<b>86,738</b>	
<i>of which:</i>					
Profit/(loss) pertaining to the group		83,984		81,989	
Profit/(loss) pertaining to non-controlling interests		10,177		4,749	
<b>Earning (Loss) per share (EPS) basic and diluted:</b>					
Basic, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.61		€ 0.56	
Diluted, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.61		€ 0.56	
<b>Other components of comprehensive income:</b>					
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)	
<b>Comprehensive income/(loss) for the period</b>		<b>51,701</b>		<b>93,477</b>	
<i>of which:</i>					
Comprehensive income/(loss) pertaining to the group		43,431		88,674	
Comprehensive income/(loss) pertaining to non-controlling interests		8,270		4,803	



**ALMAVIVA S.P.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**Note 19**

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward					Total other reserve and profit (loss) carried forward	Profit/(loss) for the 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
				Profit (loss) carried forward reserve	FTA Reserve	Stock Grant reserve	Actuarial gain (losses) reserve	Translation reserve								
<b>Shareholders' Equity at January 1, 2024</b>	<b>154,899</b>	<b>17,788</b>	<b>19,104</b>	<b>(29,376)</b>	<b>4,493</b>	<b>9,291</b>	<b>3,726</b>	<b>(38,368)</b>	<b>(50,234)</b>	<b>81,989</b>	<b>223,546</b>	<b>32,065</b>	<b>(937)</b>	<b>4,749</b>	<b>35,878</b>	<b>259,424</b>
<b>Profit/(loss) for the year</b>									<b>0</b>	<b>83,984</b>	<b>83,984</b>			<b>10,177</b>	<b>10,177</b>	<b>94,161</b>
Other movements pertaining Other comprehensive income							(275)	(40,278)	(40,553)		(40,553)		(1,908)		(1,908)	(42,461)
<b>Comprehensive income/(loss) for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(275)</b>	<b>(40,278)</b>	<b>(40,553)</b>	<b>83,984</b>	<b>43,431</b>	<b>0</b>	<b>(1,908)</b>	<b>10,177</b>	<b>8,269</b>	<b>51,700</b>
Allocation of prior year's profit/(loss)			2,796				79,193			(81,989)	0	4,749		(4,749)	0	0
Dividends paid							(12,967)				(12,967)				0	(12,967)
Changes in area and other movements							(13,778)				(13,778)		6,875		6,875	(6,903)
Stock Grant reserve									0		0				0	0
<b>Shareholders' Equity at December 31, 2024</b>	<b>154,899</b>	<b>17,788</b>	<b>21,900</b>	<b>23,072</b>	<b>4,493</b>	<b>9,291</b>	<b>3,451</b>	<b>(78,646)</b>	<b>(38,339)</b>	<b>83,984</b>	<b>240,232</b>	<b>43,689</b>	<b>(2,845)</b>	<b>10,177</b>	<b>51,023</b>	<b>291,255</b>

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward					Total other reserve and profit (loss) carried forward	Profit/(loss) for the year	Total Group shareholders' equity	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the year	Total non-controlling interests	Total shareholders' equity
				Profit (loss) carried forward reserve	FTA Reserve	Stock Grant reserve	Actuarial gain (losses) reserve	Translation reserve								
<b>Shareholders' Equity at January 1, 2023</b>	<b>154,899</b>	<b>17,788</b>	<b>15,139</b>	<b>(83,733)</b>	<b>4,493</b>	<b>7,693</b>	<b>4,927</b>	<b>(46,257)</b>	<b>(112,877)</b>	<b>72,344</b>	<b>147,296</b>	<b>29,799</b>	<b>(991)</b>	<b>2,757</b>	<b>31,566</b>	<b>178,862</b>
<b>Profit/(loss) for the year</b>									<b>0</b>	<b>81,989</b>	<b>81,989</b>			<b>4,749</b>	<b>4,749</b>	<b>86,738</b>
Other movements pertaining Other comprehensive income							(1,201)	7,885	6,684		6,684		54		54	6,738
<b>Comprehensive income/(loss) for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,201)</b>	<b>7,885</b>	<b>6,684</b>	<b>81,989</b>	<b>88,673</b>	<b>0</b>	<b>54</b>	<b>4,749</b>	<b>4,803</b>	<b>93,476</b>
Allocation of prior year's profit/(loss)			3,965				68,379			(72,344)	0	2,757		(2,757)	0	0
Dividends paid							(11,913)				(11,913)				(333)	(12,246)
Changes in area and other movements							(2,109)				(2,109)		(158)		(158)	(2,267)
Stock Grant reserve						1,598			1,598		1,598				0	1,598
<b>Shareholders' Equity at December 31, 2023</b>	<b>154,899</b>	<b>17,788</b>	<b>19,104</b>	<b>(29,376)</b>	<b>4,493</b>	<b>9,291</b>	<b>3,726</b>	<b>(38,372)</b>	<b>(50,238)</b>	<b>81,989</b>	<b>223,546</b>	<b>32,065</b>	<b>(937)</b>	<b>4,749</b>	<b>35,878</b>	<b>259,424</b>

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

<i>(in thousands of Euro)</i>	Note	For the twelve months ended December 31,	
		2024	2023
<b>Profit/(loss) for the period</b>		<b>94,161</b>	<b>86,738</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
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)
<i>Cash flows generated from operating activities before changes in working capital</i>		<i>189,625</i>	<i>153,197</i>
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
<i>Cash flows generated from operating activities changes in working capital</i>		<i>(154,012)</i>	<i>12,815</i>
<b>Cash-flow generated from/(absorbed by) operating activities (A)</b>		<b>35,613</b>	<b>166,011</b>
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 method	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)
<b>Cash-flow generated from/(absorbed by) investing activities (B)</b>		<b>(431,783)</b>	<b>(61,127)</b>
Dividends paid		(12,685)	(12,246)
Granting of medium/long-term loans and non-current financial liabilities	22	752,141	813
Repayment 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
<b>Cash-flow generated from/(absorbed by) financing activities (C)</b>		<b>366,932</b>	<b>(30,896)</b>
<b>NET CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES (A + B + C)</b>		<b>(29,237)</b>	<b>73,988</b>
<b>Effect of foreign exchange rates on cash and cash equivalents (D)</b>		<b>(7,410)</b>	<b>2,004</b>
<b>Cash flow of the year (A+B+C+D)</b>		<b>(36,647)</b>	<b>75,992</b>
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.

