



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

Board of Directors November 10th, 2022

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

Board of Directors November 10th, 2022

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

<i>(in thousands of Euro)</i>	Note	At September 30, 2022	Of which with related parties	At December 31, 2021	Of which with related parties
Intangible assets	7	88,104		79,317	
Goodwill		77,675		39,179	
Property, plant and equipment	8	93,568		86,094	
Investments accounted for using the equity method	9	243		237	
Non-current financial assets	10	1,246		1,237	
Deferred tax assets	11	25,011		23,181	
Other non-current assets	12	1,171		1,573	
Total non-current assets		287,017		230,818	
Inventories	13	16,645		12,168	
Contract assets	14	31,708		23,314	
Trade receivables	15	490,629	181	422,490	6,356
Current financial assets	16	3,435		3,578	
Other current assets	17	177,616	24,799	139,405	30,421
Cash and cash equivalents	18	130,778		169,622	
Total current assets		850,811		770,577	
Non-current assets held for sale	19	0		2,459	
Total assets		1,137,828		1,003,854	
Share capital		154,899		154,899	
Share premium reserve		17,788		17,788	
Stock grant reserve		6,875		4,670	
Other reserves		(90,862)		(155,462)	
Profit/(loss) for the period		39,245		57,908	
<i>Total group shareholders' equity</i>		<i>127,945</i>		<i>79,804</i>	
<i>Non-controlling interests</i>		<i>30,823</i>		<i>20,489</i>	
Total shareholders' equity	20	158,768		100,292	
Non-current liabilities for employee benefits	21	37,737		45,409	
Non-current provisions	22	6,730		11,210	
Non-current financial liabilities	23	397,066		395,982	
Deferred tax liabilities	24	81		2	
Other non-current liabilities	25	665		552	
Total non-current liabilities		442,279		453,155	
Current provisions	22	5,908		7,369	
Trade payables	26	327,293	134	272,904	271
Current financial liabilities	27	29,553		16,407	
Current tax liabilities	28	36,697		32,398	
Other current liabilities	29	137,329	35,840	121,329	31,519
Total current liabilities		536,781		450,407	
Total liabilities		979,060		903,562	
Total equity and liabilities		1,137,828		1,003,854	

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

For the nine months ended September 30,					
<i>(in thousands of Euro)</i>	Note	2022	Of which with related parties	2021	Of which with related parties
Revenues from contracts with customers	30	764,017	0	673,608	22,558
Other Income	31	16,946	20	11,839	589
Total revenues and other income		780,963		685,446	
Cost of raw materials and services	32	(306,798)	(317)	(250,521)	(283)
Personnel expenses	33	(352,871)	(2,202)	(329,426)	
Depreciation and amortization	34	(33,155)		(26,910)	
Losses from sale of non-current assets	34	301		89	
Other expenses	35	(6,060)		(7,639)	
Operating profit/(loss)		82,380		71,039	
Financial income	36	2,727		780	
Financial expenses	36	(22,855)		(23,307)	
Exchange gains/(losses)	36	(498)		(263)	
Profit/(loss) from investments accounted for using equity method	37	6		(869)	
Profit/(Loss) before taxes		61,759		47,381	
Income taxes	38	(20,915)		(7,733)	
Profit/(Loss) from continuing operations		40,844		39,647	
Profit/(Loss) for the period		40,844		39,647	
of which:					
Profit/(loss) pertaining to the group		39,245		38,652	
Profit/(loss) pertaining to non-controlling interests		1,599		996	
Earning (Loss) per share (EPS) basic and diluted					
Basic, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.26		€ 0.26	
Diluted, earning (loss) for the year attributable to ordinary equity holders of the parent		€ 0.26		€ 0.26	

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

<i>(in thousands of Euro)</i>	Note	For the nine months ended September 30,	
		2022	2021
Profit/(loss) for the period		40,844	39,647
<i>Other components of comprehensive income that may be subsequently reclassified to profit or loss, after taxes:</i>			
Exchange differences on translation of foreign operations	20	17,602	1,701
Total		17,602	1,701
<i>Other components of comprehensive income that will not be subsequently reclassified to profit or loss, after taxes:</i>			
Actuarial gains/(losses) on valuation of liabilities for employee benefits	21	5,063	(1,039)
Total		5,063	(1,039)
Comprehensive income/(loss) for the period		63,509	40,309
of which:			
Comprehensive income/(loss) pertaining to the group		61,654	39,311
Comprehensive income/(loss) pertaining to non-controlling interests		1,855	998

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

Note 20

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward				Total other reserve and profit (loss) carried forward	Profit/(loss) for the year	Total Group shareholders' equity	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the year	Total non-controlling interests	Total shareholders' equity	
				Profit (loss) carried forward reserve	FTA Reserve	Stock Grant reserve	Actuarial gain (losses) reserve	Translation reserve								
Shareholders' Equity at January 01, 2022	154,899	17,788	12,465	(121,503)	4,493	4,670	2,529	(53,448)	(163,259)	57,908	79,804	19,596	(1,098)	1,990	20,489	100,292
Profit/(loss) for the year									0	39,245	39,245		1,599	1,599	40,844	
Other movements pertaining Other comprehensive income							5,063	17,346	22,409		22,409	256		256	22,665	
Comprehensive income/(loss) for the year	0	0	0	0	0	0	5,063	17,346	22,409	39,245	61,654	0	256	1,599	1,855	63,508
Allocation of prior year's profit/(loss)			2,674	55,234					55,234	(57,908)	0	1,990	(1,990)	0	0	
Almawave increase in Equity due to M&A operations				7,682					7,682		7,682	4,535		4,535	12,217	
Dividends paid				(25,000)					(25,000)		(25,000)			0	(25,000)	
Changes in area and other movements				61		1	1,540		1,602		1,602	3,944		3,944	5,546	
Stock Grant reserve						2,204			2,204		2,204			0	2,204	
Shareholders' Equity at September 30, 2022	154,899	17,788	15,139	(83,526)	4,493	6,875	9,132	(36,103)	(99,129)	39,245	127,945	30,065	(842)	1,599	30,823	158,768

<i>(in thousands of Euro)</i>	Share capital	Share premium reserve	Legal reserve	Other reserve and profit (loss) carried forward				Total other reserve and profit (loss) carried forward	Profit/(loss) for the year	Total Group shareholders' equity	Other reserve and profit (loss) carried forward	Translation reserve	Profit/(loss) for the year	Total non-controlling interests	Total shareholders' equity	
				Profit (loss) carried forward reserve	FTA Reserve	Cash Flow Hedge reserve	Actuarial gain (losses) reserve	Translation reserve								
Shareholders' Equity at January 01, 2021	154,899	17,788	7,619	(148,561)	4,493	0	3,192	(54,348)	(176,620)	12,131	14,520	5,892	(991)	1,550	6,451	20,971
Profit/(loss) for the year							(1,039)	1,698	659	0	659	2	0	2	661	
Other movements pertaining Other comprehensive income							(1,039)	1,698	659	38,652	39,311	2	996	998	40,309	
Comprehensive income/(loss) for the year	0	0	4,846	30,297	0	0	0	0	30,297	(35,143)	0	1,006	0	(1,006)	0	
Allocation of prior year's profit/(loss)				19,975					19,975		19,975	10,025		10,025	30,000	
Almawave listing effect				(1,724)					(1,724)		(1,724)	(609)		(609)	(2,333)	
Almawave listing fees				(10,400)					(10,400)		(10,400)	0		0	(10,400)	
Dividends and other reserve paid				7,211		202			7,413		7,413	3,440		3,440	10,853	
Changes in area and other movements															0	
Shareholders' Equity at September 30, 2021	154,899	17,788	12,465	(103,202)	4,493	202	2,153	(52,650)	(149,004)	38,652	69,095	19,755	(989)	1,540	20,306	89,401

ALMAVIVA S.P.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of Euro)</i>	Note	For the nine months ended September 30,	
		2022	2021
Profit/(loss) for the period		40,844	39,647
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Income Taxes	38	20,915	7,733
Financial income	36	(2,727)	(780)
Financial expenses	36	22,855	23,307
Exchange (gains)/losses	36	498	263
Depreciation, amortization and write-downs	34	33,155	26,910
Write-downs/(revaluations) of non-current financial assets and equity investments		(6)	869
Losses from sale of non-current assets	34	(214)	(89)
Interest received		2,579	780
Interest paid		(14,449)	(14,581)
Income taxes paid		(8,738)	(7,198)
<i>Cash flows generated from operating activities before changes in working capital</i>		<i>94,711</i>	<i>76,861</i>
Change in trade receivables excluding of the exchange rate effect and consolidation scope changes	15	(55,401)	(30,250)
Change in inventories excluding of the exchange rate effect and consolidation scope changes	13	(4,172)	(2,564)
Change in contract assets excluding of the exchange rate effect and consolidation scope changes	14	(8,394)	(5,511)
Change in trade payables excluding of the exchange rate effect and consolidation scope changes	26	49,331	(642)
Change in other assets excluding of the exchange rate effect and consolidation scope changes	12-17	(27,310)	(28,053)
Change in other liabilities excluding of the exchange rate effect and consolidation scope changes	25-29	(10,147)	5,332
Change in liabilities for employee benefits and provisions gross of exchange rate effect	21-22	(7,940)	(6,112)
Change in deferred tax liabilities (assets) excluding of exchange rate effect and consolidation scope changes		0	0
<i>Cash flows generated from operating activities changes in working capital</i>		<i>(64,034)</i>	<i>(67,800)</i>
Cash-flow generated from/(absorbed by) operating activities (A)		30,678	9,061
Investments in property, plant and equipment	8	(8,290)	(7,582)
Investments in intangible assets	7	(20,507)	(13,558)
Acquisition of investments accounted for using the equity method	9	(0)	(10)
Proceeds from divestments of PP&E, intangible assets and investments accounted for using the equity method	9	575	1
Acquisition of subsidiaries net of cash and cash equivalents	6	(18,830)	1,243
Change in non-current financial asset	10	2,459	0
Cash-flow generated from/(absorbed by) investing activities (B)		(44,593)	(19,906)
Dividends		(25,000)	(10,189)
Proceeds from borrowings	23	3,730	5,462
Repayment of medium/long-term loans and non-current financial liabilities	23	(1,565)	(870)
Repayment of lease liabilities		(9,100)	(9,593)
Change in current and non-current financial liabilities	27	(608)	954
Change in current financial assets	16	145	476
Proceeds deriving from Almwave's share capital quotation		0	30,000
Fees paid for the Almwave listing		0	(2,176)
Cash-flow generated from/(absorbed by) financing activities (C)		(32,398)	14,064
NET CASH FLOW BEFORE EXCHANGE RATE DIFFERENCES (A + B + C)		(46,313)	3,219
Effect of foreign exchange rates on cash and cash equivalents (D)		7,469	395
Cash flow of the year (A+B+C+D)		(38,844)	3,614
Opening cash and cash equivalents		169,622	98,569
Closing cash and cash equivalents		130,778	102,183

ALMAVIVA S.P.A. AND SUBSIDIARIES EXPLANATORY NOTES

1. GENERAL INFORMATION

AlmavivA The Italian Innovation Company S.p.A. (hereinafter "AlmavivA" or the "Company") is the parent company of one of the leading Italian groups in the Information & Communication Technology sector, which operates globally with an organisational structure incorporating approximately 44,549 employees and several offices around Italy and abroad.