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

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

#### **Standards**

The consolidated financial statements of the Al maviva 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 Al maviva 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 Al maviva 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 1<sup>st</sup>, 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:

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

<b>Exact exchange rates</b>				
Amount of currency for 1 Euro				
<b>Country</b>	<b>Currency</b>	<b>ISO</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
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

<b>Average exchange rates</b>				
Amount of currency for 1 Euro				
<b>Country</b>	<b>Currency</b>	<b>ISO</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Saudi Arabia	Riyal	SAR	4.0589	4.0548
Brazilian	Real	BRL	5.8283	5.401
China	Yuan	CNY	7.7875	7.66
Colombian	Peso	COP	4407.14	4675
Dominican Republic	Peso	DOP	64.2762	60.5374
Egypt	Lira	EGP	49.0064	33.1581
United Arab Emirates	Dirham	AED	3.975	3.971
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 Al maviva 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

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

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 Al maviva 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 Al maviva 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 Al maviva 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

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

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

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 Al MAVIVA (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 Al MAVIVA'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, Al MAVIVA 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 Al MAVIVA 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 Al MAVIVA 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 Al MAVIVA, 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 Al MAVIVA 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: Al MAVIVA 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

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

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, Al maviva'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 Al maviva 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 Al maviva 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 Al maviva 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:



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

- 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 Almoviva 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, Almoviva Contact will focus definitively on the activities of Market Research.

As regards the subsidiary Almoviva 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 Almovave) 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 Almoviva do Brasil in Almoviva Experience, allows the group to maintain a high level of differentiation and a margin superior to the market.

For the Almovave 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.

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

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

On the technology and supply side, the Almax 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.

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

As part of the market expansion process, including through non-organic growth, the Almoviva 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 Almoviva 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 Almoviva S.p.A. and of the Italian and foreign companies controlled directly or indirectly by Almoviva S.p.A.

#### *Determination of the existence of control over a subsidiary*

The Group controls an investee when it is exposed to, or has a right to participate in, the variability of the economic returns of the enterprise and is able to influence those returns through the exercise of its decision-making power over the enterprise. Specifically, the Group controls an investee if, and only if, the Group has:

- 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

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

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

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

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.

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

### 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 Al maviva 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. Al maviva 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 "Al maviva 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. Al maviva Solutions S.A., in turn, wholly owns the share capital of Pyxisinfo Tecnologia LTDA;
- On April 30, 2024, the liquidation procedure of Al maviva Digital España ended with the dissolution of the company, which had been initiated during the period;
- On July 12, 2024, Al maviva 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 Al maviva 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 Al maviva USA Corp.
- On November 1, 2024, the Al maviva Group has acquired - through Al maviva 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 Al maviva USA Corp., in Iteris, Inc. As a result of the transaction, the share capital of Iteris Inc. is wholly owned by Al maviva 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 Al maviva S.p.A. and the companies Ferrovie dello Stato Italiane S.p.A. and FS Technology S.p.A.,

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

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. Al maviva 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, Al maviva Solutions S.A. (formerly Magna Sistemas Consultoria S.A.), MEA ENGINEERING S.r.l., Iteris Inc. and the Sagitta Consortium, for the deconsolidation of Al maviva Digital España and the merger by incorporation of Central de Recuperación de Créditos LTDA. and CRC Digital LTDA in Al maviva Experience S.A. (already Al maviva do Brasil) and 2F Water Venture S.r.l. Società Benefit in Al maviva Bluebit SpA (already B.M. Technologie 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:

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

Company	Location	Currency	% share ownership in capital	% Group ownership	% share ownership in capital	% Group ownership
			at Dec 31, 2024	at Dec 31, 2024	at Dec 31, 2023	at Dec 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
Tecnav Transport Division S.r.l.	Trezzano sul Naviglio, Italy	EUR	100.00	100.00	100.00	100.00
Almaviva Finland Oy	Helsinki, 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.)	Padova, Italy	EUR	60.00	60.00	60.00	60.00
MEA Engineering S.r.l.	Simeri Crichi, Italy	EUR	58.00	58.00	-	-
Brita S.A.	Sao Paulo, Brazil	Brazilian Real	76.70	76.70	100.00	100.00
Almaviva Solutions (ex Magna) S.A.	Sao Paulo, Brazil	Brazilian Real	51.00	39.11	-	-
Pyxisinfo Ltda	Sao Paulo, 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 Paulo, Brazil	Brazilian Real	100.00	100.00	100.00	100.00
CRC Central de Recup de creditos	Sao Paulo, Brazil	Brazilian Real	-	-	100.00	100.00
CRC Digital	Sao Paulo, Brazil	Brazilian Real	-	-	100.00	100.00
Almacontact S.A.S.	Bogotá, 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 Paulo, 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.I.	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:

Company	Location	Currency	% share ownership in capital	% Group ownership	% share ownership in capital	% Group ownership
			at Dec 31, 2024	at Dec 31, 2024	at Dec 31, 2023	at Dec 31, 2023
CCID-Almaviva Inform.Technol.Co.Ltd.	Shangai, China	Chinese Yuan	50.00	50.00	50.00	50.00
Consorzio Hypertex 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.



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

The ultimate parent Company

The ultimate parent company of the Al maviva Group is Al maviva 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:

<b>Company</b>	<b>Country</b>	<b>For the year ended December 31</b>	
		<b>2024</b>	<b>2023</b>
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%

**Accumulated balances of material non-controlling interest:**

*(in thousands of Euro)*

<b>Company</b>	<b>Country</b>	<b>For the year ended December 31</b>	
		<b>2024</b>	<b>2023</b>
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

**Profit allocated to material non-controlling interest:**

*(in thousands of Euro)*

<b>Company</b>	<b>Country</b>	<b>For the year ended December 31</b>	
		<b>2024</b>	<b>2023</b>
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.