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

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

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

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

The Interim Condensed Consolidated Financial Statements were approved by the Company's Board of Directors on November 10th, 2022.

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

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

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

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

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.

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

1.2. The Group's sustainability policy

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

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

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

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

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

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

2. BASIS OF PREPARATION

Standards

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

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

Contents of the Interim Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

The following table indicates the exchange rates adopted:

Exact exchange rates					
Amount of currency for 1 Euro					
Country	Currency	ISO	September 30, 2022	December 31, 2021	September 30, 2021
Saudi Arabia	Riyal	SAR	3.6555	4.2473	4.3421
Brazilian	Real	BRL	5.2584	6.3101	6.2631
China	Yuan	CNY	6.9368	7.1947	7.4847
Colombian	Peso	COP	4415.5500	4598.6800	4441.3300
Dominican Republic	Peso	DOP	52.1808	64.9469	-
Egypt	Lira	EGP	19.0526	17.8012	18.1911
Europe	Leu	RON	4.9490	4.9490	4.9475
Russia	Rublo	RUB	56.7000	85.3004	-
United States	Dollaro	USD	0.9748	1.1326	1.1579
Tunisian	Dinaro	TND	3.1792	3.2603	3.2670

Average exchange rates					
Amount of currency for 1 Euro					
Country	Currency	ISO	September 30, 2022	December 31, 2021	September 30, 2021
Saudi Arabia	Riyal	SAR	3.9937	4.4382	4.4877
Brazilian	Real	BRL	5.4677	6.3814	6.3809
China	Yuan	CNY	7.021	7.634	7.7407
Colombian	Peso	COP	4326.6833	4427.2175	4423.8956
Dominican Republic	Peso	DOP	58.7768	64.3929	-
Egypt	Lira	EGP	19.0091	18.3351	18.6027
Europe	Leu	RON	4.9353	4.9209	4.9116
Russia	Rublo	RUB	56.7	83.3012	-
United States	Dollaro	USD	1.065	1.1835	1.1967
Tunisian	Dinaro	TND	3.241	3.2883	3.2954

2.1 Going Concern

During the first nine months of 2022, Almoviva Group consolidated the growth trends in revenues achieved in previous periods (reaching Euro 764.0 million, increased Euro 90.4 million compared to the same period of the previous year). The result as of September 30, 2022, shows consolidated operating profit growing compared to the previous year and equal to Euro 82,380 thousand (increased Euro 11,341 thousand compared to September 30, 2021). At the level of Net Profit there is a positive result of Euro 40,844 thousand.

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

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

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

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

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

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

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

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

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

ALMAVIVA S.P.A. AND SUBSIDIARIES

EXPLANATORY NOTES (continued)

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

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

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

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

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

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

The development process of the MoovA platform continues, which is increasingly becoming a fundamental asset for the development of new markets, with investments planned for the year for approximately € 1.5 million. It should be noted the completion of an agreement for the sale of MoovA licenses (and related services) with Accenture in the TPL / MaaS sector. At the moment, Almoviva mobility systems and Passenger Information System solutions are present in Finland, Saudi Arabia, Switzerland, United States, but also in Qatar, United Arab Emirates, Egypt, Oman, Bahrain.

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

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

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

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

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

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

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

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

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

As regard CRM Europe, the interim financial statements as at September 30, 2022, show a reduction at revenues level compared to the same period of the previous years (less 41%), maintaining the contraction already recorded in previous years.

The EBITDA shows a loss of Euro 1.9 million compared to the loss of Euro 0.7 million recorded in the same period of the previous year. This increase is largely determined by residual costs related to closed activities, training costs for the retraining of IT staff and the reorganization of the offices. Net of these extraordinary costs, the cost containment actions make it possible to achieve a year-end result in line with the previous year.

These nine months shows a substantial reduction in the workforce, basically due to the transfer of resources to competitors who have acquired the closed businesses in the CRM Europe companies. Compared to December 31, 2021, it's shown the departure of 1,675 employees in Italy (-50.6%) and 559 in Romania (-58%).

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

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

The Brazilian macroeconomic scenario is also affected by the spread of Covid-19, even if the sectors related to services, especially in the ICT and CRM field, as well as in Italy and other countries around the world, are more resilient than others. The Euro / BRL exchange rate, which in 2021 had a growing trend, had a downward trend in the first nine months of 2022 (average value equal to 5.47 euro / reais) and is estimated to continue to be volatile also in the last part of 2022.

Inflation (HICP) should remain at high levels. The 2021 recorded inflation of 10.06%, growth was confirmed also in these first nine months of 2022. The Selic, the interest rate for the interbank market, is now at 13.75% per annum. This rate has seen an increase of 5.75% in 2021 from 2% to 7.75%, to currently stand at 13.75%, as mentioned. The increases are mainly due to contain the inflation phenomenon.

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

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

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

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

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

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

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

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

the path of synergistic and effective growth of the activities and the strengthening of the team are expected to continue.

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

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

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

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

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

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

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

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

From a financial point of view, there is the financial debt (*Senior Secured Bond*) for a value of Euro 350 million, maturing in five years (November 2026) and coupon at 4.875%. The remuneration is foreseen with a half-yearly coupon and repayment of the principal at maturity, with the possibility of conditional early repayment. As for the rating, the S&P agency raised the level to BB- and the Fitch agency confirmed BB-. In 2022, payments were made for the two half-yearly coupons scheduled for 30.04.2022 and 30.10.2022, for a total annual amount of € 17.1 million.

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

2.2 Basis of consolidation

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

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

Consolidation Area

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

- On February 22, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of Tilbranhill S.L.U., a company incorporated under Spanish law, simultaneously renamed AlmagivA Digital España S.L.;
- On March 3, 2022, the purchase, by AlmagivA do Brasil, of the entire share capital of CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA was completed. (in turn owner of the entire share capital of CRC DIGITAL LTDA.), a Brazilian company operating in the financial segment;
- On April 13, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of The Data Appeal Company S.p.A. ("TDAC"), a company based in Florence active in the development of vertical AI analytics solutions, a leader in the tourism, fintech and location intelligence sectors. The transaction was carried out, as regards 24.24% of TDAC' share capital, through a purchase by cash, and as regards the remaining 75.76% of TDAC' share capital, through an in-kind contribution to AlmagivA against an AlmagivA' share capital increase reserved for TDAC shareholders, corresponding to no. 2,155,172 newly issued shares;
- On May 25, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of SISTEMI TERRITORIALI S.r.l., a company based in Cascina (PI) active in the development of solutions and projects in the Data Science field, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms, for the Multi-utilities and Government sectors;
- On June 27, 2022, AlmagivA Finland Oy was established, a company under Finnish law whose capital is entirely held by AlmagivA S.p.A., which will operate mainly in the IT segment, Transportation sector;
- On September 14, 2022, AlmagivA S.p.A. has completed the acquisition of the entire share capital of TECNAU TRANSPORT DIVISION S.r.l., a company based in Trezzano sul Naviglio (MI) active in the supply and integration of technological systems for rail and underground transport, airports, and industries, as well as for the sector water / purification.

Compared to the Consolidated Financial Statements as of December 31, 2021, the consolidation area has changed due to the following added companies: AlmagivA Digital España S.L. (previously Tilbranhill S.L.U.), Central De Recuperacao De Créditos Ltda; CRC Digital Ltda; The Data Appeal Company S.p.A.; Sistemi Territoriali Srl; AlmagivA Finland Oy and Tecnau Transport Division S.r.l..

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

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

- On July 20, 2021, Almoviva S.p.A. has subscribed of the share capital (approximately 70%) of Kline S.r.l., a company active in the sector of development and production of integrated software platforms, technological solutions and services for financial intermediaries. The share was paid through the transfer of the business unit organized for the offer of outsourcing services and ICT solutions for institutions operating mainly in the banking and fiduciary sector. The transfer of the business unit is effective from August 1, 2021.
- Following the award of the tender for the outsourcing of services relating to the performance of activities auxiliary to the issuance of entry visas to Italy announced by the Italian Embassy in Cairo, Almoviva Egypt, a company incorporated under Egyptian law, was established. The Share Capital is held 99% by Almoviva S.p.A. and 1% by Almoviva Contact S.p.A.
- On November 16, 2021, following the award of the restricted procedure for the granting of concession of services relating to the performance of activities related to the issuance of entry visas to Italy announced by the Consulate General of Italy in Moscow, together with the Partners with whom Almoviva S.p.A. participated in the aforementioned restricted procedure, the Limited Liability Company "Almoviva Russia" was established, a company incorporated under Russian law in which Almoviva holds 40% of the share capital;
- On 1 December 2021, following the award of the tender for the outsourcing of services relating to the performance of activities auxiliary to the issue of entry visas in Italy announced by the Embassy of Italy Santo Domingo, ALMAVIVA REPÚBLICA was established DOMINICANA SRL, a company incorporated under Dominican law whose capital is held for approximately 99.997% by Almoviva S.p.A. and approximately 0.003% by Almoviva Contact S.p.A.;
- On February 22, 2022, Almoviva S.p.A. has completed the acquisition of the entire share capital of Tilbranhill S.L.U., a company incorporated under Spanish law, simultaneously renamed Almoviva Digital España S.L.;
- On March 3, 2022, the purchase of the entire share capital of CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA was completed. (in turn owner of the entire share capital of CRC DIGITAL LTDA.), a Brazilian company operating in the financial segment;
- On April 13, 2022, Almovave S.p.A. has completed the acquisition of the entire share capital of The Data Appeal Company S.p.A. ("TDAC"), a company based in Florence active in the development of vertical AI analytics solutions, a leader in the tourism, fintech and location intelligence sectors. The transaction was carried out, as regards 24.24% of TDAC' share capital, through a purchase by cash, and as regards the remaining 75.76% of TDAC' share capital, through an in-kind contribution to Almovave against an Almovave' share capital increase reserved for TDAC shareholders, corresponding to no. 2,155,172 newly issued shares;
- On May 25, 2022, Almovave S.p.A. has completed the acquisition of the entire share capital of SISTEMI TERRITORIALI S.r.l., a company based in Cascina (PI) active in the development of solutions and projects in the Data Science field, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms, for the Multi-utilities and Government sectors;
- On June 27, 2022, Almoviva Finland Oy was established, a company under Finnish law whose capital is entirely held by Almoviva S.p.A., which will operate mainly in the IT segment, Transportation sector;
- On September 14, 2022, Almoviva S.p.A. has completed the acquisition of the entire share capital of TECNAU TRANSPORT DIVISION S.r.l., a company based in Trezzano sul Naviglio (MI) active in the supply and integration of technological systems for rail and underground transport, airports, and industries, as well as for the sector water / purification.

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

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

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

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

<i>Companies and method of consolidation</i>	Currency	Share held	At September 30, 2022	At December 31, 2021	At September 30, 2021
Almaviva S.p.A. (Parent Company) Rome, Italy	Euro	100.00%	Parent	Parent	Parent
Lombardia Gestione S.r.l. Milan, Italy	Euro	51.00%	Full	Full	Full
Almaviva de Belgique S.A. Brussels, Belgium	Euro	100.00%	Full	Full	Full
Almaviva Digitaltec S.r.l. Naples, Italy	Euro	100.00%	Full	Full	Full
Wave S.r.l. Pianoro, Italy	Euro	100.00%	Full	Full	Full
Sadel S.p.A. Castel Maggiore, Italy	Euro	84.05%	Full	Full	Full
Wedoo Holding S.r.l. Torino, Italy	Euro	55.00%	Full	Full	Full
Wedoo S.r.l. Torino, Italy	Euro	55.00%	Full	Full	Full
Wedoo LLC Michigan, U.S.	US Dollar	55.00%	Full	Full	Full
Data Jam (ex Spin Data) S.r.l. Napoli, Italy	Euro	80.00%	Full	Full	Full
Almaviva Saudi Arabia LLC Riyadh, Saudi Arabia	Saudi Riyal	100.00%	Full	Full	Full
Almaviva Egypt LLC * Cairo, Egypt	Egyptian pound	100.00%	Full	Full	Full
Kline S.r.l. ** Milan, Italy	Euro	70.00%	Full	Full	-
Reactive S.r.l. * Milan, Italy	Euro	100.00%	Full	-	-
Almaviva Digital Espana *** Madrid, Espana	Euro	100.00%	Full	-	-
Almaviva Republica Dominicana S.r.l. * Santo Domingo, Dominican Republic	Dominican Peso	100.00%	Full	Full	-
Almaviva Finland Oy **** Helsinki, Finlandia	Euro	100.00%	Full	-	-
Almaviva Russia L.L.C. * Moscow, Russian Federation	Ruble	40.00%	Full	Full	-
Almaviva Contact S.p.A. Rome, Italy	Euro	100.00%	Full	Full	Full
Tecnau Transport Division S.r.l. *** Milan, Italy	Euro	100.00%	Full	-	-
Almaviva do Brasil S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
Aquarius Participações S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
Chain Serviços e Contact Center S.A. San Paolo, Brazil	Brazilian Real	99.58%	Full	Full	Full
CRC Central de Recup de creditos *** San Paolo, Brazil	Brazilian Real	99.58%	Full	-	-
CRC Digital *** San Paolo, Brazil	Brazilian Real	99.58%	Full	-	-
Almacontact S.A.S. Bogotá, Colombia	Colombian Peso	99.58%	Full	Full	Full
Italy Call S.r.l. Rome, Italy	Euro	100.00%	Full	Full	Full
Almaviva Tunisie S.A. Ville de Tunisi, Tunisie	Tunisian Dinar	56.25%	Full	Full	Full
Almaviva Services S.r.l. Iasi, Romania	Romanian Leu	100.00%	Full	Full	Full
Almawave S.p.A. Rome, Italy	Euro	66.01%	Full	Full	Full
Almawave do Brasil Ltda. San Paolo, Brazil	Brazilian Real	66.01%	Full	Full	Full
Pervoice S.r.l. Trento, Italy	Euro	66.01%	Full	Full	Full
Almawave USA Inc. San Francisco, U.S.	US Dollar	66.01%	Full	Full	Full
OBDA Systems S.r.l. ** Rome, Italy	Euro	39.61%	Full	Full	Full
The Data Appeal S.p.A.*** Florence, Italy	Euro	66.01%	Full	-	-
Sistemi Territoriali S.r.l.*** Cascina (PI), Italy	Euro	66.01%	Full	-	-
Agrisian S.C.p.A. in liquidazione Rome, Italy	Euro	50.86%	Full	Full	Full

*Established in 2021

**Acquired in 2021

***Acquired in 2022

****Established in 2022

<i>Companies and method of consolidation (continued)</i>	Currency	Share held	At September 30, 2022	At December 31, 2021	At September 30, 2021
CCID - Almaviva Inform. Technol. Co. Ltd Shanghai, People's Republic of China	Chinese Yuan	50.00%	Equity	Equity	Equity
Consorzio Hypertix Rome, Italy	Euro	49.99%	Equity	Equity	Equity
TVeyes L.T. S.r.l. Trento, Italy	Euro	20.00%	Equity	Equity	Equity
SIN S.p.A. ***** Rome, Italy	Euro	20.02%	-	-	-

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

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

2.3 Effects of seasonality

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting standards and valuation criteria

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

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

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

3.2 New standards, interpretations and amendments adopted by the Group

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

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

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

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

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

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

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

Reference to the Conceptual Framework – Amendments to IFRS 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IAS 41 Agriculture – Taxation in fair value measurements

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

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

4. USE OF ESTIMATES AND MANAGEMENT JUDGEMENT

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

Management judgement mainly refers to aspects such as:

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

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EXPLANATORY NOTES (continued)

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

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

Capitalization of development costs

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

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

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

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

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

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

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

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

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

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

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

The corresponding values for the previous period are not reclassified.

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

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

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

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

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

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

Identification of cash-generating units (CGUs)

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

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

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

Recognition of government grants and other activities

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

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

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

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

Use of estimates and assumptions

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

Revenue from contracts with customers

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

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

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

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

Provision for expected credit losses of trade receivables and contract assets

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

ALMAVIVA S.P.A. AND SUBSIDIARIES

EXPLANATORY NOTES (continued)

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

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

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

Recoverability of non-current assets

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

Provisions for risks

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

Pension plans

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

Determination of the fair value of financial instruments

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

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

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

Recovery of deferred-tax assets

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

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

5. OPERATING AND REPORTABLE SEGMENTS

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

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

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

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

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

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EXPLANATORY NOTES (continued)

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

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

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

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

OPERATING SEGMENTS

For the nine months ended September 30, 2022

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almovave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
Revenue							
Revenues from contracts with customers	498,992	33,703	203,736	27,586	764,017	0	764,017
Inter-segment	2,768	5,240	61	5,581	13,650	(13,650)	0
Total revenues from contracts with customers	501,760	38,943	203,797	33,167	777,667	(13,650)	764,017
Income/(Expenses)							
Cost of raw materials and services	(245,538)	(9,520)	(53,083)	(14,684)	(322,826)	16,027	(306,798)
Personnel expenses	(197,147)	(31,863)	(111,646)	(12,887)	(353,543)	672	(352,871)
Depreciation and amortization and write-downs	(17,715)	(1,516)	(11,430)	(2,807)	(33,468)	313	(33,155)
Losses from sale of non-current assets	330	(29)	0	0	301	(0)	301
Other operating income	16,576	1,183	1,032	959	19,750	(2,804)	16,946
Other operating expenses	(5,361)	(595)	(94)	(197)	(6,247)	186	(6,060)
Operating Profit	52,905	(3,396)	28,575	3,551	81,635	745	82,380
% Revenue	10.5%	n.d.	14.0%	10.7%	10.5%	n.d.	10.8%
At September 30, 2022							
Total assets	1,066,170	174,716	252,662	96,540	1,590,089	(481,953)	1,108,136
Total liabilities	422,799	43,535	72,006	38,518	576,859	(61,196)	515,663

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

For the nine months ended September 30, 2021

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
Revenue							
Revenues from contracts with customers	450,873	62,650	141,538	18,547	673,608	(0)	673,608
Inter-segment	2,637	3,819	119	4,108	10,683	(10,683)	0
Total revenues from contracts with customers	453,510	66,469	141,657	22,655	684,291	(10,683)	673,608
Income/ (Expenses)							
Cost of raw materials and services	(206,300)	(12,163)	(34,678)	(10,161)	(263,302)	12,781	(250,521)
Personnel expenses	(186,525)	(55,350)	(79,936)	(7,994)	(329,805)	379	(329,426)
Depreciation and amortization and write-downs	(16,455)	(1,446)	(7,012)	(2,311)	(27,223)	313	(26,910)
Losses from sale of non-current assets	83	1	0	5	89	0	89
Other operating income	12,248	936	88	710	13,983	(2,144)	11,839
Other operating expenses	(7,068)	(554)	(26)	(51)	(7,699)	60	(7,639)
Operating Profit	49,494	(2,107)	20,093	2,854	70,334	705	71,039
% Revenue	10.9%	n.d.	14.2%	12.6%	10.3%	n.d.	10.5%
At December 31, 2021							
Total assets	1,020,352	186,045	165,024	69,953	1,441,374	(467,974)	973,400
Total liabilities	392,806	51,378	30,923	27,876	502,983	(44,210)	458,773

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

Reconciliation of EBITDA

For the nine months ended September 30, 2022

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
Operating profit	52,905	(3,396)	28,575	3,551	81,635	745	82,380
(+) Depreciation and amortization	17,715	1,516	11,430	2,807	33,468	(313)	33,155
(+) Losses from sale of non-current assets	(330)	29	0	0	(301)	0	(301)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	70,290	(1,851)	40,006	6,357	114,802	432	115,233
% Revenue	14.0%	n.d.	19.6%	19.2%	14.8%	n.d.	15.1%

For the nine months ended September 30, 2021

<i>(in thousands of Euro)</i>	IT Services	CRM Europe	CRM International	Almawave New Technology	Total Segments	Adjustments, eliminations and other	Consolidated
Operating profit	49,494	(2,107)	20,093	2,854	70,334	705	71,039
(+) Depreciation and amortization	16,455	1,446	7,012	2,311	27,223	(313)	26,910
(+) Losses from sale of non-current assets	(83)	(1)	0	(5)	(89)	0	(89)
Earning before intersts, taxes, depreciation and amortization (EBITDA)	65,866	(662)	27,105	5,160	97,468	392	97,860
% Revenue	14.5%	n.d.	19.1%	22.8%	14.2%	n.d.	14.5%

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.