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

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

**Summarized income statement for**

December 31, 2024	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
<i>(in thousands of Euro)</i>			
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)
<b>Profit before taxes</b>	<b>-2,873</b>	<b>1,091</b>	<b>373</b>
Income taxes	4,470	264	1,509
<b>Profit from continuing operations</b>	<b>1,597</b>	<b>1,355</b>	<b>1,882</b>
<b>Other comprehensive income for the year</b>	<b>1,533</b>	<b>1,336</b>	<b>2,188</b>
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.
<i>(in thousands of Euro)</i>			
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)
<b>Profit before taxes</b>	<b>4,879</b>	<b>367</b>	<b>299</b>
Income taxes	1,443	837	(82)
<b>Profit from continuing operations</b>	<b>6,322</b>	<b>1,204</b>	<b>217</b>
<b>Other comprehensive income for the year</b>	<b>5,884</b>	<b>894</b>	<b>54</b>
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**

	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
<i>(in thousands of Euro)</i>			
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)
<b>Equity</b>	<b>69,070</b>	<b>30,773</b>	<b>3,214</b>
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**

	Almawave S.p.A.	Kline S.r.l.	The Data Appeal S.p.A.
<i>(in thousands of Euro)</i>			
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)
<b>Equity</b>	<b>67,537</b>	<b>29,437</b>	<b>1,025</b>
Pertaining to the group	43,973	20,606	667
Pertaining to non-controlling interests	23,564	8,831	358

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

<b>Summarized statement of cash flow Dicembre 31, 2024</b>	<b>Almawave S.p.A.</b>	<b>Kline S.r.l.</b>	<b>The Data Appeal S.p.A.</b>
<i>(in thousands of Euro)</i>			
Cash-flow generated from operating activities	6,771	3,331	(45)
Cash-flow absorbed by investing activities	(10,015)	(1,264)	(1,546)
Cash-flow absorbed by financing activities	970	(96)	244
<b>Cash flow of the year</b>	<b>(2,274)</b>	<b>1,971</b>	<b>(1,347)</b>

<b>Summarized statement of cash flow December 31, 2023</b>	<b>Almawave S.p.A.</b>	<b>Kline S.r.l.</b>	<b>The Data Appeal S.p.A.</b>
<i>(in thousands of Euro)</i>			
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
<b>Cash flow of the year</b>	<b>4,748</b>	<b>3,346</b>	<b>(4,286)</b>

### 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).

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

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.

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

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.

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

### 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.

For 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.

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

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.

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

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

#### *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 9 are 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



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

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

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

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

### 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.

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

### 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

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

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 Almagora 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 Almagora 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.

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

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 consolidated 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 Almagiva 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.

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

### **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.

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

#### **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, Almagora Bluebit S.p.A. (formerly BM Tecnologie Industriali), Kline, Reactive, Wave, Tecna, Almagora Solutions S.A. (formerly Magna Sistemas) and Iteris CGUs associated to the IT Services segment; the Almagora Experience (formerly Almagora Do Brasil) CGUs associated to the DRM International segment and the Almagora, The Data Appeal Company, Sistemi Territoriali and Mabrian CGUs associated to the Almagora 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

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

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, Al maviva Bluebit S.p.A. (formerly BM Tecnologie Industriali), Kline, Reactive, Wave, Tecna u, Al maviva Experience (formerly Al maviva Do Brasil), Al mawave, The Data Appeal Company, Sistemi Territoriali, Mabrian, Al maviva 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



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

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

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.

#### *Recoverability of non-current assets*

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

#### *Provisions for risks*

In relation to the legal risks to which the Almagiva 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.

#### *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

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

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:

- a) 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;
- b) 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, Almaxwave – 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: Almaxviva, Lombardia Gestione, Almaxviva de Belgique, Agrisian, Almaxviva Digitaltec, Sadel, Wave, Wedoo Holding, Wedoo S.r.l., Wedoo LLC, Data Jam S.r.l., Almaxviva Saudi Arabia for information Technology LLC, Almaxviva Egypt LLC, Kline S.r.l., Almaxviva Republica Dominicana S.r.l., Reactive S.r.l., Almaxviva Russia LLC, Almaxviva Finland Oy, Tecnav Transport Division S.r.l., Almaxviva USA Corp., Almaxviva EAU Limited., Almaxviva Bluebit S.p.A. (formerly BM Tecnologie Industriali S.p.A.), Brita S.A., SIDIF Consortium, Almaxviva Solutions S.A. (formerly Magna Sistemas Consultoria SA), Pyxisinfo Tecnologia Ltda., MEA Engineering S.r.l., Iteris Inc. and Sagitta Consortium;

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

- b. DRM International (ex CRM International), provides Contact Center and other services in South America and in Africa, includes the following companies: Almoviva Experience (formerly Almoviva do Brasil), Almacontact and Almoviva Tunisie;
- c. Almovave – New Technology, segment operating in the supply of innovative solutions geared towards the best interaction with work instruments, aimed at improving the people experience, includes the following companies: Almovave, Almovave do Brasil, Almovave 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.

**For the twelve months ended December 31, 2024**

<i>(in thousands of Euro)</i>	<b>IT Services</b>	<b>DRM International (ex CRM International)</b>	<b>Almovave New Technology</b>	<b>Adjustments, eliminations and other</b>	<b>Total Segments</b>	<b>Others</b>	<b>Adjustments, eliminations and other</b>	<b>Consolidated</b>
<b>Revenue</b>								
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
<b>Total revenues from contracts with customers</b>	<b>947,287</b>	<b>287,628</b>	<b>49,043</b>	<b>(18,578)</b>	<b>1,265,381</b>	<b>1,043</b>	<b>(226)</b>	<b>1,266,198</b>
<b>Income/(Expenses)</b>								
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)
<b>Earning before interests, taxes, depreciation and amortization (EBITDA)</b>	<b>183,623</b>	<b>53,808</b>	<b>8,830</b>	<b>(0)</b>	<b>246,262</b>	<b>(8,652)</b>	<b>(0)</b>	<b>237,610</b>
% 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
<b>Operating Profit</b>	<b>143,687</b>	<b>34,190</b>	<b>2,093</b>	<b>(0)</b>	<b>179,970</b>	<b>(9,251)</b>	<b>(0)</b>	<b>170,718</b>
% Revenue	15.2%	11.9%	4.3%	n.d.	14.2%	n.d.	n.d.	13.5%
<b>At December 31, 2024</b>								
<b>Total assets</b>	<b>1,733,960</b>	<b>246,950</b>	<b>126,268</b>	<b>(119,069)</b>	<b>1,988,110</b>	<b>111,529</b>	<b>(300,961)</b>	<b>1,798,678</b>
<b>Total liabilities</b>	<b>572,737</b>	<b>44,494</b>	<b>45,540</b>	<b>(32,592)</b>	<b>630,179</b>	<b>30,869</b>	<b>(25,658)</b>	<b>635,390</b>