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

Reconciliation of Operating Profit

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Segment profit	82,380	71,039
Finance income	2,727	780
Finance costs	(22,855)	(23,307)
Exchange gains/(losses)	(498)	(263)
Gains/(losses) on equity investments	0	0
Profit/(loss) from investments accounted for using equity method	6	(869)
Inter-segment income/expenses (elimination)		
Profit/(loss) before taxes	61,759	47,381

Reconciliation of Total assets

<i>(in thousands of Euro)</i>	At September 30,	At December 31,
	2022	2021
Segment operating assets	1,108,136	973,400
Deferred tax assets	25,011	23,181
Current financial assets	3,435	3,578
Non-current financial assets	1,246	1,237
Non-current assets held for sale	0	2,459
Total assets	1,137,828	1,003,854

Reconciliation of Total liabilities

<i>(in thousands of Euro)</i>	At September 30,	At December 31,
	2022	2021
Segment operating liabilities	515,663	458,773
Non-current financial liabilities	397,066	395,982
Current financial liabilities	29,553	16,407
Current tax liabilities	36,697	32,398
Deferred tax liabilities	81	2
Total liabilities	979,060	903,562

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

Geographic information

<i>(in thousands of Euro)</i>	At September 30,	At September 30,
	2022	2021
<i>Revenues from external customers</i>		
Italy	551,525	526,032
Brazil	184,959	129,072
Tunisia	2,265	1,753
Colombia	16,562	10,799
Europe	2,697	4,316
Other	6,009	1,636
Total	764,017	673,608
Of which:		
<i>Revenues recognized over the time</i>	729,895	652,054
<i>Revenues detected at a point in time</i>	22,421	14,492

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

6. SIGNIFICANT TRANSACTIONS IN THE PERIOD

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

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

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

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

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

From acquisition date, CENTRAL DE RECUPERAÇÃO DE CRÉDITOS LTDA and CRC DIGITAL LTDA. contributed with Euro 23,236 thousand to Group revenues and a positive value of Euro 4,648 thousand to the Group's pre-tax profit.

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

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

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

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

From acquisition date, The Data Appeal Company contributed with Euro 1,564 thousand to Group revenues and a positive value of Euro 141 thousand to the Group's pre-tax profit.

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

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

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

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

From acquisition date, Sistemi Territoriali contributed with Euro 1,261 thousand to Group revenues and a positive value of Euro 609 thousand to the Group's pre-tax profit.

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

7. INTANGIBLE ASSETS

The intangible assets of the Group amount to Euro 165,778 thousand (Euro 118,496 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	Goodwill	Industrial patent and intellectual property rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under construction	Total
At January 1, 2022	39,179	30,323	1,342	28,976	18,676	118,496
Investments and new acquisition	36,074	3,407	1,096	8	2,077	42,662
Capitalisation for internal projects	0	808	0	739	12,373	13,920
Amortization	0	(6,662)	(255)	(7,512)	0	(14,429)
Disposals	0	(11)	(11)	0	0	(22)
Reclassifications and other	0	5,127	0	9,914	(15,041)	0
Change in consolidation area	0	129	0	647	0	776
Foreign exchange differences	2,422	1,612	294	0	47	4,375
At September 30, 2022	77,675	34,733	2,466	32,772	18,132	165,778

The Group's investments as at September 30, 2022 amounted to Euro 42,662 thousand and mainly refer to (i) goodwill recognized on a non-definitive basis following business combinations completed over the period and (ii) "Industrial patent rights and use of intellectual property" and concessions, licenses and trademarks; these increases relate to costs for the acquisition of user and property licenses and costs for software development carried out mainly by the CRM International, IT Services and Almaxwave - New Technology segments.

The Group also made further investments in the reference period, through capitalization for internal work, for a total of Euro 13,920 thousand referring to costs incurred mainly in the context of the creation and internal development of assets (software, IT applications) also used in the creation and management of the services offered in the operating segments in which the Group operates. The aforementioned capitalizations refer to the IT Services and Almaxwave - New Technology segments.

During the period, part of the investments made in previous years was completed and was therefore reclassified, in the respective categories of reference, including - for an amount of Euro 5,127 thousand - under the item "Industrial patent rights and use of works by 'ingenuity' which at the end of the period was equal to a total of Euro 34,733 thousand and which highlights the Group's endowment of software tools and IT applications developed internally and for evolutionary maintenance carried out on them. The Group, in relation to these assets, periodically carries out an analysis in correspondence with the closing of the financial statements aimed at finding their recoverable value with respect to that of recognition in the financial statements on the basis of the expected future economic benefits associated with them (active contracts of planned acquisition). Moreover, the economic performance of 2022 did not highlight any impairment indicators such as to formulate specific reflections on the recoverability of the aforementioned values.

The amortization of the period on intangible assets amounts to Euro 14,429 thousand. The main depreciation ratios adopted as at September 30, 2022 are included in the following ranges:

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

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

The exchange differences equal to Euros 4,375 thousand are due to the translation of the financial statements of companies operating in areas other than the Euro and mainly concern companies that prepare financial statements in Brazilian reais.

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

<i>(in thousands of Euro)</i>	At January 1, 2022	Exchange differences	Additions	Disposals	At September 30, 2022
Alicos	2,007				2,007
Almaviva Contact	26,533				26,533
Almaviva do Brasil	1,748				1,748
Almaviva Finance	745				745
Atesia	0				0
Gempliss	198				198
In Action	0				0
Pervoice	314				314
Wave	5,121				5,121
Wedoo	630				630
Kline	784				784
CRC Central de Recup de creditos	0	2,322	14,950		17,272
The Data Appeal Company	0		16,037		16,037
Sistemi Territoriali	0		2,677		2,677
Tecnav	0		2,410		2,410
Third	1,099	100			1,199
Total	39,179	2,422	36,074	0	77,675

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

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

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

The tangible assets of the AlmagivA Group, owned and leased, amount to Euro 93,568 thousand (Euro 86,094 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	Land and buildings	Plant and machinery owned and leased	Industrial and commercial equipment owned and leased	Other assets owned and leased	ROU Asset	Assets under construction and payments on account	Total
At January 01, 2022	6,753	11,349	435	24,957	41,070	1,531	86,094
Additions	0	3,663	101	4,439	17,394	87	25,684
Capitalisation for internal projects	0	0	0	0	0	0	0
Depreciation	(590)	(2,599)	(119)	(5,883)	(9,535)	0	(18,726)
Disposals	0	(18)	(11)	(536)	(11,509)	(27)	(12,101)
Reclassifications and other	0	294	0	1,207	0	(1,501)	0
Change in consolidation area	0	1,380	12	1,608	3,487	0	6,487
Foreign exchange differences	0	2,036	0	2,495	1,598	0	6,129
Historical cost	19,257	226,613	3,987	176,303	69,524	90	495,774
Accumulated amortization	(13,094)	(210,508)	(3,569)	(148,016)	(27,019)	0	(402,206)
At September 30, 2022	6,163	16,105	418	28,287	42,505	90	93,568

Investments are equal to Euro 25,684 thousand as at September 30, 2022, of which those not relating to the application of IFRS 16 amounted to Euro 17,394 thousand; they mainly refer to the items "other assets" and "plant and machinery" for the acquisition of hardware, network and plant upgrades of the IT Services, CRM International operating segments and, to a lesser extent, the other sectors.

Depreciation amounts to Euros 18,726 thousand, the main depreciation coefficients adopted at September 30, 2022, with the exclusion of the rights of use deriving from the application of IFRS 16, are included in the following ranges:

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

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

The disposals of Euros 12,101 thousand mainly refer to the early termination of some rental contracts held by IT Services and CRM Europe falling within the application of IFRS 16.

The exchange differences from the translation of the financial statements of companies operating with functional currencies other than the Euro of positive Euro 6,129 thousand mainly concern companies that prepare financial statements in Brazilian reais.

The Group presents a balance of the item "Land and buildings" equal to Euro 6,163 thousand relating to the building located in Rome, in Via dello Scalo Prenestino, owned by AlmagivA and used by the IT Services Sector.

The item of Rights of use on assets, i.e. the ROU (Right Of Use) recorded in application of IFRS 16 and whose value at September 30, 2022 amounts to Euro 42,505 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 87 thousand, mainly referring to the IT Services operating sector and to a lesser extent to the CRM Europe.

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

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

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

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

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

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

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

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

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

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

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

10. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets of the Almagiva Group amount to Euro 1,246 thousand (Euro 1,237 thousand as at December 31, 2021) and are broken down as follows:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Long-term loans	1,188	1,188
Others Equity investments	58	49
Non-current financial assets	1,246	1,237

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

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

The investments on equity instruments are equal to Euro 58 thousand (Euro 49 as at December 31, 2021), are classified in accordance with IAS 32, and are broken down as follows:

Other Equity investments

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Conai	1	1
Calpark	5	5
Banca Brutia	5	5
Uimet	5	5
Consorzio Namex	3	3
Other	39	30
Total	58	49

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

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

11. DEFERRED TAX ASSETS

Deferred tax assets amount to Euro 25,011 thousand (Euro 23,181 thousand as at December 31, 2021) and are shown net of deferred tax liabilities, if they can be offset under the Italian and/or foreign reference regime, and have been allocated, within the limits of the values that it is expected to recover in future years based on the capacity of the expected taxable income,

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

mainly in relation to temporary deductible differences (provisions for risks and other deferred charges) and in part residual in relation to previous tax losses.

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Deferred Tax Assets	25,011	23,181

Divided in:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Italian subsidiaries	19,409	17,843
Foreign subsidiaries	5,602	5,338
Total Deferred Tax Assets	25,011	23,181

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

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

12. OTHER NON-CURRENT ASSETS

Other non-current assets amount to Euro 1,171 thousand as at September 30, 2022 compared to an amount of Euro 1,573 thousand as at December 31, 2021, as illustrated in the table below:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Security deposits	1,098	1,162
Prepaid expenses	69	407
Other receivables	4	4
Other non-current assets	1,171	1,573

Prepayments mainly refer to the portion attributable to the training costs of AlmagivA Contact (Euro 1 thousand), AlmagivA Services (Euro 50 thousand) and AlmagivA Digitaltec (Euro 18 thousand) not pertaining to the period.

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

13. INVENTORIES

Inventories of the Group are equal to Euro 16,645 thousand (Euro 12,168 thousand as at December 31, 2021) and are composed as follows:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Raw materials (at cost)	4,735	3,873
Work in progress (at cost)	3,751	2,809
Finished goods (at lower of cost and net realizable value)	8,159	5,486
Total inventories at the lower of cost and net realizable value	16,645	12,168

During 2022 have not been accounted any expenses for inventories to carry them at net realizable value. The total amount is related to Sadel S.p.A. for Euro 13,664 thousand, to AlmagivA S.p.A. for Euro 2,669 thousand and Tecnav for Euro 312 thousand.

14. CONTRACT ASSETS

As at September 30, 2022, contract assets are equal to Euro 31,708 thousand (Euro 23,314 thousand as at December 31, 2021).

They increase overall by Euros 8,394 thousand and refer essentially to the activities generated by the IT Services sector not yet completed or not yet subjected to testing by the customers.