**For the twelve months ended December 31, 2023**

<i>(in thousands of Euro)</i>	<b>IT Services</b>	<b>DRM International (ex CRM International)</b>	<b>Almovave New Technology</b>	<b>Adjustments, eliminations and other</b>	<b>Total Segments</b>	<b>Others</b>	<b>Adjustments, eliminations and other</b>	<b>Consolidated</b>
<b>Revenue</b>								
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
<b>Total revenues from contracts with customers</b>	<b>806,806</b>	<b>300,589</b>	<b>57,491</b>	<b>(13,470)</b>	<b>1,151,416</b>	<b>6,612</b>	<b>(1,913)</b>	<b>1,156,115</b>
<b>Income/(Expenses)</b>								
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)
<b>Earning before interests, taxes, depreciation and amortization (EBITDA)</b>	<b>129,404</b>	<b>57,123</b>	<b>13,462</b>	<b>293</b>	<b>200,282</b>	<b>(9,995)</b>	<b>(0)</b>	<b>190,287</b>
% 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
<b>Operating Profit</b>	<b>103,302</b>	<b>37,927</b>	<b>8,822</b>	<b>293</b>	<b>150,345</b>	<b>(10,621)</b>	<b>(0)</b>	<b>139,724</b>
% Revenue	12.8%	12.6%	15.3%	n.d.	13.1%	n.d.	n.d.	12.1%
<b>At December 31, 2023</b>								
<b>Total assets</b>	<b>1,186,282</b>	<b>286,012</b>	<b>116,403</b>	<b>(106,868)</b>	<b>1,481,829</b>	<b>118,070</b>	<b>(298,477)</b>	<b>1,301,422</b>
<b>Total liabilities</b>	<b>533,650</b>	<b>61,518</b>	<b>42,971</b>	<b>(22,877)</b>	<b>615,262</b>	<b>33,466</b>	<b>(30,921)</b>	<b>617,808</b>

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

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

**For the twelve months ended December 31, 2024**

<i>(in thousands of Euro)</i>	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
<b>Operating profit</b>	<b>143,687</b>	<b>34,190</b>	<b>2,093</b>	<b>(0)</b>	<b>179,970</b>	<b>(9,251)</b>	<b>(0)</b>	<b>170,718</b>
(+) 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)
<b>Earning before interests, taxes, depreciation and amortization (EBITDA)</b>	<b>183,623</b>	<b>53,808</b>	<b>8,830</b>	<b>(0)</b>	<b>246,262</b>	<b>(8,652)</b>	<b>(0)</b>	<b>237,610</b>
% Revenue	19.4%	18.7%	18.0%	n.d.	19.5%	n.d.	n.d.	18.8%

**For the twelve months ended December 31, 2023**

<i>(in thousands of Euro)</i>	IT Services	DRM International (ex CRM International)	Almawave New Technology	Adjustments, eliminations and other	Total Segments	Others	Adjustments, eliminations and other	Consolidated
<b>Operating profit</b>	<b>103,302</b>	<b>37,927</b>	<b>8,822</b>	<b>293</b>	<b>150,345</b>	<b>(10,621)</b>	<b>(0)</b>	<b>139,724</b>
(+) 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)
<b>Earning before interests, taxes, depreciation and amortization (EBITDA)</b>	<b>129,404</b>	<b>57,123</b>	<b>13,462</b>	<b>293</b>	<b>200,282</b>	<b>(9,995)</b>	<b>(0)</b>	<b>190,287</b>
% Revenue	16.0%	19.0%	23.4%	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**

<b>For the twelve months ended December 31,</b>		
<i>(in thousands of Euro)</i>	<b>2024</b>	<b>2023</b>
<b>Segment profit</b>	<b>170,718</b>	<b>139,724</b>
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
<b>Profit/(loss) before taxes</b>	<b>123,951</b>	<b>110,446</b>

**Reconciliation of Total assets**

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Segment operating assets</b>	<b>1,798,678</b>	<b>1,301,422</b>
Deferred tax assets	21,727	24,591
Current financial assets	1,895	3,801
Non-current financial assets	10,680	2,016
<b>Total assets</b>	<b>1,832,980</b>	<b>1,331,831</b>

**Reconciliation of Total liabilities**

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Segment operating liabilities</b>	<b>635,390</b>	<b>617,808</b>
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
<b>Total liabilities</b>	<b>1,541,725</b>	<b>1,072,407</b>

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

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%
<i>of which Latam</i>	353,461		296,770	
<i>of which other countries (*)</i>	90,637		42,408	
<b>Total revenues</b>	<b>1,266,198</b>	<b>100%</b>	<b>1,156,115</b>	<b>100%</b>

(\*) 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 Al maviva 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 "Al maviva 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. Al maviva Solutions S.A., in turn, wholly owns the share capital of Pyxisinfo Tecnologia LTDA.

On 1 November 2024, the Al maviva Group acquired - through Al maviva 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.

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

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

<b>ALMAVIVA SOLUTIONS (formerly Magna)</b>	
<b>Fair value on the acquisition date</b>	
<b>ASSETS</b>	
<i>(in thousand of Euro)</i>	
<b>NON-CURRENT ASSETS</b>	
<i>Property, plant and equipment</i>	1,416
<i>Intangible assets</i>	113
<i>Investments</i>	2,326
<i>Non-current financial liabilities</i>	-
<i>Deferred tax assets</i>	583
<i>Other non-current assets</i>	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,438</b>
<b>CURRENT ASSETS</b>	
<i>Inventories and amount due to customers</i>	-
<i>Trade receivables</i>	15,739
<i>Other current assets</i>	4,287
<i>Cash and cash equivalents</i>	8,825
<b>TOTAL CURRENT ASSETS</b>	<b>28,850</b>
<b>TOTAL ASSETS</b>	<b>33,289</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Non-current liabilities for employee benefits</i>	-
<i>Non-current financial liabilities</i>	582
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>582</b>
<b>CURRENT LIABILITIES</b>	
<i>Current provisions</i>	35
<i>Trade payables</i>	5,900
<i>Current financial liabilities</i>	716
<i>Current tax liabilities</i>	910
<i>Other current liabilities</i>	5,232
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,793</b>
<b>TOTAL LIABILITIES</b>	<b>13,375</b>
<i>Fair value of net assets</i>	19,913
<i>Transferred and deferred considerations</i>	105,826
<b>Goodwill</b>	<b>85,913</b>
<i>Cash and cash equivalents</i>	8,825
<i>Consideration paid</i>	(57,751)
<b>Net acquired cash flow</b>	<b>(48,926)</b>

From the acquisition date, Almagiva 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.

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

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

	<b>ITERIS</b>
<b>ASSETS</b>	<b>Fair value on the acquisition date</b>
<i>(in thousand of Euro)</i>	
<b>NON-CURRENT ASSETS</b>	
<i>Property, plant and equipment</i>	7,783
<i>Intangible assets</i>	34,082
<i>Investments</i>	-
<i>Non-current financial liabilities</i>	-
<i>Deferred tax assets</i>	-
<i>Other non-current assets</i>	970
<b>TOTAL NON-CURRENT ASSETS</b>	<b>42,836</b>
<b>CURRENT ASSETS</b>	
<i>Inventories and amount due to customers</i>	17,645
<i>Trade receivables</i>	27,940
<i>Other current assets</i>	4,149
<i>Cash and cash equivalents</i>	10,163
<b>TOTAL CURRENT ASSETS</b>	<b>59,896</b>
<b>TOTAL ASSETS</b>	<b>102,732</b>
<b>NON-CURRENT LIABILITIES</b>	
<i>Non-current liabilities for employee benefits</i>	-
<i>Non-current financial liabilities</i>	5,573
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,573</b>
<b>CURRENT LIABILITIES</b>	
<i>Current provisions</i>	1,007
<i>Trade payables</i>	23,203
<i>Current financial liabilities</i>	2,096
<i>Current tax liabilities</i>	664
<i>Other current liabilities</i>	24,934
<b>TOTAL CURRENT LIABILITIES</b>	<b>51,904</b>
<b>TOTAL LIABILITIES</b>	<b>57,477</b>
<i>Fair value of net assets</i>	45,255
<i>Transferred and deferred considerations</i>	310,005
<b>Goodwill</b>	<b>264,750</b>
<i>Cash and cash equivalents</i>	10,163
<i>Consideration paid</i>	(310,005)
<b>Net acquired cash flow</b>	<b>(299,842)</b>

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.

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

**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:

<i>(in thousands of Euro)</i>	<b>Goodwill</b>	<b>Industrial patent and intellectual property rights</b>	<b>Concessions, licences, trademarks and similar rights</b>	<b>Other intangible assets</b>	<b>Assets under construction</b>	<b>Total</b>
<b>At January 1, 2024</b>	<b>87,153</b>	<b>51,062</b>	<b>11,834</b>	<b>30,593</b>	<b>28,244</b>	<b>208,885</b>
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)
<b>At December 31, 2024</b>	<b>464,208</b>	<b>58,319</b>	<b>14,533</b>	<b>41,781</b>	<b>29,431</b>	<b>608,272</b>

<i>(in thousands of Euro)</i>	<b>Goodwill</b>	<b>Industrial patent and intellectual property rights</b>	<b>Concessions, licences, trademarks and similar rights</b>	<b>Other intangible assets</b>	<b>Assets under construction</b>	<b>Total</b>
<b>At January 1, 2023</b>	<b>76,470</b>	<b>36,305</b>	<b>2,308</b>	<b>30,594</b>	<b>21,793</b>	<b>167,469</b>
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
<b>At December 31, 2023</b>	<b>87,153</b>	<b>51,062</b>	<b>11,834</b>	<b>30,593</b>	<b>28,244</b>	<b>208,885</b>

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 Almax - 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 technological life of intangible assets.



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

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.

*(in thousands of Euro)*

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. Technol. 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
<b>Total</b>		<b>87,153</b>	<b>209</b>	<b>350,663</b>	<b>26,183</b>	<b>464,208</b>

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 Technologie 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

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

section. Therefore, potential impacts on the consolidated financial statements of the Almoviva 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:

<b>At December 31, 2024</b>					
	Risk Free Rate	Expected Market Return	Average Cost of Debt	Taxes	<b>WACC</b>
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%

<b>At December 31, 2023</b>					
	Risk Free Rate	Expected Market Return	Average Cost of Debt	Taxes	<b>WACC</b>
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 Technology	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 Almoviva Group, owned and leased, amount to Euro 87,271 thousand (Euro 90,419 thousand at the previous year) and are broken down as follows:

<i>(in thousands of Euro)</i>	Land and buildings	Plant and machinery owned and leased	Industrial and commercial equipment owned and leased	Other assets owned and leased	ROU Asset	Assets under construction and payments on account	Total
<b>At January 1, 2024</b>	<b>5,303</b>	<b>18,685</b>	<b>4,709</b>	<b>24,325</b>	<b>37,392</b>	<b>5</b>	<b>90,419</b>
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)
Historical cost	26,386	228,471	15,112	180,909	69,913	51	<b>520,842</b>
Accumulated amortization	(15,188)	(213,419)	(11,088)	(157,424)	(36,452)	0	<b>(433,571)</b>
<b>At December 31, 2024</b>	<b>11,198</b>	<b>15,052</b>	<b>4,024</b>	<b>23,485</b>	<b>33,461</b>	<b>51</b>	<b>87,271</b>

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

<i>(in thousands of Euro)</i>	<b>Land and buildings</b>	<b>Plant and machinery owned and leased</b>	<b>Industrial and commercial equipment owned and leased</b>	<b>Other assets owned and leased</b>	<b>ROU Asset</b>	<b>Assets under construction and payments on account</b>	<b>Total</b>
<b>At January 01, 2023</b>	<b>6,090</b>	<b>16,137</b>	<b>380</b>	<b>26,355</b>	<b>38,422</b>	<b>180</b>	<b>87,563</b>
Change in consolidation area	4	48	4,682	136	1,054	0	5,924
Additions	0	5,908	110	5,225	15,035	5	26,283
Depreciation	(791)	(4,316)	(476)	(8,010)	(13,085)	0	(26,678)
Disposals	0	(5)	(7)	(145)	(5,375)	0	(5,532)
Reclassifications and other	0	13	(11)	157	1	(180)	(20)
Foreign exchange differences	0	901	0	607	1,340	0	2,848
Historical cost	19,400	233,476	11,787	175,857	70,808	5	<b>511,333</b>
Accumulated amortization	(14,097)	(214,791)	(7,078)	(151,532)	(33,416)	0	<b>(420,914)</b>
<b>At December 31, 2023</b>	<b>5,303</b>	<b>18,685</b>	<b>4,709</b>	<b>24,325</b>	<b>37,392</b>	<b>5</b>	<b>90,419</b>

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 Almagiva 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.