15. TRADE RECEIVABLES

As at September 30, 2022, trade receivables are equal to Euro 490,629 thousand (Euro 422,490 thousand as at December 31, 2021) with an increase equal to Euro 68,139 thousand:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Trade receivables, gross amount	510,508	442,640
Trade receivables, amount retained as a guarantee	3,427	2,816
Bad debt provision	(23,306)	(22,966)
Trade receivables	490,629	422,490

Trade receivables are exposed net of bad debt provision equal to Euro 23,306 thousand (Euro 22,966 thousand as at December 31, 2021). The bad debt provision increases, equal to Euro 340 thousand, is related to AlmagivA Tunisie, AlmagivA Services and to the change in consolidation area due to the acquisition of The Data Appeal Company and Sistemi Territoriali.

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Balance at the beginning of the year	22,966	21,106
Provisions	94	1,859
Uses	(23)	(9)
Change in consolidation area	57	0
Other	212	10
Balance at the end of the year	23,306	22,966

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

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Amount not yet due	429,048	372,187
Amount due by less than 30 days	7,806	10,562
Amount due between 30-60 days	12,271	9,614
Amount due between 61-90 days	4,601	3,696
Amount due between 91-120 days	2,639	4,400
Amount due by more than 120 days	54,143	42,181
Trade receivables, gross amount	510,508	442,640

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

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

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

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

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

16. CURRENT FINANCIAL ASSETS

At September 30, 2022, current financial assets amounted to Euro 3,435 thousand (Euro 3,578 thousand as at December 31, 2021). They refer mainly to AlmagivA S.p.A. for Euro 3,236 thousand relating to financial receivables from one of the main customers linked to deferred payments with respect to the Company's services that have been granted to the aforementioned customer, and for the remaining Euro 199 thousand to AlmagivA Contact S.p.A., to Wedoo Srl and to Wedoo LLC.

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Current financial assets	3,435	3,578

17. OTHER CURRENT ASSETS

Other current assets amount to Euro 177,616 thousand as at September 30, 2022, compared to Euro 139,405 thousand as at December 31, 2021. The amount is composed as follow:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Receivables due from personnel	3,998	3,787
Receivables due from social security institutions	3,966	1,572
Receivables due from tax authorities	58,774	45,019
Receivables related to tax consolidation	24,638	30,251
Prepaid expenses	25,398	11,519
Advances to suppliers	7,544	3,442
Sundry items	53,298	43,815
Other current assets	177,616	139,405

In particular, it should be noted that the item Receivables from social security institutions, equal to Euro 3,966 thousand, includes almost all receivables from INPS not yet collected mainly related to:

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

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

Tax consolidation credits for Euro 24,638 thousand derive from the transfer to the parent company AlmagivA Technologies S.r.l. of the tax positions of the companies adhering to the institution in question. Offsetting this credit, there is also a debt position for Euro 35,696 thousand, as reported in Note 29.

Prepayments for Euro 25,398 thousand include future costs mainly of AlmagivA S.p.A. (Euro 22,366 thousand), Reactive (Euro 1,734 thousand), AlmagivA Services (Euro 28 thousand), AlmagivA Contact (Euro 312 thousand), AlmagivAve (Euro 141 thousand), Kline (Euro 354 thousand), Sadel (Euro 61 thousand) and to a lesser extent of the other Group companies.

Receivables from the tax authorities are divided into (i) credits for direct taxes Euro 6,106 thousand relating to AlmagivA S.p.A. for Euro 4,817 thousand, AlmagivA Contact for Euro 298 thousand, Agrisian for Euro 362 thousand, AlmagivAve Euro 217 thousand, Sistemi Territoriali Euro 134 thousand and to a lesser extent to the other companies of the Group; (ii) receivables for indirect taxes equal to Euro 52,668 thousand relating mainly to AlmagivA S.p.A., AlmagivA Contact and to the Brazilian companies. Regarding to the receivables of AlmagivA S.p.A. for indirect taxes they refer to the credit for the Group VAT for Euro 35,152 thousand. Regarding to the Group VAT receivables related to December 31, 2021 and already requested for reimbursement, it should be noted that during 2022, Euro 10,718 thousand was collected. Regarding to the Group VAT receivables related to fiscal year 2022, it should be noted that Euro 10,571 thousand related to the first quarter of 2022 was collected.

Advances to suppliers increased by Euro 4,102 thousand, passing from Euro 3,442 thousand as at December 31, 2021 to Euro 7,544 thousand as at September 30, 2022.

Sundry items equal to Euro 53,298 thousand are mainly included:

- CRM International receivables for judicial deposits on disputes pending with employees;
- Receivables due from the State and Public Authorities for projects financed and R&D projects equal to Euro 6,308 thousand;
- Receivables for reimbursements which refer:
 - the credit for the request for reimbursement, submitted to a well-known insurance company, of the legal costs incurred in the context of a dispute initiated in the United States by an American company (the "US Litigation") against some of the companies of the AlmagivA Group (collectively the "AlmagivA Companies"), as well as third parties. The US litigation ended - both at first and second instance - with the rejection, also confirmed by the Supreme Court of the United States of America, of all the claims made by the American company, with compensation of the expenses. In order to obtain reimbursement of the legal expenses incurred in the US Litigation, the AlmagivA Companies, by virtue of a policy called "Directors' Civil Liability Insurance" signed with a well-known insurance company, took action against the contracting insurance company. Currently, the request for reimbursement of legal costs and damages is pending an appeal judgment proposed by the AlmagivA Companies. The AlmagivA Companies currently believe - also on the basis of the assessments made by their defense board regarding the full traceability of the claim to a contractual right protected in the insurance policy - that they have valid arguments to be able to support their position, the instrumentality of the reserves and exceptions moved by the insurance company and, consequently, to be able to subvert the outcome of the first-degree sentence. In consideration of these aspects, the receivable from the insurance company continues to be considered deriving from a contractual right and, at present, fully recoverable.

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

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to Euro 130,778 thousand (Euro 169,622 thousand as at December 31, 2021) refers to credit balances at banks in existence as at September 30, 2022 and the amounts held at the Group treasuries. These voices are not subject to any restriction and are not foresee disinvestment costs.

19. NON-CURRENT ASSETS HELD FOR SALE

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

20. SHAREHOLDERS' EQUITY

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Share capital	154,899	154,899
Share premium reserve	17,788	17,788
Legal reserve	15,139	12,465
Other reserves:		
<i>FTA reserve</i>	4,493	4,493
<i>OCI reserve</i>	9,132	2,529
<i>stock grant reserve</i>	6,875	4,670
<i>Translation reserve</i>	(36,103)	(53,448)
<i>Other reserves</i>	(83,526)	(121,503)
	(99,129)	(163,259)
Profit/(loss) for the year	39,245	57,908
Total group shareholders' equity	127,945	79,804
Reserves pertaining to NCIs:		
<i>Translation reserve</i>	(842)	(1,098)
<i>Other reserves</i>	30,065	19,596
	29,224	18,499
Profit/(loss) for the year pertaining to NCIs	1,599	1,990
Total non-controlling interests	30,823	20,489
Total Shareholders' equity	158,768	100,292

The total Shareholders' equity as at September 30, 2022 is equal to Euro 158,768 thousand (Euro 100,292 thousand as at December 31, 2021) showing an increase of Euro 58,476 thousand. This change in Equity of the AlmagivA Group was affected by (i) the results for the period equal to Euro 40,844 thousand and (ii) the positive impact of about Euro 17,602 thousand relating to the improvement of the Euro / Reais exchange rate on the Translation Reserve and (iii) the dividends paid in the period for an amount equal to Euro 25,000 thousand.

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

Share Capital

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

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

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

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

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

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

Legal reserve

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

Share premium reserve

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

Stock Grant reserve

The Stock Grant reserve equal to Euro 6,875 thousand as at September 30, 2022, includes the fair value valuation at the same date regarding the Stock Grant Plan introduced by Almawave S.p.A. and Almaviva S.p.A. during 2021. Please to refer to Note 33 for more details.

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

FTA reserve

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

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

OCI reserve

The OCI reserve is equal to Euro 9,132 thousand as at September 30, 2022 (Euro 2,529 thousand as at December 31, 2021).

Translation reserve

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

As at September 30, 2022, it was a negative Euro 36,945 thousand (of which the Group's share was a negative Euro 36,103 thousand and the portion pertaining to non-controlling interests amounted to negative Euro 842 thousand).

Other reserves

The Other reserves is equal to negative Euro 83,526 and are represented by consolidation reserves and by undistributed profits or losses carried forward.

Non-controlling interests

The non-controlling interests are equal to Euro 30,823 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 September 30, 2022 is summarised in the following table.

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Non current Net Financial Position	(397,066)	(395,982)
Current Net Financial Position	104,660	156,793
Non current financial receivables	1,246	1,237
Financial indebtness ("Debt")	(291,160)	(237,952)
Total Group Shareholder Equity	127,945	79,804
Non Controlling Interests	30,823	20,489
Total Shareholders' Equity ("Equity")	158,768	100,292
Debt/Equity ratio	(1.83)	(2.37)

Financial indebtness as at September 30, 2022, equal to Euro 291,160 thousand, includes the values deriving from the application of IFRS 16 for an amount equal to Euro 46,451 thousand (Euro 44,894 thousand as at December 31, 2021) of which Euro 34,975 thousand (Euro 35,697 thousand as at December 31, 2021) relating to non-current financial liabilities and Euro 11,476

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

thousand (Euro 9,197 as at December 31, 2021) relating to current financial liabilities. The value before application of IFRS 16 would have been equal to Euro 244,709 thousand (Euro 193,058 as at December 31, 2021).

21. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits equal to Euro 37,737 as at September 30, 2022 are reported below:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Liabilities for employee benefits	37,737	45,409

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.

22. PROVISIONS

Provisions are equal to Euro 12,638 as at September 30, 2022 (Euro 18,579 as at December 31, 2021) and are reported below:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Non-current portion of provisions for risks and charges	6,730	11,210
Current portion of provisions for risks and charges	5,908	7,369
Provisions for risks and charges	12,638	18,579

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

<i>(in thousands of Euro)</i>	Provision for taxes	Provision for redundancy incentives	Provision for guarantees granted	Provisions for contractual and commercial risks	Provisions for legal disputes	Other provisions for risks and charges	Total
Balance as at January 1, 2022	66	1,712	134	180	2,004	14,483	18,579
Accruals	0	2	0	0	358	2,137	2,497
Utilizations	0	0	0	0	0	(5,730)	(5,730)
Decreases	0	(1,358)	0	0	(718)	(1,038)	(3,114)
Other changes not recorded through income statement	0	0	0	0	378	28	406
Balance as at September 30, 2022	66	356	134	180	2,022	9,880	12,638
of which:							
Non-current portion	66	22	134	0	0	6,508	6,730
Current portion	0	334	0	180	2,022	3,372	5,908

Information and comments on the various provisions are provided below.

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

"Redundancy fund" equal to Euro 356 thousand (Euro 1,712 thousand as at December 31, 2021) mainly relating to employees of Almoviva S.p.A. who have accrued in 2021 the pension requirement through "quota 100", early retirement, woman option (in this last case, the requirements must be completed by 31 December 2021) and that they had voluntarily decided to join the exit from the company.

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

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

Provision for legal disputes of Euro 2,022 thousand is related to IT Services segment for Euro 980 thousand, to CRM International segment for Euro 1,035 thousand and to Almoviva - New Technology segment for Euro 7 thousand.

The line items, including non-current and current portion, for a total of Euro 9,880 thousand (Euro 14,483 thousand as at December 31, 2021) relating mainly to prudential provisions on commercial risks relating to penalties for Euro 2,339 thousand of Almoviva S.p.A. and for Euro 89 thousand of Lombardia Gestione; the Project Workers stabilization fund for Euro 430 thousand of Almoviva Contact, provisions for disputes both towards personnel and for other civil disputes for Euro 98 thousand of Almoviva Contact, commercial guarantee funds for Euro 4,790 thousand of Almoviva S.p.A. and for Euro 490 of Sadel and the liquidation costs provision recorded for Euro 1,331 thousand from Agrisian by virtue of current obligations under the law. The change in other provisions for risks refers to the provision for the emergence of new risks and charges.

23. NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities, equal to Euro 397,066 thousand (Euro 395,982 thousand as at December 31, 2021), refer to long-term payables as detailed below and include the non-current portion of financial liabilities for leasing deriving from the application of IFRS 16.

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Banks	4,061	6,442
Bond	339,579	337,943
Amounts due to other lenders	18,451	15,900
Financial liabilities associated with leasing	34,975	35,697
Non-current financial liabilities	397,066	395,982

<i>(in thousands of Euro)</i>	> 12 months	< 5 years	> 5 years
Banks	4,061	4,061	0
Bond	339,579	339,579	0
Amounts due to other lenders	18,451	18,451	0
Financial liabilities associated with leasing	34,975	28,053	6,922
	397,066	390,144	6,922

The fair value of the main financing component, relating to the bond issued on the Luxembourg market, was equal to Euro 293,783 thousand as at September 30, 2022. This assessment is affected by this period characterized by strong worldwide disturbance due to the Russian-Ukrainian conflict and the difficult political moment that Italy is facing, with a consequent impact in terms of the performance of the stock and bond markets.

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

<i>(in thousands of Euro)</i>	At January 1, 2022	Proceeds from borrowings	Repayments of borrowings	Reclassification and other adjustments	At September 30, 2022
Almaviva S.p.A.	342,838	2,980	(937)	1,636	346,517
Sadel S.p.A.	2,356	750	(628)	(252)	2,226
Almaviva do Brasil	4,063	0	0	(2,880)	1,183
SIMEST Operation	11,000	0	0	0	11,000
Wedoo S.r.l.	22	0	0	(22)	0
Obda Systems S.r.l.	6	0	0	(1)	5
CRC - Central de Recup. de Creditos	0	0	0	506	506
The Data Appeal Company S.p.A.	0	0	0	354	354
Tecnau S.r.l.	0	0	0	300	300
Financial liabilities associated with leasing	35,697	12,913	(5,598)	(8,037)	34,975
Non-current financial liabilities	395,982	16,643	(7,163)	(8,396)	397,066

As regards the monetary movements of the period, it should be noted that as at September 30, 2022 the proceeds from borrowings amounted to Euro 3,730 thousand and the repayments of loans amounted to Euro 1,565 thousand.

Long-term financial liabilities of Euro 397,066 thousand refer primarily to the bond of Euro 350,000 thousand issued on November 3, 2021, 4.875% coupon with half-yearly payment on April 30 and October 30 of each year and maturity of 5 years. The bond was listed on the Luxembourg stock exchange on the Euro MTF Market (unregulated market).

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

The Bond is treated in the financial statements with the amortized cost method and has a value as of September 30, 2022, of Euro 339,579 thousand.

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

Liabilities to banks equal to Euro 4,061 thousand relate to AlmagivA do Brasil (Euro 1,183 thousand), The Data Appeal Company (Euro 145 thousand), Sadel (Euro 2,226 thousand), CRC (Euro 506) and AlmagivA S.p.A. (Euro 1 thousand).

Liabilities to other lenders equal to Euro 18,451 thousand mainly refer to subsidized loans received on projects financed by AlmagivA S.p.A. (Euro 6,937 thousand), to OBDA System for Euro 5 thousand, to The Data Appeal Company (Euro 209 thousand), to Sistemi Territoriali (Euro 300 thousand) and for Euro 11,000 thousand relating to the debt to Simest.

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

Non-current financial liabilities deriving from the adoption of IFRS 16 are equal to Euro 34,975 thousand, the reclassifications for Euro 8,037 thousand refer mainly to the exchange difference of the companies with functional other than the Euro and to the reclassification from non-current portions to current portions of the debt.

24. DEFERRED TAX LIABILITIES

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

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

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

25. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities equal to Euro 665 thousand as at September 30, 2022 (Euro 552 thousand as at December 31, 2021) are reported below:

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Other non-current liabilities	304	0
Deferred income on capital grants	361	552
Other non-current liabilities	665	552

The fully amount refers to deferred income on capital grants.

26. TRADE PAYABLES

Trade payables are equal to Euro 327,293 thousand as at September 30, 2022 and increased for Euro 54,389 thousand compared to the previous year. They mainly include payables for the supply of services, as well as those relating to various services for activities carried out during the year. Specifically, overdue trade payables amount to Euro 60,791 thousand (Euro 51,288 thousand as of December 31, 2021) while those not due and due within 12 months amount to Euro 266,502 thousand (Euro 221,616 thousand as of December 31, 2021).

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Trade payables	327,293	272,904

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

27. CURRENT FINANCIAL LIABILITIES

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Payables due to banks	9,977	3,103
Current portion bonds	7,133	2,686
Payables due to other lenders	223	716
Accrued liabilities from financial expenses	171	201
Other financial payables	511	504
Financial liabilities for leasing IFRS 16	11,538	9,197
Current financial liabilities	29,553	16,407

Short-term financial liabilities for Euro 29,553 thousand refer to payables for short-term loans contracted with credit institutions and to the portion of payables for interest accrued to bondholders whose payment is expected on October 30, 2022. Finally, the item includes current financial liabilities for leasing, financial accruals and short-term payables of a different nature.

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

As regards the monetary movements of the period, it should be noted that: (i) at September 30, 2022 they generated a cash absorption equal to Euro 608 thousand; (ii) at September 30, 2021 they generated a cash increasing equal to Euro 954 thousand.

28. TAX PAYABLES

Tax payables as at September 30, 2022, equal to Euro 36,697 thousand (Euro 32,398 thousand as at December 31, 2021) are reported below:

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Income taxes	4,141	924
Other taxes	32,556	31,474
Tax payables	36,697	32,398

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

29. OTHER CURRENT LIABILITIES

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

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
Payables due to social security institutions	13,221	18,301
Payables due to personnel	57,521	35,560
Miscellaneous payables	44,880	41,943
Deferred income	21,707	25,525
Other current liabilities	137,329	121,329

The payables to social security institutions equal to Euro 13,221 thousand refer to compulsory contributions accrued and to be paid to the social security institutions in relation to the salaries and fees paid.

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

Miscellaneous payables equal to Euro 44,880 thousand mainly include payables to project workers, payables to insurance companies, payables for collections to be paid to partners, payables to the parent company AlmagivA Technologies for tax consolidation (equal to Euro 35,696 thousand which partially offset, as reported in Note 17, the existing credit position for the tax consolidation) and payables to corporate bodies.

Deferred income for Euro 21,707 thousand relates to economic components pertaining to future years.

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

30. REVENUE

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Revenues from sales and services	729,895	652,054
Revenues from sale of goods	22,421	14,492
Revenues from contract work in progress	11,701	7,062
Revenues from contracts with customers	764,017	673,608

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

Timing of revenue recognition	2022	2021
Goods transferred at a point in time	22,421	14,492
Services transferred over time	741,596	659,116
Total revenue from contracts with customers	764,017	673,608

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 Almagora S.p.A. in the contracts relating to the Transportation sector.

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Type of goods or service		
ICT Services rendered	504,157	454,928
CRM Services rendered	237,439	204,188
Goods transferred in Transportation business	22,421	14,492
Total revenue from contracts with customers	764,017	673,608

Revenues in the IT Services segment on September 30, 2022, increased by Euro 48,119 thousand, equal to 10.7% compared to the previous period. This increase is mainly due to the growth in demand for services from customers in the Banking Insurance, Welfare, Homeland Security e Local Government, Ministries, Health Treasury and Public Finance business areas. This growth was partially offset by a reduction in revenues attributable to the Transport, Agriculture, International, Utilities, and Other business area.

The revenues of the CRM Europe segment recorded a decrease of Euro 28,947 thousand (46.2%) compared to the previous period. The decrease concerned all business areas, mainly the Telco, Transport and Other business area partially offset by a slight growth in Government and Utilities business area.

Revenues from contracts with customers in the CRM International segment as at September 30, 2022 show an increase of Euro 62,198 thousand, equal to 43.9% compared to the previous period. The increase is attributable mainly to the Finance and Government/Other business areas,

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partially offset by a reduction in revenues attributable to the Telco / Media business area. This trend is affected also both by the improvement in the Euro/Reais exchange rate and by the M&A transactions carried out during the period.

Revenues from contracts with customers in the Almaxwave-New Technology segment increased by Euro 9,039 thousand, up 48.7% compared to the previous period. This increase is mainly due to the increase in revenues from the sale of software technologies to customers in the Banking/Insurance, Utilities and Other areas, partially offset by a reduction in revenues attributable to the Government, Transport, Telco / Media business area.

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

The fees for services to be provided as at September 30, 2022, based on the contracts already acquired by the Group, amount to Euro 2,500,069 thousand, of which Euro 170,940 thousand to be absorbed within this year and Euro 2,329,128 thousand to be absorbed beyond the year.

31. OTHER INCOME

Other income are reported in the following table:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Recovery of personnel costs	839	865
Recovery of costs of service provision	3,819	2,434
Recovery of costs of use of assets	119	50
Reversal of provisions	5,730	2,087
Other income	5,276	4,304
Operating grants	1,088	920
Reversal of over-accruals of trade payables	75	1,179
Other income	16,946	11,839

Other income amount to Euro 16,946 thousand (Euro 11,839 thousand as at September 30, 2021) and the most significant items relate to the absorption of other ordinary funds for guarantees; to the recovery of personnel costs, provision of services and use of third-party assets; to contingencies from adjustments to items allocated in previous years.