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

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

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

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
CCID – Almoviva 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
<b>Total</b>	<b>6,421</b>	<b>6,086</b>

The changes applying Equity Method are shown below:

<i>(in thousands of Euro)</i>	<b>At December 31, 2023</b>	<b>Income Statement effect</b>	<b>Increases (Decreases)</b>	<b>At December 31, 2024</b>
CCID – Almoviva 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
<b>Total</b>	<b>6,086</b>	<b>335</b>	<b>0</b>	<b>6,421</b>

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

	<b>Registered office</b>	<b>Share Capital</b>	<b>Shares held (%)</b>	<b>Investor</b>
CCID – Almoviva Inform. Technol. Co. Ltd	Shanghai, China	¥ 39,642,000.00	50.00	Almoviva S.p.A.
Consorzio Hypertix in liquidazione	Rome, Italy	€ 198,000.00	49.99	Almoviva 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	Almoviva 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 Almoviva Group amount to Euro 10,680 thousand (Euro 2,016 thousand as at December 31, 2023) and are broken down as follows:

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

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

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

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 December 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.

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Deferred Tax Assets</b>	<b>21,727</b>	<b>24,591</b>

Divided in:

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

**12. OTHER NON-CURRENT ASSETS**

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

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

"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.

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

**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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Total inventories at the lower of cost and net realizable value</b>	<b>35,493</b>	<b>21,712</b>

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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Trade receivables, gross amount</b>	<b>638,863</b>	<b>544,900</b>
Trade receivables, amount retained as a guarantee	3,518	3,521
Bad debt provision	(29,284)	(26,354)
<b>Trade receivables</b>	<b>613,097</b>	<b>522,067</b>

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.

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

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

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

Further, as mentioned in 2017 Financial Statements, on May 2, 2017, the Italian Ministry of Economic Development made an order that put into special administration under Decree-Law "Marzano", the company Alitalia – Società Aerea Italiana S.p.A.

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%.

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

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 Almoviva 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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Current financial assets</b>	<b>1,895</b>	<b>3,801</b>

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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
Receivables due from personnel	10,411	4,653
Receivables due from social security institutions	1,705	4,902
Receivables due from tax authorities	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
<b>Other current assets</b>	<b>169,853</b>	<b>180,717</b>

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 Almoviva S.p.A.;
- Cigs and Fis credits of Almoviva Contact.

Tax consolidation credits for Euro 31,996 thousand derive from the transfer to the parent company Almoviva 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.



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

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 Al maviva S.p.A., Almacontact and Al maviva Experience (formerly Al maviva do Brasil). Regarding to the receivables of Al maviva 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 Al maviva Group (collectively the "Al maviva 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 Al maviva 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.

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

**19. SHAREHOLDERS' EQUITY**

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
Share capital	154,899	154,899
Share premium reserve	17,788	17,788
Legal reserve	21,900	19,104
Other reserves:		
<i>FTA reserve</i>	4,493	4,493
<i>OCI reserve</i>	3,451	3,726
<i>stock grant reserve</i>	9,291	9,291
<i>Translation reserve</i>	(78,645)	(38,372)
<i>Other reserves</i>	23,072	(29,376)
	(38,338)	(50,238)
Profit/(loss) for the year	83,984	81,989
<b>Total group shareholders' equity</b>	<b>240,232</b>	<b>223,546</b>
Reserves pertaining to NCIs:		
<i>Translation reserve</i>	(2,844)	(937)
<i>Other reserves</i>	43,689	32,065
	40,845	31,129
Profit/(loss) for the year pertaining to NCIs	10,177	4,749
<b>Total non-controlling interests</b>	<b>51,023</b>	<b>35,878</b>
<b>Total Shareholders' equity</b>	<b>291,255</b>	<b>259,424</b>

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 Almagiva 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.

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

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

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

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 Almaxwave S.p.A. and Almaxviva S.p.A. during 2021.

#### **FTA reserve**

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

- Almaxviva for Euro 4,782 thousand;
- Almaxviva Contact for negative Euro 141 thousand;
- Almaxwave for negative Euro 270 thousand;
- Almaxviva Experience (formerly Almaxviva 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.

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

**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.

<i>(in thousands of Euro)</i>	<i>Note</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Financial indebtness ("Debt")</b>		<b>(649,893)</b>	<b>(170,132)</b>
Total Group Shareholder Equity	19	230,411	223,546
Non Controlling Interests	19	60,844	35,878
<b>Total Shareholders' Equity ("Equity")</b>	19	<b>291,255</b>	<b>259,424</b>
<b>Debt/Equity ratio</b>		<b>(2.23)</b>	<b>(0.66)</b>

**20. LIABILITIES FOR EMPLOYEE BENEFITS**

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

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Liabilities for employee benefits</b>	<b>39,899</b>	<b>39,285</b>

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

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

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

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

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Balance at the beginning of the year</b>	<b>39,285</b>	<b>39,672</b>
Change of the consolidatament 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
<b>Balance at the end of the year</b>	<b>39,900</b>	<b>39,285</b>
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:

<b>Financial Assumptions</b>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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:

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

<b>Demographic Assumptions</b>	<b>For the year ended December 31, 2024 and 2023</b>
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).

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

**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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Provisions for risks and charges</b>	<b>18,236</b>	<b>21,865</b>

<i>(in thousands of Euro)</i>	<b>Provision for taxes</b>	<b>Provision for redundancy incentives</b>	<b>Provision for guarantees granted</b>	<b>Provisions for contractual and commercial risks</b>	<b>Provisions for legal disputes</b>	<b>Other provisions for risks and charges</b>	<b>Total</b>
<b>Balance as at January 1, 2023</b>	<b>66</b>	<b>356</b>	<b>134</b>	<b>180</b>	<b>1,393</b>	<b>10,844</b>	<b>12,973</b>
Accruals	0	902	0	375	558	10,963	12,798
Utilizations	0	0	0	0	0	(3,446)	(3,446)
Decreases	0	(193)	0	0	(994)	(37)	(1,224)
Other changes not recorded through income statement	17	0	0	0	800	(53)	764
<b>Balance as at December 31, 2023</b>	<b>83</b>	<b>1,065</b>	<b>134</b>	<b>555</b>	<b>1,757</b>	<b>18,271</b>	<b>21,865</b>
of which:							
Non-current portion	66	22	134	0	0	14,565	14,787
Current portion	17	1,043	0	555	1,757	3,706	7,078

<i>(in thousands of Euro)</i>	<b>Provision for taxes</b>	<b>Provision for redundancy incentives</b>	<b>Provision for guarantees granted</b>	<b>Provisions for contractual and commercial risks</b>	<b>Provisions for legal disputes</b>	<b>Other provisions for risks and charges</b>	<b>Total</b>
<b>Balance as at January 1, 2024</b>	<b>83</b>	<b>1,065</b>	<b>134</b>	<b>555</b>	<b>1,757</b>	<b>18,271</b>	<b>21,865</b>
Accruals	2,162	0	0	0	576	4,791	7,529
Utilizations	0	0	0	0	0	(10,764)	(10,764)
Decreases	0	(902)	0	(375)	(124)	(388)	(1,789)
Other changes not recorded through income statement	(17)	0	0	0	(63)	1,475	1,395
<b>Balance as at December 31, 2024</b>	<b>2,228</b>	<b>163</b>	<b>134</b>	<b>180</b>	<b>2,146</b>	<b>13,385</b>	<b>18,236</b>
of which:							
Non-current portion	66	22	134	180	0	9,143	9,545
Current portion	2,162	141	0	0	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 Al maviva 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.

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

**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.

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Non-current financial liabilities</b>	<b>832,481</b>	<b>395,940</b>

<i>(in thousands of Euro)</i>	> 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
	<b>832,481</b>	<b>830,538</b>	<b>1,943</b>

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:

<i>(in thousands of Euro)</i>	<b>At January 1, 2024</b>	<b>Proceeds from borrowings</b>	<b>Repayments of borrowings</b>	<b>Reclassification and other adjustments</b>	<b>At December 31, 2024</b>
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
<b>Non-current financial liabilities</b>	<b>395,940</b>	<b>835,399</b>	<b>(359,113)</b>	<b>(39,744)</b>	<b>832,482</b>

<i>(in thousands of Euro)</i>	<b>At January 1, 2023</b>	<b>Proceeds from borrowings</b>	<b>Repayments of borrowings</b>	<b>Reclassification and other adjustments</b>	<b>At December 31, 2023</b>
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 Technologie 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
<b>Non-current financial liabilities</b>	<b>380,717</b>	<b>18,762</b>	<b>(7,021)</b>	<b>3,482</b>	<b>395,940</b>

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.

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

The accruals are partly related to:

- the acquisition of 51% of the share capital of Magna Sistemas Consultoria S.A. (renamed Al maviva 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 Al maviva 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 Al maviva 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 Al maviva 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 Al maviva 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 Al maviva 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.



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

**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.

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Deferred tax liabilities</b>	<b>4,284</b>	<b>4,910</b>

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Balance at the beginning of the year</b>	<b>4,910</b>	<b>84</b>
Increases	128	4,826
Decreases	(15)	0
Other changes and effect of currency translation	(739)	0
<b>Balance at the end of the year</b>	<b>4,284</b>	<b>4,910</b>

**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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
Other non-current liabilities	152	228
Deferred income on capital grants	205	759
<b>Other non-current liabilities</b>	<b>357</b>	<b>987</b>

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).

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
<b>Trade payables</b>	<b>364,729</b>	<b>379,925</b>

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

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

**26. CURRENT FINANCIAL LIABILITIES**

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

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Current financial liabilities</b>	<b>33,993</b>	<b>20,661</b>

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:

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

They mainly refer to payables for IRPEF to be paid, payables for direct IRAP taxes, payables for suspended VAT, as well as taxes of foreign companies, in particular of the Almagiva Experience Group (formerly Almagiva 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:

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
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
<b>Other current liabilities</b>	<b>212,169</b>	<b>175,746</b>

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

- 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.

**29. REVENUE**

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

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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
<b>Revenues from contracts with customers</b>	<b>1,266,198</b>	<b>1,156,115</b>

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

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Goods transferred at a point in time	34,491	33,986
Services transferred over time	1,231,707	1,122,129
<b>Total revenue from contracts with customers</b>	<b>1,266,198</b>	<b>1,156,115</b>

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

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

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.

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
IT Services	943,759	803,592
DRM International (ex CRM International)	287,498	300,477
Almawave – New Technology	33,897	46,862
Others	1,043	5,184
<b>Revenues from contracts with customers</b>	<b>1,266,198</b>	<b>1,156,115</b>

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 Almagiva 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**

Other income are reported in the following table:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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
<b>Other income</b>	<b>46,911</b>	<b>29,379</b>

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

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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)
<b>Cost of raw materials and services</b>	<b>520,943</b>	<b>475,465</b>

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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)
	<b>520,943</b>	<b>475,465</b>

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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
<b>Costs for services</b>	<b>443,958</b>	<b>431,387</b>

The item "Other costs for services" includes operating expenses and various services such as canteen expenses and meal vouchers reserved for employees, legal and notary fees, commissions and expenses for banking services, expenses for training courses, costs for cleaning and costs incurred towards third parties essentially referring to expenses for insurance policies and expenses for travel and business trips. In 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.

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

**32. PERSONNEL EXPENSES**

Personnel expenses are broken down as follows:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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)
<b>Personnel expenses</b>	<b>538,807</b>	<b>494,678</b>

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Industrial patent and intellectual property rights	13,283	10,459
Concession, licence and trademarks	1,321	2,034
Other	18,120	12,098
<b>Total Intangible Depreciation and Amortization</b>	<b>32,724</b>	<b>24,591</b>
Civil and industrial buildings	793	791
Industrial and commercial equipment	1,267	476
Plants and machinery owned	4,386	4,317
Other assets owned and leased	6,529	8,010
ROU Asset - Civil and industrial buildings IFRS16	11,750	10,031
ROU Asset - Other assets owned and leased IFRS16	3,364	3,053
<b>Total Tangible Depreciation and Amortization</b>	<b>28,088</b>	<b>26,678</b>
<i>Impairment Loss of Intangible asset</i>	<i>0</i>	<i>0</i>
<i>Impairment Gain of Intangible asset</i>	<i>0</i>	<i>(46)</i>
<b>Total Depreciation and Amortization</b>	<b>60,812</b>	<b>51,223</b>
Write-down of cash and receivables - non-recurring part	2,704	0
Other non-recurring expenses	3,377	0
<b>Non-recurring income/expenses</b>	<b>6,081</b>	<b>0</b>
<b>Total depreciation, amortization and non-recurring income/expenses</b>	<b>66,894</b>	<b>51,223</b>

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

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

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<i>Disposals of Tangible Assets</i>	12	578
<i>Disposals of Financial Assets</i>	(10)	82
<b>Total profit (losses) from sale on non-current assets</b>	<b>2</b>	<b>660</b>

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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
<b>Other operating expenses</b>	<b>15,750</b>	<b>25,064</b>

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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)
<b>Net financial result</b>	<b>(47,102)</b>	<b>(29,280)</b>

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.