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32. COST OF RAW MATERIALS AND SERVICES

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Raw materials, consumables, supplies and goods	27,676	29,549
Costs for services	281,840	220,709
Costs of use of third party assets	4,471	3,825
Costs for services capitalised for assets created internally	(6,121)	(2,064)
Changes in inventories	(1,067)	(1,498)
Cost of raw materials and services	306,798	250,521

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
IT Services	245,538	206,300
CRM Europe	9,520	12,163
CRM International	53,083	34,678
Almawave New Technology	14,684	10,161
Adjustments eliminations and other	(16,027)	(12,781)
	306,798	250,521

The item increased during the period by Euro 56,277 thousand. The increase is generally attributable to higher revenues in the IT Services sector, with a consequent increase in costs (Euro 39,238 thousand), as well as in the Almawave-New Technology segment (increase in costs of Euro 4,523 thousand) and in the CRM International segment (increase in costs by Euro 18,405 thousand). This effect was partially offset in the CRM Europe segment where costs decreased by Euro 2,643 thousand in addition to the change in inter-sector matches and influenced by the trend of the Euro/Reais exchange rate and the M&A transactions carried out during the period.

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Maintenance	28,438	25,956
Insurance	2,763	2,214
Consultancy and professional services	155,433	117,889
Advertising, promotion and entertainment	963	592
Telephone expenses	3,830	3,094
Travel and stays	2,214	1,169
Energy and fluids	7,364	5,248
Distribution and warehousing	264	1,667
Other costs for services	80,571	62,880
Costs for services	281,840	220,709

The item other costs for services includes operating expenses and various services such as canteen expenses and meal vouchers reserved for employees, legal and notary fees, commissions and expenses for banking services, expenses for training courses, costs for cleaning and costs incurred towards third parties essentially referring to expenses for insurance policies and expenses for travel and business trips, in the present half year the item in question also

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includes the expenses for corporate protection related to Covid 19 (costs for sanitization, cleaning, purchase of masks and gloves). The increase in costs is related to the increase in turnover volumes.

33. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Salaries and wages	291,878	266,014
Social security contributions	52,005	52,644
Employee benefit expenses	13,303	12,380
Other costs	1,836	2,986
Agency work	1,648	3,223
Personnel expenses capitalised for assets created internally	(7,799)	(7,821)
Personnel expenses	352,871	329,426

Personnel expenses increased by Euro 23,446 thousand, or 7.12%.

This increase is mainly due to M&A transactions carried out during the period.

The cost of employee with share-based payment, is equal to Euro 2,202 thousand as at September 30, 2022; the costs just mentioned derive from the best estimate of the achievement of the objectives contained in the Stock Grant Plan. There are no cancellations or changes to the plan during the period except for the assignment of objectives to a new strategic employee.

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

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Industrial patent and intellectual property rights	6,662	5,467
Concession, licence and trademarks	255	170
Other	7,512	6,236
Total Intangible Depreciation and Amortization	14,429	11,874
Civil and industrial buildings	590	587
Industrial and commercial equipment	119	100
Plants and machinery owned	2,599	1,847
Other assets owned and leased	5,883	5,076
ROU Asset - Civil and industrial buildings IFRS16	7,455	6,561
ROU Asset - Other assets owned and leased IFRS16	2,080	865
Total Tangible Depreciation and Amortization	18,726	15,036
<i>Impairment Loss of Intangible asset</i>	0	0
Total Depreciation and Amortization	33,155	26,910

LOSSES FROM SALE ON NON-CURRENT ASSETS

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
<i>Disposals of Intangible Assets</i>	2	0
<i>Disposals of Tangible Assets</i>	212	89
<i>Disposals of Financial Assets</i>	87	0
Total profit (losses) from sale on non-current assets	301	89

35. OTHER EXPENSES

Other operating expenses are broken down as follows:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Write-down of receivables	94	26
Provisions for risks	2,137	2,620
Taxes and duties	765	216
Membership fees	919	546
Other expenses	2,219	4,230
Reversal of over-accruals of trade receivables	(74)	1
Other operating expenses	6,060	7,639

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Net provisions for risks and charges are recorded for Euro 2,137 thousand by the IT Services sector. Information relating to provisions for risks and charges is indicated in Note no. 22 to which reference is made. The other non-recurring operating costs include almost exclusively the economic effect found for the closure of previous items.

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

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Financial income	2,727	780
Financial expenses	(19,157)	(20,243)
Exchange gains/(losses)	(498)	(263)
Financial expenses for leasing IFRS 16	(3,698)	(3,064)
Net financial result	(20,627)	(22,790)

As shown in the previous table, the result is negative as at September 30, 2022 for Euro 20,627 thousand, against a negative result of Euro 22,790 thousand as at September 30, 2021, with a decrease of Euro 2,163 thousand.

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

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

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

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38. INCOME TAXES

Income taxes are broken down as follows:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,	
	2022	2021
Italian Companies		
<i>IRAP (Regional business tax)</i>	3,018	2,600
<i>IRES (Corporate income tax)</i>	10,699	7,677
<i>(Income) expenses from compliance with tax consolidation</i>	(592)	(354)
	13,125	9,923
Foreign companies		
<i>Other current taxes</i>	8,595	6,049
	8,595	6,049
Current Taxes	21,720	15,972
Italian Companies		
<i>IRAP (Regional business tax)</i>	(87)	(13)
<i>IRES (Corporate income tax)</i>	(1,233)	(9,050)
	(1,320)	(9,063)
Foreign companies		
<i>Other deferred taxes</i>	517	820
	517	820
Deferred taxes	(803)	(8,243)
Income taxes for the year - Non recurring portion	(2)	5
Total Income taxes	20,915	7,733

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39. INCOME TAXES RECONCILIATION

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

<i>(in thousands of Euro)</i>	For the nine months ended September 30,			
	2022		2021	
Income before taxes	61,759	100.0%	47,381	100.0%
Theoretical taxes (*)	14,822	24.0%	11,371	24.0%
Effective tax charge	20,915	33.87%	7,733	16.32%
differences between theoretical and effective tax charge	6,093	9.87%	(3,638)	-7.68%
1) different foreign tax rates	(4,074)	-6.60%	2,234	4.72%
1a) Exchange rate differences	0	0.00%	0	0.00%
2) permanent differences:				
2a) IRAP and other italian regional taxes	3,018	4.89%	2,600	5.49%
2b) taxes of prior periods	(2)	0.00%	5	0.01%
2c) tax credit R&D	0	0.00%	0	0.00%
2d) consolidation adjustments	86	0.14%	147	0.31%
2e) IAS 19	0	0.00%	0	0.00%
2f) other differences (**)	7,065	11.44%	(8,624)	-18.20%
Total differences	6,093	9.87%	(3,638)	-7.68%

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

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

40. GUARANTEES AND COMMITMENTS

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

- personal guarantees of Euro 215,724 thousand (Euro 216,958 thousand as at December 31, 2021), which are "in favour of subsidiaries" recorded by Almaviva S.p.A. for co-obligations issued to various insurance companies in the interest of Agrisian S.C.p.A. in Liquidation amounting to Euro 206,583 thousand and relative to the contract with the Ministry of Agricultural and Forest Resources; "in favour of other parties" in the amount of Euro 9,141 thousand, guarantees recorded by Lombardia Gestione of Euro 89 thousand for the execution of the service agreement, by Kline for Euro 20 thousand, by Almaviva Contact S.p.A. in the amount of Euro 8,768 thousand; Sadel S.p.A. in the amount of Euro 284 thousand.
- real guarantees provided as part of the new High Yield bond issue of November 3, 2021 and the new Revolving credit line for Euro 149,777 thousand relate to: Euro 69,543 thousand pledges on the shares held by Almaviva S.p.A. in Almaviva do Brasil Telemarketing Informatica S.A. ; Euro 57,537 thousand pledges on the shares held by Almaviva Contact S.p.a. in Almaviva do Brasil Telemarketing Informatica S.A. ; Euro 26,410 thousand pledges on the shares held by Almaviva do Brasil and by his subsidiary Aquarius Participacoes in Chain Servicos e Contact Center S.A. In order to guarantee the fulfillment of the secured credits, the following have been established: a pledge agreement on the intra-group items between Almaviva do Brasil and Almacontact SaS related to the intercompany loan received from latter. As a further guarantee of this loan, the shares held by Almaviva Technologies S.r.l. have also been pledged equal to 95.11% of the share capital in Almaviva S.p.A.

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

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

Other guarantees, commitments and risks

These amounted to Euro 8,557 thousand (Euro 8,478 thousand as at December 31, 2021) and refer to third party assets held by AlmavivA S.p.A.

41. RISKS AND OTHER INFORMATION

Credit risk

The maximum theoretical exposure to credit risk for the AlmavivA Group as at September 30, 2022 is represented by the carrying amount of financial assets reported in the financial statements, in addition to the nominal value of guarantees given on the payables or commitments of third parties.

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

The following table shows the overall exposure of AlmavivA Group's receivables, together with a breakdown by amounts falling due and past due.

<i>(in thousands of Euro)</i>	At September 30, 2022	At December 31, 2021
- Amount falling due	429,048	372,187
- Past due	58,154	47,487
Trade receivables net of Bad debt provision	487,202	419,674

Liquidity risk

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

Exchange rate risk

Exposure to the risk of exchange rates changing derives from the company's transactions in non-euro currencies (mainly the Brazilian Real) and affects the Interim Condensed Consolidated Financial Statements (economic result and shareholders' equity) due to translating assets and liabilities of companies that draft their financial statements with functional currency other than

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the Euro. The risk arising from translating assets and liabilities of companies that draft their financial statements with non-euro functional currency is not usually subject to hedging, barring another specific assessment. The Interim Condensed Consolidated Financial Statements as at September 30, 2022 were impacted by the worsening of the EUR / R \$ exchange rates.

42. INFORMATION ON FAIR VALUE MEASUREMENT

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

43. LEGAL ISSUES AND LITIGATIONS

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

Contingent liabilities

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

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

Almagiva S.p.A.

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

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

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

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

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

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

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

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

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

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

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

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

The RTI AlmagivA has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award of lot 2 of the open tender for the assignment of the development and management services of the National Agricultural Information System (SIAN) for Agea in favor of the RTI Agriconsulting, adopted by Consip. Engineering brought an independent appeal. The substantive hearing was held on September 21, 2022. The RTI AlmagivA withdrew the appeal; consequently, with a sentence of October 17, 2022, the Lazio TAR declared AlmagivA's appeal inadmissible.

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

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

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

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EXPLANATORY NOTES (continued)

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

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

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

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

The RTI NTT DATA has appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor of the RTI AlmovivA of lot 1 of the tender for the acquisition of services related to the production and maintenance of software in Microsoft environment and PHP – ID 2225, adopted by Consip. By judgment of 19 July 2021, the Lazio Regional Administrative Court upheld the appeal of the RTI NTT DATA. RTI AlmovivA has appealed to the Council of State. The substantive hearing was held on 27 January 2022. With a sentence of 25 May 2022, the Council of State accepted the appeal of the RTI AlmovivA. On 4 August 2022, the RTI NTT DATA notified the appeal for revocation. The hearing on the merits was set for January 19, 2023.

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

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

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

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

Telecom Italia has appealed to the Lazio Regional Administrative Court for the annulment, after adopting precautionary measures, of the award measure in favor of the RTI AlmagivA of lot 1 of the "open tender for the award of a framework agreement concerning the supply of Cloud IaaS and PaaS products in a public delivery model, related services, professional support services, technical professional services for Public Administrations – ID2213", adopted by Consip. The hearing on the merits was held on May 18, 2022. With a sentence of May 24, 2022, the Lazio TAR rejected Telecom Italia's appeal. On September 23, 2022, Telecom Italia lodged an appeal to the Council of State, without a precautionary request. The hearing is pending.

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

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

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

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

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

The RTI Leonardo appealed to the Lazio TAR for the cancellation, after the adoption of precautionary measures, of the award provision in favor of the RTI of which AlmagivA is part of the tender for the conclusion of a Framework Agreement, with subject to the assignment of remote security, compliance and control services for Public Administrations ID Sigef 2296 (CIG Lot 1 88846293CA). The hearing on the merits was held on July 13, 2022. With a sentence of July 29, 2022, the Lazio Regional Administrative Court rejected the appeal.

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

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

Gerry (third classified) appealed to the Lazio TAR for the cancellation, subject to the adoption of precautionary measures, of the award order in favor of BLS International Services Limited, for the exclusion of the latter (first classified) and Almaviva (second classified) from the tender for the "outsourcing of services relating to the performance of activities related to the issue of entry visas in Italy" and for the annulment of the refusal to access Almaviva's technical offer. By order of 20 April 2022, the Lazio TAR granted the exhibition of the aforementioned technical offer. The hearing on the merits was held on July 19, 2022. With a sentence of August 2, the Lazio Regional Administrative Court rejected the appeal. On September 30, 2022, Gerry's lodged an appeal to the Council of State. The hearing is pending.

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

The Kyndryl RTI filed an appeal to the Lazio TAR for the cancellation, after the adoption of precautionary measures, of the award provision in favor of the RTI Almaviva of the tender for the award of the Framework Agreement for the supply of System Management services for the Public Administrations - ID 2275. The hearing on the merits was held on September 21, 2022. With a sentence of September 23, 2022, the Lazio TAR rejected the appeal. The terms for the appeal are pending.

IBM Italia S.p.A./ Trenord S.r.l./ Azienda Trasporti Milanesi - ATM S.p.A./ Almaviva S.p.A. (principal of RTI with Accenture S.p.A. and MIA S.r.l.)

IBM lodged an appeal to the Lombardy TAR for the cancellation, after the adoption of precautionary measures, of the awarding measure in favor of the RTI of which Almaviva is part of the procedure relating to the MAAS project in the Milanese metropolitan area. At the end of the precautionary hearing of July 27, 2022, the Lombardy Regional Administrative Court, with a sentence of August 1, 2022, declared the appeal unacceptable due to lack of jurisdiction. On August 13, 2022, IBM lodged an appeal to the Council of State. The hearing on the merits was set for January 26, 2023.

Almaviva S.p.A. (agent of RTI with Almaviva Digitaltec S.r.l., Accenture S.p.A., Accenture Technology Solutions S.r.l., Ai4health S.r.l., Appocrate S.r.l., A-Thon S.r.l., Compugroup Medical Italia S.p.A., Global Payments S.p.A., Gpi S.p.A., Iqvia Solutions Italy S.r.l., I.S.E.D. Ingegneria dei Sistemi Elaborazione Dati S.p.A., Onit Group S.r.l. and Postel S.p.A.)/ Consip S.p.A./ Dedalus Italia S.p.A. (agent of RTI with Business Integration Partners S.p.A., Expleo Italia S.p.A., Etna Hitech Società Consortile per Azioni, Vodafone Italia S.p.A., Healthware Group S.r.l., Famas System S.p.A. and IBM Italia S.p.A.)/ Engineering Ingegneria Informatica S.p.A. (agent of RTI with Consis soc. cons. a r.l., Nuvyta S.r.l., Leonardo S.p.A., Xenia Reply S.r.l., Telecom Italia S.p.A. and Inmatica S.p.A.)/ Exprivia S.p.A. (agent of RTI with Data Processing S.p.A., Artexe S.p.A., Vesenda S.r.l., Capgemini Italia S.p.A., EL.CO. S.r.l. and Teleconsys S.p.A.)

The Almaviva RTI lodged an appeal to the Lazio TAR for the cancellation, subject to the adoption of precautionary measures, of the award of lot 4 of the "open tender divided into no. 6 lots pursuant to Legislative Decree no. 50/2016 and subsequent amendments for the conclusion of a Framework Agreement, for the assignment of application services and support services in the field of "Digital Health - Health information systems and services for citizens" for the Public Administrations of the NHS - ID 2365 "in favor, among other things, of the same RTI Almaviva (fourth classified). The precautionary hearing was held on September 5, 2022. With a sentence

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

of September 15, 2022, the Lazio TAR accepted the appeal. On September 30, 2022, the Dedalus RTI lodged an appeal at the Council of State. The hearing on the merits was set for December 6, 2022.

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

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

Almawave S.p.A.

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

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

Almaviva Digitaltec S.r.l.

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

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

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

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

The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals took place on April 7, 2022. With sentences of June 9, 2022, and October 12, 2022, the Council of State rejected the appeal of the RTI Exprivia and RTI Telecom Italia.

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

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

RTI Exprivia and Telecom Italia, with autonomous appeals, have appealed to the Lazio Regional Administrative Court for the annulment, after the adoption of precautionary measures, of the award measure in favor, among other things, of the RTI of which AlmagivA Digitaltec is the principal, of lot 4 of the "open tender divided into n. 9 lots pursuant to d.lgs. n. 50/2016 and s.m.i. for the conclusion of a Framework Agreement pursuant to Legislative Decree. n. 50/2015 concerning the assignment of application services in a cloud perspective and the assignment of PMO services for Public Administrations – ID 2212", adopted by Consip. The precautionary hearing in the council chamber was held on June 23, 2021. The substantive hearing was held on 17 November 2021. By judgments of 23 and 24 November 2021, the Lazio Regional Administrative Court dismissed the actions of RTI Telecom Italia and RTI Exprivia respectively. The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals took place on April 7, 2022. With sentences of June 9, 2022, and October 12, 2022, the Council of State rejected the appeal of the RTI Exprivia and RTI Telecom Italia.

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

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

RTI Exprivia and Telecom Italia, with autonomous appeals, have appealed to the Lazio Regional Administrative Court for the annulment of the award measure in favor, among other things, of the RTI of which AlmagivA Digitaltec is the principal, of lot 5 of the "open procedure tender divided into n. 9 lots pursuant to Legislative Decree. n. 50/2016 and s.m.i. for the conclusion of a Framework Agreement pursuant to Legislative Decree. n. 50/2015 concerning the assignment of application services in a cloud perspective and the assignment of PMO services for Public Administrations – ID 2212", adopted by Consip. The substantive hearing was held on 17 November 2021. By judgments of 23 and 24 November 2021, the Lazio Regional Administrative Court dismissed the actions of RTI Telecom Italia and RTI Exprivia respectively. The RTI Telecom Italia and Exprivia have proposed autonomous appeals to the Council of State; after the waiver of both applicants of the precautionary applications, the substantive hearing of both appeals

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

took place on April 7, 2022. With sentences of June 9, 2022, and October 12, 2022, the Council of State rejected the appeal of the RTI Exprivia and RTI Telecom Italia.

AlmavivA Contact S.p.A.

3G S.p.A. / Consip S.p.A. /AlmavivA Contact S.p.A.

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

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

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

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

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

Sogei S.p.A. / AlmavivA Contact S.p.A.

Sogei S.p.A. has requested the condemnation of AlmavivA Contact S.p.A. to the restitution of sums paid as consideration for certain contracts between parties for the provision of telephone Help Desk services in the years 1998-2002. AlmavivA Contact S.p.A. was defended in the judgment. The proceedings were postponed for clarification of the Form of Order Sought at the hearing on 18 October 2023.

Alitalia in A.S. S.p.A. / AlmavivA Contact S.p.A.

Alitalia in A.S. S.p.A. has requested that the ineffectiveness (with consequent obligation to return) of the payments made by the same in favor of AlmavivA Contact S.p.A. in the six months prior to the date of admission to the extraordinary administration procedure (2 May 2017) be

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

declared ineffective, as allegedly carried out in "anomalous" ways and/or times. AlmavivA Contact S.p.A. was defended in the judgment. The parties recently settled the dispute by settlement.

Labour litigation

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

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

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

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

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

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

With reference to the residual litigation activated by former collaborators of the company of the Catania and Palermo offices, we must point out that the Court of Appeal of Palermo has confirmed the line in favor of AlmavivA Contact. The court of Catania continued to confirm its line in favor of the Company's reasons by rejecting the merits all of the appeals filed by certain collaborators.

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

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

44. TRANSACTIONS WITH RELATED PARTIES

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

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

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

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

Trade and other relations

Trade and other relations are analysed as follows:

Transaction with related parties

(in thousands of Euro)	At September 30, 2022		For the nine months ended September 30, 2022			
	Receivables	Payables	Costs of Services	Other Costs	Revenues from Services	Other Income
Relationships with the controlling company of Al mavivA S.p.A.						
Al mavivA Technologies Srl	24,784	35,858	252			2
Relationships with the controlling companies valued at equity method						
Consorzio Hypertix	68					
TVEyes L.T.	9	104				18
Al mavivA CCID	119					
Consorzio Namex			11			
Strategic employees						
Stock Grant Plan				2,202		
Other						
Elvit Consultoria e Participacoes LTDA		12	54			
Total	24,980	35,974	317	2,202	0	20

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

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

(in thousands of Euro)	For the nine months ended September 30, 2021			
	Costs of Services	Other Costs	Revenues from Services	Other Income
Relationships with the controlling company of AlmagivA S.p.A.				
AlmagivA Technologies Srl	234			
Relationships with the controlling companies valued at equity method				
Conorzio Hypertix				
Sin Srl			22,558	575
TVEyes L.T.	3			12
AlmagivA CCID				
Conorzio Namex	11			
Other				
Elvit Consultoria e Participacoes LTDA	35			
Totale	283	0	22,558	587

45. SUBSEQUENT EVENTS

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

ALMAVIVA DO BRASIL TELEMARKETING E INFORMÁTICA S.A. – CHANGE OF COMPANY NAME

On 28 October 2022, the company name was changed to AlmagivA do Brasil S.A..