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

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

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit/(loss) from investments accounted for using equity method	335	2
<b>Net result from equity investments</b>	<b>335</b>	<b>2</b>

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:

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Italian Companies		
<i>IRAP (Regional business tax)</i>	5,156	4,913
<i>IRES (Corporate income tax)</i>	17,826	19,425
<i>(Income) expenses from compliance with tax consolidation</i>	(3,857)	(5,217)
	<b>19,125</b>	<b>19,121</b>
Foreign companies		
<i>Other current taxes</i>	14,672	7,664
	<b>14,672</b>	<b>7,664</b>
<b>Current Taxes</b>	<b>33,797</b>	<b>26,785</b>
Italian Companies		
<i>IRAP (Regional business tax)</i>	(142)	272
<i>IRES (Corporate income tax)</i>	2,270	(2,891)
	<b>2,128</b>	<b>(2,619)</b>
Foreign companies		
<i>Other deferred taxes</i>	541	(100)
	<b>541</b>	<b>(100)</b>
<b>Deferred taxes</b>	<b>2,669</b>	<b>(2,719)</b>
<b>Income taxes for the year - Non recurring portion</b>	<b>(6,676)</b>	<b>(359)</b>
<b>Total Income taxes</b>	<b>29,790</b>	<b>23,707</b>



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

**38. INCOME TAXES RECONCILIATION**

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

<i>(in thousands of Euro)</i>	<b>For the twelve months ended December 31,</b>			
	<b>2024</b>		<b>2023</b>	
<b>Income before taxes</b>	<b>123,951</b>	<b>100.0%</b>	<b>110,446</b>	<b>100.0%</b>
<b>Theoretical taxes (*)</b>	<b>29,748</b>	<b>24.0%</b>	<b>26,507</b>	<b>24.0%</b>
<b>Effective tax charge</b>	<b>29,790</b>	<b>24.03%</b>	<b>23,707</b>	<b>21.47%</b>
<b>differences between theoretical and effective tax charge</b>	<b>42</b>	<b>0.03%</b>	<b>(2,800)</b>	<b>(2.53%)</b>
<b>1) different foreign tax rates</b>				
<b>1a) Exchange rate differences</b>	24	0.02%	1,463	1.32%
<b>2) permanent differences:</b>				
<b>2a) IRAP and other italian regional taxes</b>	5,156	4.16%	4,913	4.44%
<b>2b) taxes of prior periods</b>	(6,676)	(5.39%)	(359)	(0.32%)
<b>2c) tax credit R&amp;D</b>	(168)	(0.14%)	(222)	(0.20%)
<b>2d) consolidation adjustments</b>	0	0.00%	0	0.00%
<b>2f) other differences (**)</b>	1,706	1.38%	(8,595)	(7.77%)
<b>Total differences</b>	<b>42</b>	<b>0.03%</b>	<b>(2,800)</b>	<b>(2.53%)</b>

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

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

**39. GUARANTEES AND COMMITMENTS**

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.

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

**40. RISKS AND OTHER INFORMATION**

***Credit risk***

The maximum theoretical exposure to credit risk for the Almoviva 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 Almoviva 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 Almoviva Group's receivables, together with a breakdown by amounts falling due and past due. For more detailed information, please refer to Note 15 above.

<i>(in thousands of Euro)</i>	<b>At December 31, 2024</b>	<b>At December 31, 2023</b>
- Amount falling due	508,991	442,877
- Past due	100,588	75,669
- Trade receivables, amount retained as a guarantee	3,518	3,521
<b>Trade receivables net of Bad debt provision</b>	<b>613,097</b>	<b>522,067</b>

For more information on overdue bands, see Section 15 Trade Receivables.

***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. Almoviva 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.

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

## **42. LEGAL ISSUES AND LITIGATIONS**

The litigation in tax, administrative, civil and labour matters is followed by the competent offices of the Al maviva 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.

#### **Al maviva S.p.A.**

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

Al maviva 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. Al maviva and the other companies of the Group have filed a cassation appeal.

#### **Al maviva Contact S.p.A.**

*Sogei S.p.A. / Al maviva Contact S.p.A.*

Sogei has requested that Al maviva 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. Al maviva 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**

The litigation initiated by former Al maviva 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 Al maviva 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.

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

**43. TRANSACTIONS WITH RELATED PARTIES**

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

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

Jointly controlled companies, associated companies and subsidiaries excluded from the consolidation area are indicated in the annex "Companies and significant equity investments at 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		For the twelve months ended December 31, 2024			
	Receivables	Payables	Costs of Services	Other Costs	Revenues from Services	Other Income
<b>Relationships with the controlling company of Almagiva S.p.A.</b> Almagiva Technologies Srl	32,116	29,245	355	-	-	2
<b>Relationships with the controlling companies valued at equity method</b>						
Consorzio Hypertix	68	-	-	-	-	-
TVeyes L.T.	0	102	0	-	-	14
Almagiva CCID	136	-	-	-	6,310	2
Consorzio Namex	-	-	-	-	-	-
PNT Italia Srl	5,426	-	-	-	-	180
<b>Strategic employees</b>						
Stock Grant Plan	-	-	-	-	-	-
<b>Other</b>						
Elvit Consultoria e Participacoes LTDA	-	-	565	-	6,310	-
<b>Total</b>	<b>37,746</b>	<b>29,347</b>	<b>920</b>	<b>0</b>	<b>12,620</b>	<b>198</b>

(in thousands of Euro)	At December 31, 2023		For the twelve months ended December 31, 2023			
	Receivables	Payables	Costs of Services	Other Costs	Revenues from Services	Other Income
<b>Relationships with the controlling company of Almagiva S.p.A.</b> Almagiva Technologies Srl	27,858	29,318	342	0	0	2
<b>Relationships with the controlling companies valued at equity method</b>						
Consorzio Hypertix	68	0	0	0	0	0
TVeyes L.T.	0	51	7	0	0	18
Almagiva CCID	128	0	0	0	0	1
Consorzio Namex	0	0	14	0	0	0
PNT Italia Srl	32,689	4,302	0	0	42,016	0
<b>Strategic employees</b>						
Stock Grant Plan	0	0	0	1,598	0	0
<b>Other</b>						
Elvit Consultoria e Participacoes LTDA	0	0	218	0	0	0
<b>Totale</b>	<b>60,743</b>	<b>33,671</b>	<b>581</b>	<b>1,598</b>	<b>42,016</b>	<b>21</b>

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

**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 Al maviva. 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.

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

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